2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncDecF Column

Numbers and Language

Agency: Department of Natural Resources

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services												
North Slope Gas Commercialization												
FY2015 Ch. 14, SLA 2014 (SB 138) GAS PIPELINE; AGDC; OIL & GAS PROD. TAX	FisNot	**8,986.7**	1,769.7	102.0	7,115.0	0.0	0.0	0.0	0.0	6	0	0
This revised fiscal note appropriates one-time funding in FY15.												
1004 Gen Fund (UGF) 8,986.7												
FY2016 Restore Gas Pipeline; AGDC; Oil and Gas Production Tax, Sec2 Ch16 SLA2014 P48 L12 (SB138)	IncM	**8,986.7**	1,769.7	102.0	7,115.0	0.0	0.0	0.0	0.0	6	0	0
1004 Gen Fund (UGF) 8,986.7												
FY2016 Preliminary Estimate for Gas Pipeline; AGDC;Oil and Gas Production Tax	Inc	**4,900.0**	0.0	0.0	4,900.0	0.0	0.0	0.0	0.0	0	0	0

An additional $4,900.0 is requested along with the initial appropriation of $8,986.7 to continue the State's participation on this project. As timelines, deliverables and development of project plans move forward, the North Slope Gas Commercialization Office expects to have a fully-staffed organization, capable of providing the necessary support to the Commissioners of the DNR and Department of Revenue (with Department of Law's assistance) to negotiate and execute contracts and agreements, and to begin to move into the Front End Engineering and Design (FEED) stage of the project.

The additional $4,900.0 request is driven by the required FY2016 State of Alaska project activities and deliverables as specified in SB138. The main categories of budget increases are:

Personal Services - $352.6 to hire one new State of Alaska Gasline Project Manager (10-#127) position (included in separate change record) and meet a reasonable vacancy factor. Equity participation in the AKLNG project, which is estimated to ultimately cost from 45 to 60 billion dollars, is a significant undertaking for the State that will require highly qualified and experienced personnel to manage. Currently, international expert contractors are helping manage the myriad of issues that are being negotiated and it is imperative that State employees are hired and trained in the complex business interactions through the project phases. The Gasline Project Manager will be one of the key state positions in this effort.

Travel - $300.0 for additional participation in AK LNG project meetings with the Producers.

Contractual - $4,247.4 to cover:

$2,000.0 for Department of Law support for external resources needed to draft a large number of critical commercial agreements in FY2016 that will prepare the State to make a decision to move the project into the FEED stage;

$500.0 for Department of Revenue for additional contracting support;

$647.4 to allow for the hire of State of Alaska employees to train with and transition into the Project Manager positions now staffed by external consultants (allows both State employees and consultants to stay on the project while the consultants transition responsibility to State employees);

$1,000.0 to cover additional consultant support for the AK LNG Midstream and Marketing project teams in DNR;

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
North Slope Gas Commercialization (continued)												
FY2016 Preliminary Estimate for Gas Pipeline; AGDC;Oil and Gas Production Tax (continued)												
$100.0 for data management requirements including a new secure data server and services for information protection.												
1004 Gen Fund (UGF) 4,900.0												
FY2016 AMD: Reduce Estimated Service Contracts for Alaska Liquefied Natural Gas Project	Dec	**-700.0**	0.0	0.0	-700.0	0.0	0.0	0.0	0.0	0	0	0
Reduction related to support for drafting, negotiation and advancement of various confidentiality and commercial agreements, and technical engineering support, as well as other various legal actions to progress the Alaska Liquefied Natural Gas project. Department of Law reduced by $200.0 due to work scope reduction. The Department of Revenue reduced by $200.0 due to amended work duration. Department of Natural Resources, contractual services reduced by $300.0 due to revised consultants' roles and responsibilities.												
1004 Gen Fund (UGF) -700.0												
FY2016 Decrement of $1,914.0	Dec	**-1,914.1**	0.0	0.0	-1,914.1	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -1,914.1												
FY2016 Remove base funding for North Slope Gas Commercialization	Dec	**-11,311.1**	-2,160.8	-500.0	-8,627.2	-23.1	0.0	0.0	0.0	-7	0	0
1004 Gen Fund (UGF) -11,311.1												
FY2017 Restore Alaska Liquefied Natural Gas Project	IncM	**8,986.7**	1,769.7	102.0	7,115.0	0.0	0.0	0.0	0.0	7	0	0
The legislature passed an FY2016 one-time increment for the North Slope Gas commercialization office for funding relating to the advancement of an Alaska Liquefied Natural Gas (AKLNG) project to commercialize North Slope natural gas.												
The North Slope Gas Commercialization office anticipates the AKLNG project will move forward to the next phase in FY2017. During this Front End Engineering and Design, or FEED phase, the state gas team will continue to be involved in technical reviews and begin oversight of the various agreements negotiated during the pre-FEED phase in FY2016. This will require maintaining consultants, and continued legal services for Department of Revenue financing work and general work relating to the AKLNG project.												
Existing PCNs (7)												
(10-?099) Gasline Upstream Project Lead, range 25, Anchorage, Full-Time												
(10-0435) Administrative Officer II, range 19, Anchorage, Full-Time												
(10-X018) Gasline Project Midstream Mgr, range 26, Anchorage, Full-Time												
(10-X019) Gasline Project Marketing Mgr, range 27, Anchorage, Full-Time												
(10-X020) AKLNG Project Coordinator, range 27, Anchorage, Full-Time												
(10-X021) AKLNG Commercial Lead, range 27, Anchorage, Full-Time												
(10-4253) Natural Resource Specialist V, range 23, Anchorage, Full-Time												
1241 GF/LNG (UGF) 8,986.7												
FY2017 Alaska Liquefied Natural Gas Project	Inc	**26,746.4**	9,378.3	398.0	16,885.0	85.1	0.0	0.0	0.0	13	0	0
This funding request is for the advancement of an Alaska Liquefied Natural Gas (AKLNG) project to commercialize North Slope natural gas.												
This request includes a significant increase in personal services and contractual services for the anticipated shift in work focus during FY2017. With the move to the FEED phase, the state will focus more heavily on the marketing aspects of the AKLNG project. The state is actively evaluating the position it will take in regards to marketing structures and an in-house marketing organization will help define what structure and organization is appropriate in the best interest of the state. The state anticipates the possibility of entering into three separate joint venture marketing agreements, one with each of the three producers. The FY2017 marketing funding requests are												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
North Slope Gas Commercialization (continued)												
FY2017 Alaska Liquefied Natural Gas Project (continued)												
based on this scenario.												
Personal services funding request includes 1 position added in FY2016 supplemental, and increased funding for 13 new positions to build in-house marketing capacity for the negotiation and participation in three joint venture marketing agreements and the future sale and disposition of the state's share of royalty and Tax-As-Gas.												
Travel funding request includes maintaining funding for in-state and out-of-state meetings and conferences and increased funding for anticipated out-of-state and out-of-country travel related to additional marketing outreach.												
Services funding request includes maintaining funding for the various expert consultants being used to support the state gas team to advance the AKLNG project into the FEED phase and increased funding primarily for additional legal services:												
- $6 million in legal support from the Department of Law via outside counsel to continue advancing the legal and regulatory AKLNG project work												
- $12 million for legal support from the Department of Law via outside counsel in anticipation of the state entering three separate joint venture marketing agreements, one with each of the three producers, which would require the state to support 50 percent of the legal support for each one of the ventures.												
Commodities funding request anticipates the need for additional office equipment and furniture with the addition of 13 new positions.												
New PCN during FY2016 Special Session (1)												
(10-#128) Marketing Analyst, range 25, Anchorage, Full-Time												
New PCNs in FY2017 (13)												
(10-#129) Market Analyst, range 25, Anchorage, Full-Time												
(10-#130) AKLNG Sr Marketing Negotiator, range 27, Anchorage, Full-Time												
(10-#131) AKLNG Sr Marketing Negotiator, range 27, Anchorage, Full-Time												
(10-#132) AKLNG Sr Marketing Negotiator, range 27, Anchorage, Full-Time												
(10-#133) Market Analyst, range 25, Anchorage, Full-Time												
(10-#134) AKLNG Marketing Negotiator, range 27, Anchorage, Full-Time												
(10-#135) AKLNG Marketing Negotiator, range 27, Anchorage, Full-Time												
(10-#136) AKLNG Marketing Negotiator, range 27, Anchorage, Full-Time												
(10-#137) Reservoir Engineer, range 27 , Anchorage, Full-Time												
(10-#138) Geoscientist, range 27, Anchorage, Full-Time												
(10-#139) Reservoir Technician, range 25, Anchorage, Full-Time												
(10-#140) Administrative Assistant I, range 12, Anchorage, Full-Time												
(10-#141) Market Analyst, range 25, Anchorage, Full-Time												
1241 GF/LNG (UGF) 26,746.4												
FY2017 AMD: Reduce Alaska Liquefied Natural Gas Project Budget	Dec	**-7,051.3**	-5,691.3	-300.0	-1,000.0	-60.0	0.0	0.0	0.0	-10	0	0
This is a reduction to the initial budget request for the North Slope Gas (NSG) office for the advancement of an Alaska Liquefied Natural Gas (AKLNG) project.												
Because critical commercial agreement negotiations are not advancing at the pace initially anticipated, the NSG office has reduced its initial request, specifically as it relates to marketing, to take a more focused approach moving forward. With the continued advancement towards a Front-End Engineering and Design (FEED) phase the state will continue negotiating and drafting critical commercial project agreements and will take a more focused approach on marketing negotiations. The state is actively evaluating the position it will take in regards to marketing structure and what is appropriate and in the best interest of the state.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Administration & Support Services (continued)

North Slope Gas Commercialization (continued)

FY2017 AMD: Reduce Alaska Liquefied Natural Gas Project Budget (continued)

Personal services will be reduced by $5,691.3 and the remaining funding will include one position added in FY2016 special session supplemental appropriation and funding for three new positions to build in-house marketing capacity for the negotiation and participation in marketing agreements and the future sale and disposition of the state's share of royalty and Tax-as-Gas or TAG gas.

Retain one PCN from FY2016 Special Session and three PCNs from FY2017 Governor:
(10-#128) Market Analyst, range 25, Anchorage, Full-Time
(10-#130) AKLNG Sr Marketing Negotiator, range 27, Anchorage, Full-Time
(10-#133) Market Analyst, range 25, Anchorage, Full-Time
(10-#134) AKLNG Marketing Negotiator, range 27, Anchorage, Full-Time

Remove ten New PCNs from FY2017 Governor:
(10-#129) Market Analyst, range 25, Anchorage, Full-Time
(10-#131) AKLNG Sr Marketing Negotiator, range 27, Anchorage, Full-Time
(10-#132) AKLNG Sr Marketing Negotiator, range 27, Anchorage, Full-Time
(10-#135) AKLNG Marketing Negotiator, range 27, Anchorage, Full-Time
(10-#136) AKLNG Marketing Negotiator, range 27, Anchorage, Full-Time
(10-#137) Reservoir Engineer, range 27 , Anchorage, Full-Time
(10-#138) Geoscientist, range 27, Anchorage, Full-Time
(10-#139) Reservoir Technician, range 25, Anchorage, Full-Time
(10-#140) Administrative Assistant I, range 12, Anchorage, Full-Time
(10-#141) Market Analyst, range 25, Anchorage, Full-Time

Travel funding will be reduced by $300.0 and the remaining funding will provide for in-state and out-of-state meetings and conferences and for anticipated out-of-country travel related to additional marketing outreach activities.

Services funding will be reduced from $18 million by $1 million to $17 million for marketing agreements. The remaining funding will provide for the continued support of the state gas team by various expert consultants for negotiating critical commercial agreements to advance the AKLNG project into the FEED phase and funding primarily for legal services:
-$12 million in legal support from the Department of Law via outside counsel to continue advancing the legal and regulatory AKLNG project work, with a focus on commercial agreements.
-$5 million in legal support from the Department of Law via outside counsel for the negotiation and drafting of joint venture marketing agreements with the Producers.

Commodities funding will be reduced by $60.0 and the remaining funding will provide for additional office equipment and furniture for new positions.

FY2017 December Budget: $35,733.1
FY2017 Total Amendments: -$7,051.3
FY2017 Total: $28,681.8

1241 GF/LNG (UGF) -7,051.3

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
North Slope Gas Commercialization (continued)												
FY2017 Reduce AKLNG RSA to Law by $2,000.0 to Match DNR Request	Dec	**-2,000.0**	0.0	0.0	-2,000.0	0.0	0.0	0.0	0.0	0	0	0
1241 GF/LNG (UGF) -2,000.0												
FY2017 Eliminate funding for North Slope Gas Commercialization	Dec	**-26,681.8**	-5,456.7	-200.0	-21,000.0	-25.1	0.0	0.0	0.0	0	0	0
1241 GF/LNG (UGF) -26,681.8												
FY2018 Adjust FY2018 Salary and Health Insurance Increases for Deleted Positions	Dec	**-1.0**	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Includes: ACOA COLA, 2.25% per contract ending 6/30/2018; GGU HI increase from $1346 to $1389; LTC HI increase from $1363 to $1432.: $1.0												
FY2018 PS Health Ins.: $1.0												
1007 I/A Rcpts (Other) -1.0												
*** Allocation Total ***		**8,947.2**	1,377.6	-296.0	7,888.7	-23.1	0.0	0.0	0.0	15	0	0
Commissioner's Office												
FY2006 Partial Personal Services Funding for Commisisoner's Office Special Assistant	Inc	**64.8**	64.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Special Assistant position (10-0087) has been partially budgeted with interagency receipts in the Commissioner's Office, and partially funded with ARLF receipts to provide part-time support for the Natural Resource Conservation and Development Board (NRDCB) component.												
A new position has been established to provide the NRCDB support (using the existing ARLF funding), and this Special Assistant position was transferred to the Commissioner's Office, to support the Commissioner on priority resource development projects. The position remains partially I/A funded, through indirect cost collected from divisions.												
1004 Gen Fund (UGF) 64.8												
FY2006 Add I/A Authorization for Project Assistant work on special projects	Inc	**70.1**	70.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
A Project Assistant (PCN 10-0160) position was added in the FY05 Management Plan to represent the Commissioner's Office on special projects such as the Gasline Right-of-Way and Applications process, and other large pipeline and natural resource projects such as Alpine. This position is funded with Interagency Receipts from the agreements on the individual special projects.												
1007 I/A Rcpts (Other) 70.1												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**49.4**	49.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 49.4												
FY2006 Ch. 53, SLA 2005 (HB 98) Commissioner increase	FisNot	**35.1**	35.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 35.1												
FY2007 Continuation of one Project Assistant Position to Support Gasline Workload in Commissioner's Office	IncOTI	**125.0**	117.5	5.0	2.5	0.0	0.0	0.0	0.0	0	0	0
Continuation of two Project Assistant positions to support gasline workload in the Commissioner's Office. These positions were established with one-time operating funding which lapses on June 30, 2006.												
1004 Gen Fund (UGF) 125.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Commissioner's Office (continued)												
FY2007 Delete Special Projects position (PCN 10-0160) and I/A funding no longer required	Dec	**-75.0**	-75.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
A Project Assistant position (PCN 10-0160) which was previously funded with interagency receipts to work on special projects is no longer needed and is deleted along with the I/A authorization.												
1007 I/A Rcpts (Other) -75.0												
FY2008 Replace Legislative One-time-item Funding for Project Assistant and Gasline Workload	Inc	**125.0**	110.0	3.0	10.0	2.0	0.0	0.0	0.0	0	0	0
Continuation of a Project Assistant position (PCN 10-T005) to support gasline workload in the Commissioner's Office. This position was established with one-time operating funding in FY06 and FY07. Continued focus on the gasline increases the Commissioner's Office workload extensively, which cannot be addressed without existing personnel.												
1004 Gen Fund (UGF) 125.0												
FY2008 AMD: Reverse Replacement of Legislative One-time-item Funding for Project Assistant to support Workload and Gasline Issu	Dec	**-125.0**	-110.0	-3.0	-10.0	-2.0	0.0	0.0	0.0	0	0	0
The Commissioner's Office has used this Project Assistant position for direct technical and public relations support of the Commissioner and the Deputy Commissioners and all the outside communications and logistics within the Administration, with the public, the Legislature, and the industry. Much of the work has dealt with of support of the Gas Pipeline Project and issues.												
DNR is not deleting the actual position at this time. In order to deal with this reduction, the Commissioner's Office will pursue interagency funding from the Division of Oil & Gas if the workload associated with oil and gas issues exceeds the existing staff capability.												
1004 Gen Fund (UGF) -125.0												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-19.1**	-19.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) -19.1												
FY2010 Atwood Parking Garage Lease Chargeback	Inc	**4.4**	0.0	0.0	4.4	0.0	0.0	0.0	0.0	0	0	0
The new parking garage at the Atwood building requires an increase in lease costs for DNR. This cost was unexpected. An increase in IA would allow the component to meet its share of the increase in lease costs.												
1007 I/A Rcpts (Other) 4.4												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-5.5**	0.0	-5.5	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -5.5												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**14.4**	14.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $14.4												
1004 Gen Fund (UGF) 12.9												
1007 I/A Rcpts (Other) 1.5												
FY2013 Funding Redistribution from Agency-wide Position Deletions	IncM	**100.0**	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
In the Governor's agency-wide effort to limit the growth of state government (for both positions and funding), some												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Commissioner's Office (continued)												
FY2013 Funding Redistribution from Agency-wide Position Deletions (continued)												
vacant positions were deleted, with the intent to utilize savings generated from the deleted positions to fund personal services funding shortfalls or other priority projects within the department.												
The department deleted 20 vacant positions across multiple components. General fund savings from the deleted positions is reallocated between components to cover personal services funding shortfalls or other department priority initiatives.												
Prior to these funding transfers, personal services funding shortfalls existed in many components at a level that was not manageable without either a general fund increment, or a reduction of positions (most of which are filled) and a loss of service. Shortfalls are primarily a result of when employees receive merit increases, the cost is reflected in the personal services budget need, but the budget is not increased to cover the cost. The general expectation is that departments are responsible to cover merit increases through turnover and vacancies in a component, assuming that will generate savings to offset the merit increases. When components experience little turnover or have few vacant positions, there is no cost savings to cover the increases. The Governor's budget recognizes the need to cover these shortfalls by allowing for the transfer of savings between allocations.												
General fund was reallocated as follows: Commissioner's Office $100.0 Administrative Services $125.0 Information Resource Management $269.2 Citizens' Advisory Commission on Federal Areas $13.0 Parks Management & Access $80.0 Gas Pipeline Project Office ($223.4) Petroleum Systems Integrity Office ($281.2) Forest Management & Development ($82.6)												
1004 Gen Fund (UGF) 100.0												
FY2013 Inter-agency Receipts to to Cover Personal Services Shortfall	Inc	**30.1**	30.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Inter-agency receipts from the Public Information Office will be utilized towards funding for the Communications Coordinator position.												
1007 I/A Rcpts (Other) 30.1												
FY2013 Marketing of Statewide Resource Development Initiatives	IncOTI	**50.0**	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
Support the ramp-up of an aggressive marketing and outreach campaign to support resource development initiatives statewide, and to engage with federal partners to improve access issues for Alaskans plus funding to maintain existing staff levels will support resource development initiatives across the state.												
Examples of the increased activities to support resource development initiatives and engage with federal partners include:												
- Sponsor more conferences, networking events, road shows and seminars to showcase our resource potential such as the Strategic and Critical Minerals conference DNR organized and sponsored in Fairbanks in September 2011.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Commissioner's Office (continued)												
FY2013 Marketing of Statewide Resource Development Initiatives (continued)												
- Purchase worldwide advertising to encourage investment in oil and gas exploration in publications such as the "Oil and Gas Investor".												
- Produce high-quality promotional materials, such as brochures, posters and display banners to support our marketing efforts featuring resource development.												
- Support regular trips to Washington DC to testify before congress and to meet with congressmen and senior Obama administration officials to discuss Alaska resource development and access issues - these trips are made at the request of the Governor.												
- Support regular trips to Houston, Calgary and other locations to meet with energy companies to attract investment in Alaska.												
With the significant efforts underway to market Alaska's natural resources the office is now fully staffed, and requires additional general fund to cover the salary costs. This request, in addition to a second change record reallocating some vacancy savings from other components will fully fund this office.												
1004 Gen Fund (UGF) 50.0												
FY2013 Support for Existing Staff levels	Inc	**100.0**	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Support the ramp-up of an aggressive marketing and outreach campaign to support resource development initiatives statewide, and to engage with federal partners to improve access issues for Alaskans plus funding to maintain existing staff levels will support resource development initiatives across the state.												
Examples of the increased activities to support resource development initiatives and engage with federal partners include:												
- Sponsor more conferences, networking events, road shows and seminars to showcase our resource potential such as the Strategic and Critical Minerals conference DNR organized and sponsored in Fairbanks in September 2011.												
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Administration & Support Services (continued)												
Commissioner's Office (continued)												
FY2013 Support for Existing Staff levels (continued)												
requires additional general fund to cover the salary costs. This request, in addition to a second change record reallocating some vacancy savings from other components will fully fund this office.												
1004 Gen Fund (UGF) 100.0												
FY2014 Restore Marketing of Statewide Resource Development Initiatives	IncM	**50.0**	0.0	10.0	40.0	0.0	0.0	0.0	0.0	0	0	0

Continuation funding is requested for a one-time item to support the marketing of statewide resource development initiatives.

The department is using the FY2013 funds for key initiatives to support natural resource development in Alaska. The primary focus of spending so far in the fiscal year has supported the administration's initiatives to 1.) commercialize the North Slope's world-class gas reserves, 2.) reverse the declining flow of oil through Trans-Alaska Pipeline System, and 3.) foster development of a strategic and critical minerals sector.

Examples include:
1.) Support for speaking engagements and extensive meetings in Japan and South Korea with representatives of major utilities, suppliers, and other potential Asian investors. The primary focus of these meetings was to explain the comparative advantages of Alaska LNG exports, with respect to other competing LNG projects around the world. Speaking engagements included:
the DNR Commissioner's presentation at the LNG Producer-Consumer Conference in Tokyo, a global conference at which government ministers, LNG producers and consumers discussed LNG issues and projects around the world

the Commissioner's presentation on Alaska gas and mineral opportunities at a reception hosted for Alaska by the U.S. Embassy in Tokyo. This event was attended by more than 70 business and government leaders.

During the Japan-South Korea trip, the state's message reached more than 1,000 company and government officials and resulted in multiple Asian companies arranging follow-up trips to Alaska to further explore opportunities to invest in Alaska.

2.) Advertising and securing of significant editorial space in the world's largest energy magazine (Oil and Gas Journal) to attract investment in Alaska's world-class hydrocarbon potential. The magazine's special report on Alaska will reach more than 300,000 readers worldwide in December. This special report will also be circulated at industry events in the Lower 48 and Asia. The report will educate potential investors on Alaska's future LNG prospects, the state's efforts to reverse the declining flow of oil through TAPS, and the opportunities for companies to invest in the state's enormous, untapped hydrocarbon resources.

3.) support for the 2013 Strategic and Critical Minerals Summit, which brings potential investors, explorers, landowners and others together in a one-day meeting to advance the development of a strategic and critical minerals sector. The 2011 summit was a sold-out event with more than 200 attendees, including potential investors, and resulted in significant, positive national news coverage of Alaska's strategic and critical minerals potential. The summit also provided extensive networking opportunities to facilitate private-sector investment.

In FY2014, funding will likely be used to support the next phases of oil, gas and mineral development in Alaska,

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Commissioner's Office (continued)												
FY2014 Restore Marketing of Statewide Resource Development Initiatives (continued)												
and as needed, to support other administration priorities for resource development. These could include marketing to support increased demand for Alaska agricultural and timber products.												
1004 Gen Fund (UGF) 50.0												
FY2014 Department of Administration Core Services Rates	Inc	**13.4**	13.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 13.4												
FY2014 Cost Allocation to Comply with Vacancy Factor Guidelines	Inc	**165.8**	165.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The cost allocation of the Commissioner's Office is being adjusted to comply with vacancy factor guidelines.												
1007 I/A Rcpts (Other) 165.8												
FY2015 Ch. 87, SLA 2014 (HB 140) REGULATIONS: NOTICE, REVIEW, COMMENT	FisNot	**112.0**	0.0	0.0	112.0	0.0	0.0	0.0	0.0	0	0	0
Initial Version												
1004 Gen Fund (UGF) 112.0												
FY2016 AMD: Delete (10-0087) Special Assistant to the Commissioner I	Dec	**-70.0**	-70.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
In an effort to find budget savings and efficiencies in the Commissioner's Office, some workload will be redistributed amongst existing staff, and one Special Assistant position will be deleted. Response time to project requests, appeals, hearing requests, and decisions will be diminished. Workload in the Commissioner's Office has increased in recent years associated with the increase in small companies participating in industry activities related to resource development.												
Delete (10-0087) Partially Exempt, Special Assistant to the Commissioner I, Full-time, Anchorage												
1004 Gen Fund (UGF) -70.0												
FY2016 Remove Marketing of Statewide Resource Development Initiatives	Dec	**-50.0**	0.0	-10.0	-40.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -50.0												
FY2017 Cover a Portion of Deputy Commissioner's Time on the AKLNG Project	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This fund source switch recognizes a portion of the Deputy Commissioner's time will be covered by a reimbursable services agreement from the North Slope Gas Commercialization component.												
1004 Gen Fund (UGF) -46.5												
1007 I/A Rcpts (Other) 46.5												
FY2017 Reduce Authority for North Slope Science Initiative	Dec	**-20.0**	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0	0	0
The Department of Natural Resources no longer receives annual funding from the North Slope Borough for participation in the North Slope Science Initiative (NSSI). These funds were typically passed through directly to												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Commissioner's Office (continued)												
FY2017 Reduce Authority for North Slope Science Initiative (continued)												
the NSSI to support their joint partnership with the University of Alaska Fairbanks to understand development projects and their implications, and to help guide management science decisions.												
1108 Stat Desig (Other) -20.0												
FY2017 Reduce Funding by $335.0, Eliminate Two Positions	Dec	**-335.0**	-335.0	0.0	0.0	0.0	0.0	0.0	0.0	-2	0	0
1004 Gen Fund (UGF) -335.0												
FY2019 Reduce Uncollectible Inter-Agency Receipt Authority	Dec	**-120.0**	-50.0	0.0	-70.0	0.0	0.0	0.0	0.0	0	0	0
Reduction of inter-agency receipt authority better aligns the budget with actual spending.												
1007 I/A Rcpts (Other) -120.0												
*** Allocation Total ***		**289.9**	211.5	-0.5	78.9	0.0	0.0	0.0	0.0	-4	0	0
Gas Pipeline Project Office												
FY2010 Gasline Implementation Continuation to Maintain Existing Service	Inc	**391.7**	327.7	27.0	27.0	10.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 391.7												
FY2010 Reduce Transfer from Gov's Office	Dec	**-100.0**	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
$390.0 was moved from Governor's office transfer 2 poHouse Sub comittee reduced it by $100												
1004 Gen Fund (UGF) -100.0												
FY2010 Funding for natural gas and AGIA coordination, permit process and title work	IncOTI	**3,200.0**	0.0	0.0	3,200.0	0.0	0.0	0.0	0.0	0	0	0
Replaces a 3.2 million FY10 Capital Project request. An anticipated lapse of 2.7 million of GF will be addressed in Supplemental of FY09- No position added with this transaction. With the 391.7 INC from Gov. Amend, total FY10 appropriation is $3,591.7												
1004 Gen Fund (UGF) 3,200.0												
FY2011 Alaska Gas Inducement Act (AGIA) - Professional and Support Staff for Capacity	IncOTI	**1,440.0**	618.1	479.6	342.3	0.0	0.0	0.0	0.0	4	0	0

As activity related to the Alaska Gas Inducement Act (AGIA) escalates, the AGIA Coordinator (hired in January 2008) has identified specific positions needed in the AGIA Office to assure state and licensee compliance with the terms of the AGIA license, and to facilitate the complex permitting process, thereby assuring that the project moves forward without delay. Positions requested are:

Pipeline Engineer (PCN 10-#183) - Evaluate technical design, cost, and construction schedule, and understand the design basis for the project and the implications of alternative approaches

Habitat Biologist IV (PCN 10-#185) - Work with Alaska Dept of Fish and Game and U.S. Fish and Wildlife Service to analyze fish and wildlife habitat and populations and proposed studies, and integrate information into state and federal agency decisions.

Project Assistant (PCN 10-#186) - Specialized geographic information system and data management, including development of a new geospatial information system and integration of multiple data systems across agencies

Administrative Officer I (PCN 10-#182) - Travel, payroll, scheduling, procurement and general office management

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Gas Pipeline Project Office (continued)												
FY2011 Alaska Gas Inducement Act (AGIA) - Professional and Support Staff for Capacity (continued)												
1004 Gen Fund (UGF) 1,440.0												
FY2011 CC: Reduce Alaska Gas Inducement Act (AGIA) - Professional and Support Staff for Capacity	Dec	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0	0	0

This request also includes travel funds needed for monthly meetings with licensee representatives in Calgary and Houston, as well as for performing a high level of public outreach and satisfying speaking requests related to AGIA and project progess. Additionally, close coordination with U.S. and Canadian agencies will require travel. This budget request also includes expenses for equipment, supplies, and office space including lease costs and internal state charges for technology and communication systems and human resource management support.

The Alaska Natural Gas Pipeline is currently the largest planned construction project in North America, and will provide billions of dollars in state revenue over the next fifty years. As North Slope oil declines, the success of this project is critical to maintaining state revenue. The project is currently moving into the advanced engineering and regulatory phases. The positions requested will provide the expertise needed to fulfill the state's role and obligation in these areas. Existing positions in the AGIA Office include the AGIA Coordinator, a Natural Resource Specialist IV, a Natural Resource Specialist V, and a Petroleum Geologist II.

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	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Gas Pipeline Project Office (continued)												
FY2011 CC: Reduce Alaska Gas Inducement Act (AGIA) - Professional and Support Staff for Capacity (continued)												
1004 Gen Fund (UGF) -150.0												
FY2011 Alaska Gas Inducement Act (AGIA) Implementation	IncOTI	**2,300.0**	0.0	0.0	2,300.0	0.0	0.0	0.0	0.0	0	0	0
The requested funds will cover costs associated with implementing the Alaska Gas Inducement Act (AGIA) and fulfilling the state's responsibiltlies as per the terms of the license agreement with TransCanada Alaska. Maintaining the state's current level of technical, commercial, and financial understanding is essential to success. These funds would be used to retain outside experts and consultants for continued gas pipeline analysis including pipeline engineering and practices and analysis, and advice on tariffs, cost overruns, royalty valuation methodology, enforcement, remedies, and off-ramps for the licensee and state.												
1004 Gen Fund (UGF) 2,300.0												
FY2011 Alaska Gas Inducement Act (AGIA) Outreach	IncOTI	**477.5**	0.0	95.5	286.5	95.5	0.0	0.0	0.0	0	0	0
Local Outreach - Funds will be used to keep local communities informed of current gasline activities and related projects that impact the areas along the gasline route. The gasline team and AGIA Coordinator's Office will use these funds for travel costs and supplies for town meetings, speaking engagements, and meeting with local governments and the public. Keeping citizens informed of gasline activities will help alleviate local concerns and streamline the project development process. Outreach will also help the AGIA Coordinator's Office stay informed of local concerns. National and Federal Outreach - Funds will be used to raise awareness and educate the public nationwide on the national importance and impact of an Alaska gas pipeline. Efforts will include out-of-state travel, speaking engagements, and town hall meetings. Consultants and/or analysts will monitor and brief the AGIA team on national legislation which may impact the project, and advise the team on various methods to package and provide gas pipeline information and updates to the public on a national scale, including Congress. The analysts/consultants will also represent the state's interests in Washington, D.C. if needed. Supplies will include brochures, maps, and other printed materials and supplies for providing information to interested parties.												
1004 Gen Fund (UGF) 477.5												
FY2011 CC: Reduce Alaska Gas Inducement Act (AGIA) Outreach	Dec	**-100.0**	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
Local Outreach - Funds will be used to keep local communities informed of current gasline activities and related projects that impact the areas along the gasline route. The gasline team and AGIA Coordinator's Office will use these funds for travel costs and supplies for town meetings, speaking engagements, and meeting with local governments and the public. Keeping citizens informed of gasline activities will help alleviate local concerns and streamline the project development process. Outreach will also help the AGIA Coordinator's Office stay informed of local concerns. National and Federal Outreach - Funds will be used to raise awareness and educate the public nationwide on the national importance and impact of an Alaska gas pipeline. Efforts will include out-of-state travel, speaking engagements, and town hall meetings. Consultants and/or analysts will monitor and brief the AGIA team on national legislation which may impact the project, and advise the team on various methods to package and provide gas pipeline information and updates to the public on a national scale, including Congress. The analysts/consultants will also represent the state's interests in Washington, D.C. if needed.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Gas Pipeline Project Office (continued)												
FY2011 CC: Reduce Alaska Gas Inducement Act (AGIA) Outreach (continued)												
Supplies will include brochures, maps, and other printed materials and supplies for providing information to interested parties.												
1004 Gen Fund (UGF) -100.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-5.2**	0.0	-5.2	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -5.2												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**13.1**	13.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $13.1												
1212 Stimulus09 (Fed) 13.1												
FY2011 Ch. 56, SLA 2010 (HB 421) LFD: Correct funding for FY 2011 Noncovered Employees Salary Increases	FisNot	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 13.1												
1212 Stimulus09 (Fed) -13.1												
FY2011 LFD: Revise Governor's salary adjustment request	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 15.9												
1212 Stimulus09 (Fed) -15.9												
FY2012 AGIA Coordinator's Office Staff and Capacity	IncOTI	**1,290.0**	840.5	208.3	231.2	10.0	0.0	0.0	0.0	0	0	0
This funding is needed to maintain the current staff level and operational costs to adequately support and facilitate the permitting process for the Alaska natural gas pipeline under AGIA. Without the current staff level, monitoring of compliance under the AGIA license as well as facilitation of the complex permitting process will not be possible.												
Travel funds are needed for project coordination, permitting and license monitoring, and to meet monthly with TransCanada and ExxonMobil representatives in both Calgary, Alberta Canada and Houston, Texas. Additionally, close coordination with federal and Canadian agencies will require travel to be successful. Without these funds, we will not be able to meet this demand and the progress of the project will suffer.												
Services funds are needed to cover the costs of leasing office space and inter-agency billings for IT, telecommunications, and mail/courier support. Without these funds, an office cannot be maintained which will leave the AGIA staff unable to perform their duties.												
1004 Gen Fund (UGF) 1,290.0												
FY2012 AGIA Contractors/Consultants	IncOTI	**1,150.0**	0.0	0.0	1,150.0	0.0	0.0	0.0	0.0	0	0	0
The requested funds will cover costs associated with implementing the Alaska Gasline Inducement Act (AGIA) and fulfilling the state's responsibilities as per the terms of the license agreement with TransCanada Alaska. Maintaining the state's current level of technical understanding and project support is essential to success. These funds would be used to retain outside experts and consultants for continued gas pipeline analysis including acquisition of baseline data, pipeline engineering (practices and analysis) and design, gas treatment plant design, engineering, and operation, cost overruns, enforcement, remedies, and off-ramps for the licensee and state as well as technical licensee reimbursements audit support. Consultants will also provide expertise regarding federal project support including federal loan guarantees and the effects of environmental regulation.												
1004 Gen Fund (UGF) 1,150.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Gas Pipeline Project Office (continued)												
FY2013 Long-Term Vacant Positions Deletion for Intra-agency Funding Redistribution	Dec	**-223.4**	-223.4	0.0	0.0	0.0	0.0	0.0	0.0	-2	0	0

In the Governor's agency-wide effort to limit the growth of state government (for both positions and funding), some vacant positions were deleted, with the intent to utilize savings generated from the deleted positions to fund personal services funding shortfalls or other priority projects within the department.

The department deleted 20 vacant positions across multiple components. General fund savings from the deleted positions is reallocated between components to cover personal services funding shortfalls or other department priority initiatives.

Prior to these funding transfers, personal services funding shortfalls existed in many components at a level that was not manageable without either a general fund increment, or a reduction of positions (most of which are filled) and a loss of service. Shortfalls are primarily a result of when employees receive merit increases, the cost is reflected in the personal services budget need, but the budget is not increased to cover the cost. The general expectation is that departments are responsible to cover merit increases through turnover and vacancies in a component, assuming that will generate savings to offset the merit increases. When components experience little turnover or have few vacant positions, there is no cost savings to cover the increases. The Governor's budget recognizes the need to cover these shortfalls by allowing for the transfer of savings between allocations.

General fund was reallocated as follows:
Commissioner's Office $100.0
Administrative Services $125.0
Information Resource Management $269.2
Citizens' Advisory Commission on Federal Areas $13.0
Parks Management & Access $80.0
Gas Pipeline Project Office ($223.4)
Petroleum Systems Integrity Office ($281.2)
Forest Management & Development ($82.6)

1004 Gen Fund (UGF) -223.4

FY2013 Gas Pipeline Project Office Contractors and Consultants	IncOTI	**1,150.0**	0.0	0.0	1,150.0	0.0	0.0	0.0	0.0	0	0	0

This restores funds that have been one time items and will be used to cover costs associated with fulfilling the state's responsibilities as per the terms of the license agreement with TransCanada Alaska. Maintaining the state's current level of technical understanding and project support is essential to success. These funds would be used to retain outside experts and consultants for continued gas pipeline analysis including acquisition of baseline data, pipeline engineering (practices and analysis) and design, gas treatment plant design, engineering, and operation, cost overruns, enforcement, remedies, and off-ramps for the licensee and state as well as technical licensee reimbursements audit support. Consultants will also provide expertise regarding federal project support including federal loan guarantees and the effects of environmental regulation.

1004 Gen Fund (UGF) 1,150.0

FY2013 Gas Pipeline Project Office Staff and Operations	IncOTI	**1,290.0**	829.7	219.1	231.2	10.0	0.0	0.0	0.0	0	0	0

This request restores funding that was previously a one time item, needed to maintain the current staff level and operational costs to adequately support and facilitate the permitting process for the Alaska natural gas pipeline under AS 43.90. Without the current staff level, monitoring of compliance under the Alaska Gasline Inducement

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Gas Pipeline Project Office (continued)												
FY2013 Gas Pipeline Project Office Staff and Operations (continued)												
Act license as well as facilitation of the complex permitting process will not be possible.												
Travel funds are needed for project coordination, permitting and license monitoring, and to meet monthly with Alaska Pipeline Project representatives in both Calgary, Alberta, Canada, and Houston, Texas. Additionally, close coordination with federal and Canadian agencies will require travel to be successful. Without these funds, we will not be able to meet this demand and the progress of the project will suffer.												
Services funds are needed to cover the costs of leasing office space and inter-agency billings for IT, telecommunications, and mail/courier support. Without these funds, an office cannot be maintained which will leave the staff unable to perform their duties.												
1004 Gen Fund (UGF) 1,290.0												
FY2014 Restore Gas Pipeline Project Office Staff and Operations	IncM	**1,290.0**	847.5	219.1	213.4	10.0	0.0	0.0	0.0	0	0	0
The purpose of the Gas Pipeline Project Office (GPPO) is to support and facilitate the permitting process for the Alaska Pipeline Project. The GPPO is also tasked with monitoring of compliance under the Alaska Gasline Inducement Act (AGIA) license, takes part in driving and coordinating fiscals negotiations, as well as facilitation of the complex permitting process through construction. As the work progresses through the various phases of the project the GPPO will coordinate action by multiple State agencies to accelerate the permitting process and avoid costly, unnecessary project timeline delays. This office requires funding to cover staff and operation costs associated with fulfilling the State's responsibilities per the terms of the license agreement with TransCanada Alaska, while also maintaining a high level of technical understanding and project support which is essential for success.												
1004 Gen Fund (UGF) 1,290.0												
FY2014 Restore Gas Pipeline Project Office Contractors and Consultants	IncM	**1,150.0**	0.0	0.0	1,150.0	0.0	0.0	0.0	0.0	0	0	0
Through the permitting and construction phases of the project this funding will continue to be utilized to cover costs associated with fulfilling the State's responsibilities per the terms of the license agreement with TransCanada Alaska. Maintaining the State's current level of technical understanding and project support is essential to success in bringing Alaska's natural gas to market. Retaining outside experts and consultants remains crucial for continued gas pipeline analysis including acquisition of baseline data, pipeline engineering (practices and analysis) and design, gas treatment plant design, LNG engineering and operation, cost overruns, enforcement, remedies, and off-ramps for the licensee and state as well as technical licensee reimbursements audit support. Consultants will also provide expertise regarding federal project support including federal loan guarantees and the effects of environmental regulation.												
1004 Gen Fund (UGF) 1,150.0												
FY2014 Department of Administration Core Services Rates	Inc	**3.7**	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 3.7												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Gas Pipeline Project Office (continued)												
FY2015 Delete Gas Pipeline Project Office	Dec	**-2,616.8**	-1,082.7	-265.9	-1,227.5	-40.7	0.0	0.0	0.0	-5	0	0

The Gas Pipeline Project Office (GPPO) facilitates permitting for an Alaska natural gas pipeline under AS 43.90, coordinates action by multiple state agencies to ensure prioritization of a natural gas pipeline project and monitors and ensures compliance of the licensee, TransCanada Alaska, under the Alaska Gasline Inducement Act (AGIA).

It is expected that commercialization efforts for Alaska North Slope (ANS) natural gas will transition out of AS 43.90 by the time fiscal year 2015 begins. As such, AGIA license monitoring and compliance activities will no longer be required. Future gas commercialization efforts will be evaluated and discussed at length over the remainder of FY2014.

Five positions are deleted along with the general funds:
PCN 01-802X, AGIA Coordinator
PCN 10-T051, Deputy Director
PCN 10-T028, Project Manager
PCN 10-X003, Petroleum Geologist II
PCN 10-6182, Administrative Officer II

1004 Gen Fund (UGF) -2,616.8

*** Allocation Total ***		**11,950.6**	2,074.2	977.5	8,804.1	94.8	0.0	0.0	0.0	-3	0	0
Office of Project Management & Permitting												
FY2006 FY05 Health Insurance Increase from GF to Land Disposal Income Fund (LDIF)	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change funding for the FY05 health insurance increase received for PCN 01-610X from GF to LDIF. This position was originally budgeted with GF and changed to LDIF in FY05, after the health insurance calculations were made.

1004 Gen Fund (UGF) -0.6
1153 State Land (DGF) 0.6

FY2006 All Seasons Joint Project with U.S. Army, AK Railroad, and DOT/PF to construct surface accesss	Inc	**150.0**	32.5	5.0	112.5	0.0	0.0	0.0	0.0	0	0	0

The Large Project Team (LPT) will serve as the lead state agency to work with the Alaska Railroad and Alaska Department of Transportation and Public Facilities in cooperation with the U.S. Army, Air Force, and Bureau of Land Management to permit and construct surface access to the Tanana Flats Military Training Area, Fort Wainwright, Delta and Fort Greely. In addition to the access for military use, this project will extend rail service east to Fort Greely and provide passenger and freight service for non-military purposes. This agreement will provide RSAs to other state agencies to assist the LPT in the permitting needed to develop the required infrastructure for both military and civilian uses associated with this project.

1002 Fed Rcpts (Fed) 150.0

FY2006 AMD: North Slope Science Initiative Executive Director Funded by BLM	Inc	**176.0**	137.2	4.8	34.0	0.0	0.0	0.0	0.0	1	0	0

This increment provides federal authorization from BLM for an Executive Director of the North Slope Science Initiative.

The North Slope Science Initiative is an Oversight Group chaired by BLM, and consisting of the Regional Directors of the Dept. of Interior Resource Agencies, National Marine Fisheries Service, Commissioners of the Dept. of Natural Resources and Dept. of Fish and Game, the Mayor of the North Slope Borough, and ASRC. The purpose

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Office of Project Management & Permitting (continued)												
FY2006 AMD: North Slope Science Initiative Executive Director Funded by BLM (continued)												
of the Oversight Group is to increase cooperation and collaboration between state, federal and local agencies on oil and gas developments and the associated research, inventory and monitoring efforts.												
The North Slope Science Initiative has, at its core, development issues related to non-renewable energy resources. These energy resources, primarily oil and gas, are critical to the continued prosperity of the nation. The success of the North Slope Science Initiative is critical to the extraction of these resources to properly access the environmental consequences of both our actions and those natural actions related to a warming Arctic. Close working relationships with the state, federal and local governments will be a key to bringing science to the forefront.												
The Executive Director position in DNR is responsible for continuing the development and implementation of the North Slope Science Strategy (a guiding document for the North Slope Science Oversight Group); developing and implementing a five-year science plan that includes a format for prioritizing inventory, monitoring and research for the North Slope Science Initiative; developing formal intergovernmental agreements for the implementation of the North Slope Science Initiative; developing a competitive process for ensuring the best contractors, academic professionals, or other organizations are selected for implementing an inventory, monitoring and research strategy; and provides leadership in developing long-term budgets for the North Slope Science Initiative.												
1002 Fed Rcpts (Fed) 176.0												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**63.4**	63.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) 13.6												
1007 I/A Rcpts (Other) 1.9												
1108 Stat Desig (Other) 28.1												
1153 State Land (DGF) 19.8												
FY2007 Reduction in Federal and I/A Receipt Authority to anticipated receipt levels	Dec	**-156.0**	0.0	-22.0	-124.0	-10.0	0.0	0.0	0.0	0	0	0
Federal and interagency receipt authorization is reduced in the FY07 budget due to the following:												
In FY05 the Kensington Mine project was funded by the US Forest Service (Federal). In FY06 and FY07, the Kensington Mine project is funded by Coeur Alaska, Inc. (Statutory Designated Program Receipts).												
In FY06, funding for the National Park Service project changed from I/A to Federal.												
In FY07, the A&E Regulations and Selendang projects will not be funded (I/A).												
1002 Fed Rcpts (Fed) -135.1												
1007 I/A Rcpts (Other) -20.9												
FY2008 Increased Authorization for Special Projects started in FY07	Inc	**270.0**	0.0	25.0	245.0	0.0	0.0	0.0	0.0	0	0	0
The Large Project Permitting component coordinates State review and permitting of large complex resource development projects, which include hard rock mining projects, oil and gas projects, and transportation projects. Additional statutory designated program receipt (SDPR) authorization was need in FY07 for existing Memorandum												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Office of Project Management & Permitting (continued)												
FY2008 Increased Authorization for Special Projects started in FY07 (continued)												
of Understanding (MOUs), an amendment to Pebble Project for Fish and Game, and a pending oil and gas project. This authorization will be needed in FY08 as well.												
1108 Stat Desig (Other) 270.0												
FY2008 Increased Authorization for Special Projects started in FY08	Inc	**380.0**	0.0	15.0	362.0	3.0	0.0	0.0	0.0	0	0	0
The Large Project Permitting component coordinates State review and permitting of large complex resource development projects, which include hard rock mining projects, oil and gas projects, and transportation projects. Additional statutory designated program receipt (SDPR) authorization is needed to maintain existing agreements and allow for amendments to those projects, and potential new projects.												
1108 Stat Desig (Other) 380.0												
FY2008 Reduce I/A and Federal Authorization	Dec	**-123.1**	-5.0	0.0	-110.1	-8.0	0.0	0.0	0.0	0	0	0
Reduce I/A and Federal receipts authorization to reflect anticipated budget needs.												
1002 Fed Rcpts (Fed) -5.0												
1007 I/A Rcpts (Other) -118.1												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-30.4**	-30.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -25.1												
1007 I/A Rcpts (Other) -5.3												
FY2009 Switch Interagency Receipts to CIP Receipts to match budget plan	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This is a technical budget adjustment to correctly reflect the funding source in the budget plan.												
1007 I/A Rcpts (Other) -34.0												
1061 CIP Rcpts (Other) 34.0												
FY2009 Delete excess federal receipt authorization	Dec	**-200.0**	-71.0	-15.0	-111.0	-3.0	0.0	0.0	0.0	0	0	0
This is a technical adjustment to delete excess federal receipt authorization.												
1002 Fed Rcpts (Fed) -200.0												
FY2010 Correct funding source for I/A Oil Haz Contingency Planning RSA	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Fund change to reflect actual funding source for Government Contingency Planning RSA from DEC Spill Prevention.												
1007 I/A Rcpts (Other) -11.5												
1055 IA/OIL HAZ (Other) 11.5												
FY2010 Decrease Federal Receipts authorization	Dec	**-200.0**	0.0	0.0	-200.0	0.0	0.0	0.0	0.0	0	0	0
This is a technical adjustment to delete excess federal receipt authorization to correctly reflect actual federal receipts.												
1002 Fed Rcpts (Fed) -200.0												
FY2011 Expedite Permitting for New Development	Inc	**517.3**	0.0	0.0	517.3	0.0	0.0	0.0	0.0	0	0	0
Private developers can employ the services of the Office of Project Management and Permitting (OPMP) to provide permit coordination amongst state agencies. OPMP's expertise in this area can help to expedite the permitting process. This budget request provides for increased authorization needed for OPMP to pay for services of other state agencies including the Division of Coastal and Ocean Management, Division of Mining, Land and Water, and Departments of Fish and Game, Health and Social Services, Law, and Environmental												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Office of Project Management & Permitting (continued)												
FY2011 Expedite Permitting for New Development (continued)												
Conservation as part of this permitting process. The increase is needed due to an increase in anticipated projects, including Point Thomson (Exxon Mobile), the Livengood Gold Project, and potentially the Poorman Magnetite and Kenai Underground Gas Storage Projects.												
1108 Stat Desig (Other) 517.3												
FY2011 Decrease Federal Receipts Authorization to actual expected	Dec	**-65.0**	-65.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This is a technical adjustment to correctly reflect expected federal receipts.												
1002 Fed Rcpts (Fed) -65.0												
FY2011 OCS Lease Planning Mineral Management Service Agency Agreement FY11	IncOTI	**240.0**	35.0	5.0	200.0	0.0	0.0	0.0	0.0	0	0	0
Over the next six years, the U.S. Minerals Management Service (MMS) will need to complete eight Environmental Impact Statements (EIS's) that will address the impacts of proposed outer continental shelf (OCS) oil and gas leasing and exploration activities in Alaska's offshore waters. The EIS's will address OCS leasing, exploration and development activities in the Chukchi and Beaufort Seas, Cook Inlet, and the North Aleutian Basin. This budget request will allow the state to be a participant in this process. Cooperating agency status will allow the State to partner with MMS in developing these EIS's, thereby ensuring that the concerns of Alaskans are better addressed. State agency expertise will be critical in assisting the MMS to ensure that these EIS's are completed in a timely and thorough manner.												
A DNR Project Coordinator and state agency review team will participate in identifying and resolving significant environmental issues; assist in preparing portions of each EIS document; provide MMS an inventory of relevant information (e.g., GIS data, hardcopy and electronic datasets, maps, reports, etc.) that would be useful in identification and analysis of environmental data; provide data and rationale for analysis and assessment of alternatives; and participate with pertinent U.S. federal agencies such as the U.S. Corps of Engineers, U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, and National Marine Fisheries Service in review of and comment on National Environmental Policy Act (NEPA) process documents.												
Funds included in this budget will be used to pay for personal service and travel expense in DNR's Office of Project Management and Permitting. The majority of the funds will be used to reimburse expenses of other participating state agencies including the Division of Mining, Land & Water, Division of Coastal and Ocean Management, Division of Oil and Gas, State Historic Preservation Office, and the Departments of Fish and Game, Law, Health and Social Services, and Environmental Conservation.												
Work on the EIS's is already underway. The State will be able to participate as a cooperating agency as soon as state funding is available.												
1004 Gen Fund (UGF) 240.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-0.7**	0.0	-0.7	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -0.2												
1153 State Land (DGF) -0.5												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**19.9**	19.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $19.9												
1002 Fed Rcpts (Fed) 0.8												
1007 I/A Rcpts (Other) 1.4												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Office of Project Management & Permitting (continued)												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase (continued)												
1055 IA/OIL HAZ (Other) 0.2												
1108 Stat Desig (Other) 12.3												
1153 State Land (DGF) 5.2												
FY2012 Continued Cooperating Agency Status on Lease Planning with the US Bureau of Ocean Energy Mgt, Regulation and Enforcement	IncM	**240.0**	38.0	5.0	197.0	0.0	0.0	0.0	0.0	0	0	0

Over the next six years, the U.S. Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE)(formerly the MMS) will need to complete eight Environmental Impact Statements (EIS's) that will address the impacts of proposed outer continental shelf (OCS) oil and gas leasing and exploration activities in Alaska's offshore waters. In addition, the US Bureau of Land Management is starting an EIS for future resource development in NPRA. The EISs will address OCS leasing, exploration and development activities in the Chukchi and Beaufort Seas, Cook Inlet, and the North Aleutian Basin, and onshore oil and gas leasing and other resource development in NPRA. This budget request will allow the state to be a participant in these processes. Cooperating agency status will allow the State to partner with BOEMRE and BLM in developing these EIS's, thereby ensuring that the concerns of Alaskans are better addressed. State agency expertise will be critical in assisting BOEMRE and BLM to ensure that these EIS's are completed in a timely and thorough manner.

A DNR Project Coordinator and state agency review team will participate in identifying and resolving significant environmental issues; assist in preparing portions of each EIS document; provide BOEMRE and BLM an inventory of relevant information (e.g., GIS data, hardcopy and electronic datasets, maps, reports, etc.) that would be useful in identification and analysis of environmental data; provide data and rationale for analysis and assessment of alternatives; and participate with pertinent U.S. federal agencies such as the U.S. Corps of Engineers, U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, and National Marine Fisheries Service in review of and comment on National Environmental Policy Act (NEPA) process documents.

Funds included in this budget will be used to pay for personal service and travel expense in DNR's Office of Project Management and Permitting. The majority of the funds will be used to reimburse expenses of other participating state agencies including the Division of Mining, Land & Water, Division of Coastal and Ocean Management, Division of Oil and Gas, Office of History and Archaeology, and the Departments of Fish and Game, Law, Health and Social Services, and Environmental Conservation.

Work on the EIS's is already underway. The State will be able to continue to participate as a cooperating agency with approval of this funding. Office of Project Management & Permitting is requesting to fund this project permanently.

1004 Gen Fund (UGF) 240.0

FY2012 Statutory Designated Program Receipts increased volume of funded agreements	Inc	**400.0**	0.0	0.0	390.0	10.0	0.0	0.0	0.0	0	0	0

The requested Statutory Designated Program Receipts increment will accommodate new mining and oil and gas permitting projects - Usibelli Coal Mine and the Izembek Environmental Impact Statement - as well as allow for Large Project Permitting (LPP) to accept Memorandum of Understanding (MOU) budget amendments for existing projects throughout the year. This is needed both to support the work of LPP and to distribute to other participating agencies via reimbursable service agreements.

1108 Stat Desig (Other) 400.0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Office of Project Management & Permitting (continued)												
FY2013 Land Disposal Income Fund (LDIF) Unsustainable for Future Operating Costs	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Projections show that the LDIF will not be able to sustain the amount of budget appropriations against it beyond FY2012. An analysis of the sources and uses of funds show the complete unsustainability of the fund beyond FY2012 due to uncollectible land sale contracts and levels of use of the funds. The Department is taking steps to mitigate this depletion such as delaying capital projects that use the LDIF, using other fund sources and replacing LDIF with general funds. The department recommends removing the LDIF appropriations and replacing them with general fund, leaving LDIF appropriations only in the Division of Mining, Land and water, Agriculture, Administrative Services, Information Resource Management, and the Public Information Center. This would ensure the sustainability of the fund for at least another year or two, depending on future sales and contracts. These appropriations are doing general funded work and are eligible for the fund switch.												
1004 Gen Fund (UGF) 571.0												
1153 State Land (DGF) -571.0												
FY2013 Tongass Coordination (25% of Large Project Coordinator)	Inc	**37.5**	33.5	1.0	3.0	0.0	0.0	0.0	0.0	0	0	0
The Juneau-based Office of Project Management and Permitting (OPMP) Large Project Coordinator serves as the lead for the state's Tongass Management Team, which reviews and comments upon large project proposals (e.g., Timber Sales) and land management issues for the Tongass National Forest. This position coordinates the engagement of the interagency representatives to that team. Because OPMP's Large Project Coordinators are typically funded by private sector applicants, a separate source of state funding is required to cover this function, which is anticipated to take 25% of this position's time.												
1004 Gen Fund (UGF) 37.5												
FY2013 Project Coordinator for Susitna Hydro (IA) and Federal Resource Policy (UGF)	Inc	**150.0**	120.0	1.0	28.9	0.1	0.0	0.0	0.0	1	0	0
The Alaska Energy Authority (AEA) is seeking Office of Project Management and Permitting's (OPMP) menu of services to coordinate the permitting process of the Susitna-Watana Hydroelectric Project. The proposed project includes a 700-foot high hydroelectric dam, power generators, and several possible access and transmission line corridors. The position is another Large Project Coordinator within OPMP, that will be responsible for the coordination of the various State agencies involved in the permitting process for the Susitna-Watana Hydroelectric Project Since this position will be devoted to the Susitna-Watana Hydroelectric Project, the majority of its funding will be through an RSA with AEA.												
1004 Gen Fund (UGF) 75.0												
1007 I/A Rcpts (Other) 75.0												
FY2013 Authorization to Accommodate Existing Projects	Inc	**2,000.0**	0.0	0.0	2,000.0	0.0	0.0	0.0	0.0	0	0	0
The Office of Project Management and Permitting (OPMP) has a growing number of new and existing projects being coordinated through the office. OPMP received approval of an RPL request from Legislative Budget and Audit to increase SDPR authority in the amount of $950.0 in FY2012 due to a growing inventory of projects under coordination. This increment will allow OPMP to coordinate additional permitting activities of large development projects and fund the contract for Health Impact Assessments required on a number of these projects into FY2013. Funding of those projects are reimbursed by the project applicants and operators of large projects.												
1108 Stat Desig (Other) 2,000.0												
FY2013 Coastal Impact Assistance Program (CIAP) Administration	IncM	**210.0**	210.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Office of Project Management & Permitting (continued)												
FY2013 Coastal Impact Assistance Program (CIAP)												
Administration (continued)												
Two existing positions, PCN 10-T026 and PCN 10-3507, were under the Division of Coastal and Ocean Management to provide administration of the federally-funded CIAP. The positions and CIP funding were deleted in the FY2012 budget with the loss of the division, and the two positions were transferred to the Office of Project Management & Permitting and added to the FY2012 Management Plan - this transaction provides the CIP receipts for operations.												
1061 CIP Rcpts (Other) 210.0												
FY2014 Department of Administration Core Services Rates	Inc	**6.3**	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 6.3												
FY2014 Permitting Coordination Projects	Inc	**1,000.0**	0.0	0.0	1,000.0	0.0	0.0	0.0	0.0	0	0	0
Office of Project Management and Permitting (OPMP) has a growing number of new and existing projects being coordinated through the office. This increment will allow OPMP to coordinate additional permitting activities and contracting services of large development projects, including oil and gas permitting projects. New or increased project coordination is anticipated with Kiska Metals, Zazu Metals, Repsol, and Apache.												
1108 Stat Desig (Other) 1,000.0												
FY2014 Anticipated Projects Expansion, including Susitna-Watana, Foothills West, and Tongass	Inc	**285.0**	285.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Office of Project Management and Permitting (OPMP) receives capital funding from various state agencies (e.g., Alaska Energy Authority, Department of Transportation and Public Facilities, and the Alaska Railroad Corporation via Reimbursable Services Agreements (RSA) to coordinate permitting process of capital projects such as the Susitna-Watana Hydroelectric project, Foothills West, Northern Rail, Port Mackenzie, Knik Arm Bridge, and Izembek land exchange projects.												
Susitna-Watana -- RSA from the Alaska Energy Authority $100,000												
Foothills West and Knik Arm Bridge - RSAs from the Department of Transportation and Public Facilities $75,000												
Port Mackenzie and Northern Rail -- RSA from the Alaska Railroad Corporation $20,000												
Tongass -- RSA from Division of Forestry $30,000												
Izembek -- RSA from the Department of Transportation and Public Facilities $60,000												
1061 CIP Rcpts (Other) 285.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Office of Project Management & Permitting (continued)												
FY2014 Ch. 12, SLA 2013 (SB 27) REGULATION OF DREDGE AND FILL ACTIVITIES	FisNot	**361.8**	231.4	9.4	111.0	10.0	0.0	0.0	0.0	2	0	0
Initial version, not applicable												
1007 I/A Rcpts (Other) 361.8												
FY2015 LFD Reconciliation: Maintain Commodities - Regulation of Dredge and Fill Activities Ch12 SLA2013 (SB27)	Inc	**5.0**	0.0	0.0	0.0	5.0	0.0	0.0	0.0	0	0	0

This bill provides the Department of Natural Resources (DNR), in coordination with the Department of Environmental Conservation (DEC), the authority to take actions necessary to administer and enforce any dredge and fill permitting program allowed under 33U.S.C. 1344 (sec. 404, Clean Water Act).

FY2014
Personal Services - DNR will receive interagency receipts from DEC to fund positions needed to assist DEC in its analysis of state assumption of the CWA Section 404 ("404 program"). The Office of Project Management and Permitting will require 2 new positions: one project coordinator to participate with DEC in the program development tasks, including the analysis of the division of duties between agencies under primacy and development of a mitigation program required of State programs; and one position for State program capacity development in wetlands jurisdictional determinations and permitting procedures. Capacity development will allow DNR to pursue development and administration of regional general permits for some classes of activities, resulting in more state control over 404 permitting during the interim period before the state obtains 404 primacy.

One Project Coordinator (Anchorage, Range 23C) $134,298
One Natural Resource Specialist III (Anchorage, Range 18C) $97,108

Travel - Travel costs will be incurred for attending DEC work group and stakeholder meetings, meetings with EPA Region 10 and US Army Corps of Engineers Headquarters staff, and for staff training opportunities.

Services - Contractual costs will be incurred for hiring consultants to assist the state in designing regional general permits and other capacity building. The intent of this capacity building will be to improve the efficiency of 404 permitting in Alaska even prior to the state obtaining 404 primacy.

Commodities - Position support costs, including furniture and computers (one-time costs for new positions); standard office supplies.

FY2015
Personal Services - DNR will receive interagency receipts from DEC to fund positions needed to assist DEC in state assumption of the CWA Section 404 ("404 program"). The Office of Project Management and Permitting will require two additional positions to assist in State program capacity development in permitting procedures. The Project Coordinator will continue to help in the program development tasks, including development of a mitigation program required of State programs. Two positions established in FY2014. Two Natural Resource Specialist III (Anchorage, GG, Range 18C) $97,108 each

Travel - Travel costs will be incurred for attending DEC work group and stakeholder meetings, meetings with EPA Region 10 and US Army Corps of Engineers Headquarters staff, and for staff training opportunities.

Services - Contractual costs will be incurred for hiring consultants to assist the state in designing regional general

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Office of Project Management & Permitting (continued)												
FY2015 LFD Reconciliation: Maintain Commodities - Regulation of Dredge and Fill Activities Ch12 SLA2013 (SB27) (continued)												
permits and other capacity building.												
Commodities - Position support costs, including furniture and computers (one-time costs for new positions); standard office supplies.												
1007 I/A Rcpts (Other) 5.0												
FY2015 Oil and Gas Workload Increase and Federal Resource Planning	Inc	**150.5**	135.5	0.0	15.0	0.0	0.0	0.0	0.0	1	0	0
The Office of Project Management and Permitting (OPMP) is experiencing an increase in requests to provide project coordination to oil and gas companies and projects via the Memorandum of Understanding (MOU) reimbursement model. The ability to accept these requests and funding agreements from industry is contingent on OPMP having enough project coordinators available.												
In addition, OPMP has an increasing level of work being required for federal planning and initiatives (e.g., Resource Management Plans, Rapid Eco Regional Assessments, Refuge Plans). Because large project coordinators are typically funded by private sector applicants, a separate source of funding is required to cover the function.												
This funding will allow the OPMP to add one new project coordinator to meet workload demand, and assist with the federal resource planning. OPMP will accommodate the level of requests for oil and gas permit coordination services and participate and represent the State's interest on federal planning initiatives that might impact Alaska resource development.												
(10-#089) Large Project Coordinator, range 23 Anchorage												
1004 Gen Fund (UGF) 37.6												
1108 Stat Desig (Other) 112.9												
FY2016 AMD: Reduce Alaska National Interest Lands Conservation Act (ANILCA) Office	Dec	**-226.0**	-95.0	0.0	-131.0	0.0	0.0	0.0	0.0	-1	0	0
State review of federal land use plans and activities for compliance with the Alaska National Interest Lands Conservation Act (ANILCA) would be reduced. The existing ANILCA program, consisting of two staff, reviews and comments on a steady stream of draft federal policies, plans, and regulations addressing all federal conservation lands. These lands include wildlife refuges, national parks, national forests, Bureau of Land Management (BLM) lands, about two-thirds of the state. The mission of the ANILCA program includes protecting traditional public uses of these federal lands, and access and use of inholdings and adjacent non-federal lands.												
Delete (10-3506) Permanent, Full-time Natural Resource Specialist III, Anchorage												
1004 Gen Fund (UGF) -226.0												
FY2016 AMD: Eliminate Coordination of Agency Input to Forest Service Tongass Planning and Timber Sale Projects	Dec	**-37.5**	-37.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
State coordination of agency input to Forest Service Tongass planning and timber sale projects would be reduced or eliminated. Despite significant efforts on behalf of the state to encourage more timber sales in the Tongass, there has been a continuous decrease in the amount of federal timber sold by the Forest Service. Currently, the												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Office of Project Management & Permitting (continued)												
FY2016 AMD: Eliminate Coordination of Agency Input to Forest Service Tongass Planning and Timber Sale Projects (continued)												
Office of Project Management and Permitting partially funds a position for this program. This position will be fully assigned to work on reimbursable project coordination agreements.												
1004 Gen Fund (UGF) -37.5												
FY2016 AMD: Reduce Excess Spending and Receipt Authority for Permitting Coordination Projects	Dec	**-500.0**	0.0	0.0	-500.0	0.0	0.0	0.0	0.0	0	0	0
This reduces excess authorization and reflects the estimated level of receipt authority necessary for the Office of Management and Permitting to enter into their standard agreements with industry for project coordination in FY2016.												
1108 Stat Desig (Other) -500.0												
FY2016 Remove Interagency Receipt Authority Associated with 404 Primacy	Dec	**-361.8**	-231.4	-9.4	-111.0	-10.0	0.0	0.0	0.0	0	0	0
In FY15, funding for 404 primacy efforts were removed from DEC's budget, making this authority hollow. The positions associated with the original increment have already been transferred.												
1007 I/A Rcpts (Other) -361.8												
FY2016 Funding for Development of Wetlands Mitigation Bank	Inc	**200.0**	100.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 200.0												
FY2017 AMD: Reorganization of Department Support Functions to Achieve Efficiencies	Dec	**-83.0**	-83.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Department of Natural Resources is undergoing an analysis of support positions across the agency to identify restructuring opportunities, areas where we could share positions, and regulations, policies and procedures that could be revisited to reduce administrative burden, to identify savings and position reductions. The specific positions to be deleted will be identified via this department-wide analysis in order to minimize impacts to programs and the public.												
FY2017 December Budget: $7,755.5 FY2017 Total Amendments: -$83.0 FY2017 Total: $7,672.5												
1004 Gen Fund (UGF) -83.0												
FY2017 Increase Funding for Wetlands Mitigation Bank by $200.0 as One Time Item	IncOTI	**200.0**	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 200.0												
FY2017 CC: Reduce Funding for Wetlands Mitigation Bank by $100.0	Dec	**-100.0**	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -100.0												
FY2018 Reduce Uncollectible Statutory Designated Program Receipt Authority	Dec	**-635.0**	-135.0	0.0	-500.0	0.0	0.0	0.0	0.0	0	0	0
In FY2017 Management Plan the division deleted positions vacant for more than a year. This will bring the Department's budget closer in line with actual spending. This is a technical adjustment and has no impact on services to the public.												
1108 Stat Desig (Other) -635.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Office of Project Management & Permitting (continued)												
FY2018 S DNR 1 - Add One Large Project Coordinator Positions	Inc	**135.7**	135.7	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
This amendment adds one Large Project Coordinator position.												
1004 Gen Fund (UGF) 135.7												
FY2018 CC: Reduce funding for one large project coordinator position by $33.9	Dec	**-33.9**	-33.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -33.9												
FY2019 Increase Federal Receipt Authority for North Slope Science Initiative and New Federal Grants	Inc	**300.0**	50.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
The Department of Natural Resources has an Intergovernmental Personnel Act (IPA) agreement with the Bureau of Land Management (BLM) for the assignment of the Executive Director of the North Slope Science Initiative (NSSI). This assignment is fully funded by BLM under the IPA agreement.												
This agreement began in January of 2017 and is expected to continue. This agreement has been a great resource to DNR and ensures that the State has a seat at the table to guide efforts by the NSSI that benefit the public. The development of an NSSI program that focuses on science-based approaches to responsibly develop North Slope resources while limiting negative impacts, proactively responding to the needs of the region and protecting cultural values, are important to the state.												
1002 Fed Rcpts (Fed) 300.0												
FY2019 Develop Cost Accounting Method to Appropriately Bill Overhead Costs	Dec	**-47.0**	-47.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
A cost accounting method to appropriately bill industry for overhead costs will be developed. This will reduce UGF and increase Statutory Designated Program Receipts (SDPR) revenue. No fund source change is required, the office has adequate SDPR authorization.												
1004 Gen Fund (UGF) -47.0												
FY2019 Reduce Uncollectible Statutory Designated Program Receipt Authority	Dec	**-1,000.0**	0.0	0.0	-1,000.0	0.0	0.0	0.0	0.0	0	0	0
As the pace of industry slows in Alaska, the need for Office of Project Management's services declines, reducing collection of statutory designated program receipt authority.												
1108 Stat Desig (Other) -1,000.0												
FY2019 Eliminate Funding and Position for Expired Coastal Impact Assessment Program	Dec	**-129.0**	-129.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
The Coastal Impact Assessment Program ended in FY2017 and the grant is closed. This vacant position and associated federal authority can be deleted.												
Delete (10-3507) Grants Administrator III, range 19, Juneau, Full-Time												
1061 CIP Rcpts (Other) -129.0												
*** Allocation Total ***		**3,570.0**	670.2	24.1	2,878.6	-2.9	0.0	0.0	0.0	3	0	0
Administrative Services												
FY2006 Increased I/A Receipts from Indirect Cost Recovery to Fund Current Staffing Levels	Inc	**50.0**	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This component provides central administrative services to all of DNR. In spite of the growth in this department's activities we have not added new staff, but we do need adequate funding for the existing staff as we cannot afford vacancies with the current workload requirements.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Administrative Services (continued)												
FY2006 Increased I/A Receipts from Indirect Cost Recovery to Fund Current Staffing Levels (continued)												
1007 I/A Rcpts (Other) 50.0												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**7.7**	7.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 6.9												
1153 State Land (DGF) 0.8												
FY2007 Collect additional I/A receipts (indirect chargeback) from divisions to support ongoing operational costs	Inc	**20.0**	9.2	0.0	8.3	2.5	0.0	0.0	0.0	0	0	0
Increased IA authorization is requested to allow Administrative Services to collect additional indirect charges from divisions to support ongoing operational costs. A portion of the increase is for personal services to reduce the vacancy factor to a more manageable level. The other line item increases are primarily to cover increased costs of "core services" which are charges we pay to other state agencies to cover their core services (Human Resources, Central Mail Room, AKSAS/AKPAY, Law Regulation Review, Labor ADA Coordinator, etc.). Other increases include postage and courier service fuel-related increases.												
1007 I/A Rcpts (Other) 20.0												
FY2008 Lease Monitoring and Engineering Integrity Coordination Support	Inc	**407.7**	160.8	36.8	187.9	18.5	3.7	0.0	0.0	2	0	0
The Division of Support Services will support the new initiative for Oil & Gas Lease Monitoring and Engineering Integrity Coordinator's Office (LMEICO). This budget is calculated as 10% of the total operating cost of LMEICO, and includes support functions including but not limited to accounting, procurement and contracting, financial management, budgeting, computer information technology and desktop support, IT infrastructure allocations and other core DOA service allocations such as human resources chargebacks and lease administration. Two new positions are added to the Administrative Services component, one Accountant II (PCN 10-#017) and one Procurement Specialist II (PCN 10-#018). Additional funding requested in this increment may be allocated to other Administrative Services functions, as well as to the Commissioner's Office, Information Resource Managment or Interdepartmental Info Tech Chargeback components for LMEICO support as necessary, once the final implementation plan for the new office is put into place.												
1007 I/A Rcpts (Other) 407.7												
FY2008 AMD: Delete Funding for Lease Monitoring and Engineering Integrity Coordination Support	Dec	**-407.7**	-160.8	-36.8	-187.9	-18.5	-3.7	0.0	0.0	-2	0	0
The original FY08 Governor's budget submittal contained funding for a Lease Monitoring and Engineering Integrity Coordination Office (LMEICO) initiative, as a response to Administrative Order 229 and the pipeline corrosion issues. Governor Palin's administration is re-evaluating the plan and has proposed a revised approach to this issue. The Division of Support Services will evaluate the level of support necessary for the new office once the final implementation plan is in place.												
1007 I/A Rcpts (Other) -407.7												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-122.6**	-122.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) -93.0												
1153 State Land (DGF) -29.6												
FY2010 Atwood Parking Garage Lease Chargeback	Inc	**5.5**	0.0	0.0	5.5	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Administrative Services (continued)												
FY2010 Atwood Parking Garage Lease Chargeback (continued)												
The new parking garage at the Atwood building requires an increase in lease costs for DNR. This cost was unexpected. An increase in IA would allow the componentt to meet its share of the the increase in lease costs.												
1007 I/A Rcpts (Other) 5.5												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-0.9	0.0	-0.9	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -0.8												
1153 State Land (DGF) -0.1												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	2.8	2.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $2.8												
1004 Gen Fund (UGF) 1.6												
1007 I/A Rcpts (Other) 0.9												
1153 State Land (DGF) 0.3												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Administrative Services component relies on indirect cost recovery for a portion of the base budget. Indirect cost is collected as IA receipts from divisions for support work on non-general fund grants and projects such as federal grants and statutory designated program receipt agreements.												
The reduction in federal revenues across the department has limited the IA receipt collection in the Administrative Services component, and the DNR Finance Section advises that the amount available for collection is budgeted at the maximum level projected to be available. An increase in IA authority in FY12 is unrealizable, requiring a fund source change to allow the component to provide the same level of service to the department and other state agencies relying on their work.												
1004 Gen Fund (UGF) 39.2												
1007 I/A Rcpts (Other) -39.2												
FY2013 Funding Redistribution from Agency-wide Position Deletions	IncM	125.0	125.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
In the Governor's agency-wide effort to limit the growth of state government (for both positions and funding), some vacant positions were deleted, with the intent to utilize savings generated from the deleted positions to fund personal services funding shortfalls or other priority projects within the department.												
The department deleted 20 vacant positions across multiple components. General fund savings from the deleted positions is reallocated between components to cover personal services funding shortfalls or other department priority initiatives.												
Prior to these funding transfers, personal services funding shortfalls existed in many components at a level that was not manageable without either a general fund increment, or a reduction of positions (most of which are filled) and a loss of service. Shortfalls are primarily a result of when employees receive merit increases, the cost is												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Administrative Services (continued)												
FY2013 Funding Redistribution from Agency-wide Position Deletions (continued)												
reflected in the personal services budget need, but the budget is not increased to cover the cost. The general expectation is that departments are responsible to cover merit increases through turnover and vacancies in a component, assuming that will generate savings to offset the merit increases. When components experience little turnover or have few vacant positions, there is no cost savings to cover the increases. The Governor's budget recognizes the need to cover these shortfalls by allowing for the transfer of savings between allocations.												
General fund was reallocated as follows: Commissioner's Office $100.0 Administrative Services $125.0 Information Resource Management $269.2 Citizens' Advisory Commission on Federal Areas $13.0 Parks Management & Access $80.0 Gas Pipeline Project Office ($223.4) Petroleum Systems Integrity Office ($281.2) Forest Management & Development ($82.6)												
1004 Gen Fund (UGF)		125.0										
FY2014 Replace Land Disposal Income Fund in the FY2014 Salary and Health Insurance Increases	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The increment for FY2014 Salary and Health Insurance Increases allocates $.1 to the land disposal income fund (LDIF) based on FY2013 Management Plan funding sources. If the FY2014 LDIF to GF fund change request noted below is approved, this amount will need to be transferred from LDIF to GF.												
Department of Natural Resources is requesting to continue a fund change effort that started last legislative session to help ensure the LDIF is sustainable in the long term to support actual land disposal efforts by moving some operating costs from LDIF to General Fund.												
The fund has become unsustainable for the long-term due to increased costs and appropriations from the fund, and reduced revenues to the fund.												
This Includes changes in components that are considered overhead and do not contribute directly to the generation of revenue for the fund: Administrative Services $272.5 Information Resource Management $207.2 Public Information Center $75.9.												
1004 Gen Fund (UGF)		0.1										
1153 State Land (DGF)		-0.1										
FY2014 Replace Land Disposal Income Fund to Help Ensure Long-Term Sustainability of the Fund	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Moving a portion of operating costs from land disposal income fund (LDIF) to general fund (GF) continues the Department of Natural Resources' effort initiated last legislative session to assure the LDIF is sustainable in the long term and able to support actual land sale and disposal efforts.												
Projections in 2011 showed the fund would become unsustainable for the long-term due to increased costs and												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Administrative Services (continued)												
FY2014 Replace Land Disposal Income Fund to Help Ensure Long-Term Sustainability of the Fund (continued)												

appropriations from the fund and reduced revenues to the fund. The department is endeavoring to mitigate this depletion through various means such as delaying capital project expenditures funded from the LDIF, using other fund sources for general operations where appropriate, and requesting budget actions to replace some LDIF with general funds where the work being performed is for general state operations.

The Legislature supported these actions in FY2013 and approved operating budget fund source switches from LDIF to GF for general operations in the Oil and Gas Development component and the Office of Project Management and Permitting component. LDIF appropriations remained in the Division of Mining, Land and Water, and the Division of Agriculture, the two divisions that actually support land sale activities which generate revenue to the fund. In addition, LDIF appropriations remained in the Administrative Services ($272.5), Information Resource Management ($207.2), and the Public Information Center ($75.9) components, all which are considered overhead and do not directly generate revenue to the fund. The intent was to re-evaluate the fund sustainability based on FY2013 projections and take additional actions if necessary. The next step towards ensuring fund sustainability would be to remove LDIF appropriations from the three remaining components not directly contributing to the LDIF revenue stream, which should potentially bring the fund closer to sustainability in FY2014.

Future changes in the use of the fund may be suggested depending on the actual revenue generated over the next year from additional land sales.

1004 Gen Fund (UGF)	272.5											
1153 State Land (DGF)	-272.5											
FY2014 Department of Administration Core Services Rates	Inc	**20.7**	20.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.

The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.

1004 Gen Fund (UGF)	20.7											
FY2016 AMD: Transfer Excess Authority from Information Resource Management for Human Resources Position (10-0313)	Inc	**67.6**	66.3	0.0	1.3	0.0	0.0	0.0	0.0	0	0	0

In FY2015 Management Plan a permanent, full-time Human Resources Technician II (10-0313) funded with interagency receipts was transferred in to assist with the unsustainable workload in the Human Resources section. This increment transfers excess I/A Receipt authority from Information Resource Management.

1007 I/A Rcpts (Other)	67.6											
FY2017 Delete (10-0260) Accounting Technician II in Accounts Maintenance Unit	Dec	**-72.6**	-72.6	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0

The Revenue Accounting section in the Support Services Division is responsible for the accounting of more than $2 billion in state revenues annually. This position is part of a two-person team in the Accounts Maintenance Unit responsible for auditing land sale accounts, working with the Division of Mining, Land and Water to ensure timely activation of new land sale contracts, auditing defaulted contracts and alerting customers with Failure to Pay

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Administrative Services (continued)												
FY2017 Delete (10-0260) Accounting Technician II in Accounts Maintenance Unit (continued)												
notices.												
While the elimination of this position will likely result in some slowdown in some services, such as issuance of patents and land sale contracts, the division will make every effort to reassign work within the section to continue the timely accounting and auditing of land sale contracts, and responsiveness to our customers.												
Delete (10-0260) Accounting Technician II, range 14, Anchorage, Full-Time												
1004 Gen Fund (UGF) -72.6												
FY2018 Savings from Shared Services of Alaska Implementation	Dec	**-26.2**	-26.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Department of Natural Resources is transferring an initial wave of positions to the Shared Services of Alaska organization for accounts payable, and travel and expense activities.												
It is anticipated that an initial ten percent savings in personal services costs can be realized in FY2018 for these activities, with increased savings in future fiscal years as the organization matures.												
The remaining personal services authority will be used to fund a reimbursable services agreement with Shared Services of Alaska for the cost of services provided.												
The Shared Services organizational structure provides back-office support for common administrative functions, allowing the agency to focus more closely on core mission responsibilities.												
The Shared Services organization model will increase the quality and speed of service delivery, and increase client satisfaction while decreasing the overall cost to the department for performing these functions. This is achieved through a business structure focused on continuous process improvement that includes standardizing business processes and improving transaction cycle-times.												
1004 Gen Fund (UGF) -18.4												
1007 I/A Rcpts (Other) -7.8												
*** Allocation Total ***		**77.0**	60.3	-0.9	15.1	2.5	0.0	0.0	0.0	-1	0	0
Information Resource Management												
FY2006 DNR Enterprise Support - Increased Costs of Information Technology	Inc	**150.0**	44.0	0.0	76.0	30.0	0.0	0.0	0.0	0	0	0
Information Technology (IT) costs have risen as the department expands the suite of electronic products and services to DNR staff that yield performance gains for the public and the employees and higher quality decision making products. New and expanding areas for IT software licensing include use of geographic information systems to manage land and resources (ESRI Arc/GIS software costs, ENVI costs); document management systems to advance electronic permitting and streamlining of DNR business processes (Stellent Software maintenance costs to DOA and Mobius Software costs to DOA); computing security requirements to protect against viruses and other malware (Microsoft Security Update Software; state anti-virus software, Cisco Security Agent software); growth of Oracle database administration and applications following adoption of new state standards (DNR enterprise Oracle contract costs); and increased web related software to assure a consistent development environment for DNR programming staff (Cold fusion software, web trends software). Some												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Information Resource Management (continued)												
FY2006 DNR Enterprise Support - Increased Costs of Information Technology (continued)												
software maintenance now requires purchase of upgrades. (Adobe desktop products, mainframe access software, many others.)												
Centralized hardware and servers are used to deliver the shared software services. Demand has increased ~ 15% / year which raises maintenance and replacement costs. The DNR Enterprise Support budget carefully manages these resources to be a low cost provider (average server life exceeds 8 years at DNR), but funding at maintenance levels do not support the required DNR hardware infrastructure due to server growth.												
This increment funding will be applied to the DNR Enterprise Support budget and will be used to save the state money by providing a centralized service to the DNR divisions for common computing needs. This minimizes cost increases by enforcing standards, assuring technology deployment solutions are managed at a department level to the extent practical, and minimizes costs associated with administration of contracts and IT procurements (vendors have single point of contact for DNR). The increment will also be applied to support the increased share of DNR Oracle database administration costs associated with the expanding role of this database within the department.												
1153 State Land (DGF) 150.0												
FY2007 Delete 2 Non-Perm Positions and CIP receipts associated with federally funded capital projects	Dec	**-172.4**	-172.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	-2
Federally-funded capital projects are near completion. The Energy Grant expires March, 2006 and the Electronic Delivery Grant funded by Bureau of Land Management expires September, 2006. CIP receipts for personal services charges against these capital project funds are no longer available and are reduced in this budget.												
Deleted long-term non-permanent Analyst/Programmer III position (PCN 10-N040) and short-term Administrative Clerk III position (PCN 10-NP25).												
1061 CIP Rcpts (Other) -172.4												
FY2008 Change excess Oil/Haz Receipts to Interagency Receipts to Match Budget Plan	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Change Oil & Hazardous Waste Interagency Receipts to regular Interagency Receipts to accurately reflect collection ability.												
1007 I/A Rcpts (Other) 11.2												
1055 IA/OIL HAZ (Other) -11.2												
FY2008 Increase CIP Receipts for Personal Service Charges Against Existing Capital Projects	Inc	**70.0**	70.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This increment aligns staff assignments for programmers with approved capital funding. Programming work is required for the Unified Permit CIP; Alaska Cadastral Project CIP; and Minerals Data and Information Rescue in Alaska (MDIRA) CIP. Limited programming may also be assigned under the Alaska Statewide Digitial Mapping Initiative CIP.												
1061 CIP Rcpts (Other) 70.0												
FY2008 Core Information Technology Services Support	Inc	**200.0**	200.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This increment is needed to maintain the required core IT services for this department at existing levels. In prior years the funding for some of the core IT staff came from federal project funds through the capital budget. This funding is not renewed by the BLM and USGS now that the projects are completed. The funds are needed to												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Information Resource Management (continued)												
FY2008 Core Information Technology Services Support (continued)												
maintain the services of Analyst Programmer positions who provide maintenance of existing production mapping, land record systems, Webmaster, and Oracle data base administration which all DNR users depend upon.												
The agency depends more and more on the delivery of its services through its websites and through its IT databases. Without this funding the core services will not be up to the service standards the public has come to expect and rely upon.												
1004 Gen Fund (UGF) 200.0												
FY2008 AMD: Reduce Request for Increased Core Information Technology Services Support	Dec	**-100.0**	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
In recent years federal funding has helped to pay for a share of our core services and advances, however these federal funds are being discontinued. These one-time funds have been used to help maintain the richer computing environment the departmental staff and the public now take for granted. We will be losing approximately $200,000 in FY 08.												
The remaining $100,000 general fund increase will help cover costs that have been paid for by these federal funds. In order to stay within the authorized budget, one position may be eliminated or the operating programs receiving the service may be asked to pay for IT support in order to maintain the same level of service.												
1004 Gen Fund (UGF) -100.0												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-144.5**	-144.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -16.8												
1007 I/A Rcpts (Other) -25.6												
1055 IA/OIL HAZ (Other) -3.4												
1061 CIP Rcpts (Other) -92.9												
1153 State Land (DGF) -5.8												
FY2009 Correct Unrealizable Fund Sources	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Reduce federal receipts authorization as a result of the Minerals Data Information Risk project ending June 2008 and the operating budget Cadastral project ending December 2007. Federal receipt funding will be replaced by additional Interagency Receipts (I/A) and Capital Improvement Project (CIP) funding. CIP authorizations are grant-funded by the Statewide Digital Mapping Project, Unified Permit project, and a capital budget Cadastral project. I/A authorizations are new and on-going Reimbursable Service Agreements between IRM and other State Agencies. Anticipated increases are from Geologic Material Center project with the Division of Geological and Geophysical Surveys (DGGS); and Alaska Renewable Energy Resources applications, also with DGGS.												
1002 Fed Rcpts (Fed) -133.3												
1007 I/A Rcpts (Other) 33.3												
1061 CIP Rcpts (Other) 100.0												
FY2010 Increase Interagency Oil & Haz Receipts/Decrease Interagency Receipts to Match Budget Plan	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Fund Change request to accurately reflect Inter Agency (I/A) Oil & Hazardous Waste receipts received from Department of Environmental Conservation for work on the Contingency Plan project.												
1007 I/A Rcpts (Other) -5.0												
1055 IA/OIL HAZ (Other) 5.0												
FY2010 Add Ongoing Nonperm Project Positions	Inc	**97.1**	97.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	3

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Information Resource Management (continued)												
FY2010 Add Ongoing Nonperm Project Positions (continued)												
This request funds three student intern positions committed to ongoing, long-term projects. Two positions are funded through the ongoing State Parks Trails mapping projects; and the third is funded through multi-year DNR CIP Content Management System and Unified Permit projects. The CIP receipts increase also funds PCN 10-N185, which was transferred from the Interdepartmental Information Technology Chargeback in the FY09 Management Plan. The position is assigned to the DNR Content Management System project.												
1007 I/A Rcpts (Other) 47.8												
1061 CIP Rcpts (Other) 49.3												
FY2011 Statewide Parcel Database (Cadastral) Increment	Inc	**300.0**	190.0	5.0	100.0	5.0	0.0	0.0	0.0	0	0	0
This long-term project will combine land records from federal and state government, boroughs and native organizations to create a single parcel map for the state. The foundation for the database was established through a previous capital project that created an electronic record of the state's plats. Dedication of resources through the operating budget will allow continuation of this project, with the long-term goal of having a single source for detailed ownership, interest, and boundary information for all state lands. This will provide quick and easy access to essential land ownership information for land managers, developers, first responders, and the public. This budget request will authorize funding through the U.S. Bureau of Land Management and from State Recorder's Office receipts.												
1002 Fed Rcpts (Fed) 50.0												
1156 Rcpt Svcs (DGF) 250.0												
FY2011 AMD: Reverse Statewide Parcel Database (Cadastral) Increment	Dec	**-300.0**	-190.0	-5.0	-100.0	-5.0	0.0	0.0	0.0	0	0	0
Upon further review, it was determined that information would need to be added to the State Recorder's Office title records in order for this project to be successful as envisioned. Some of those changes may require statutory revisions. A new project plan needs to be developed prior to proceeding with a statewide parcel database.												
This long-term project will combine land records from federal and state government, boroughs and native organizations to create a single parcel map for the state. The foundation for the database was established through a previous capital project that created an electronic record of the state's plats. Dedication of resources through the operating budget will allow continuation of this project, with the long-term goal of having a single source for detailed ownership, interest, and boundary information for all state lands. This will provide quick and easy access to essential land ownership information for land managers, developers, first responders, and the public. This budget request will authorize funding through the U.S. Bureau of Land Management and from State Recorder's Office receipts.												
1002 Fed Rcpts (Fed) -50.0												
1156 Rcpt Svcs (DGF) -250.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-0.3**	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -0.3												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**2.1**	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $2.1												
1007 I/A Rcpts (Other) 1.6												
1061 CIP Rcpts (Other) 0.5												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Information Resource Management (continued)												
FY2012 Decrement interagency receipts previously used for Mining, Land & Water computer and desktop RSAs	Dec	**-158.3**	-158.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Historically, the components of the Division of Mining, Land and Water (MLW) have entered into a reimbursable service agreement (RSA) with Information Resources Management (IRM) for computer network and desktop support. In FY11 Management Plan, the general funds and land disposal income funds that MLW used to fund the RSA were transferred to IRM to directly fund the work and move away from a soft funding model. The interagency receipt authority needed for the RSAs is no longer required and will be decremented from the budget.												
1007 I/A Rcpts (Other) -158.3												
FY2012 Decrement Unused Federal Authority	Dec	**-8.2**	-8.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This change record deletes unused federal authority. This funding has not been received since FY2009 and will likely not be received in the future.												
1002 Fed Rcpts (Fed) -8.2												
FY2012 Decrement SDPR for Reduction in Data Extraction for Vendors	Dec	**-9.5**	-9.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This reduction in Statutory Designated Program Receipts (SDPR) is to reflect the reduction in data extraction work requested by vendors.												
1108 Stat Desig (Other) -9.5												
FY2013 Inter-Agency/Oil & Hazardous Waste Funding Change	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This request replaces Inter-Agency/Oil & Hazardous Waste receipts with capital improvement project receipts to align with anticipated project expenditures. There are no projects from Inter-Agency/Oil & Hazardous Waste funding projected in FY2013.												
1055 IA/OIL HAZ (Other) -30.1												
1061 CIP Rcpts (Other) 30.1												
FY2013 Funding Redistribution from Agency-wide Position Deletions	IncM	**269.2**	269.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

In the Governor's agency-wide effort to limit the growth of state government (for both positions and funding), some vacant positions were deleted, with the intent to utilize savings generated from the deleted positions to fund personal services funding shortfalls or other priority projects within the department.

The department deleted 20 vacant positions across multiple components. General fund savings from the deleted positions is reallocated between components to cover personal services funding shortfalls or other department priority initiatives.

Prior to these funding transfers, personal services funding shortfalls existed in many components at a level that was not manageable without either a general fund increment, or a reduction of positions (most of which are filled) and a loss of service. Shortfalls are primarily a result of when employees receive merit increases, the cost is reflected in the personal services budget need, but the budget is not increased to cover the cost. The general expectation is that departments are responsible to cover merit increases through turnover and vacancies in a component, assuming that will generate savings to offset the merit increases. When components experience little turnover or have few vacant positions, there is no cost savings to cover the increases. The Governor's budget recognizes the need to cover these shortfalls by allowing for the transfer of savings between allocations.

General fund was reallocated as follows:

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Information Resource Management (continued)												
FY2013 Funding Redistribution from Agency-wide Position Deletions (continued)												
Commissioner's Office $100.0												
Administrative Services $125.0												
Information Resource Management $269.2												
Citizens' Advisory Commission on Federal Areas $13.0												
Parks Management & Access $80.0												
Gas Pipeline Project Office ($223.4)												
Petroleum Systems Integrity Office ($281.2)												
Forest Management & Development ($82.6)												
1004 Gen Fund (UGF) 269.2												
FY2014 Computer Service Charges for Data Extracts and Network Costs	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Convert excess Interagency Receipts to Statutory Designated Program Receipts to match anticipated revenue collection. Companies pay for computer service costs associated with purchase of Department of Natural Resources data extracts and network charges.												
1007 I/A Rcpts (Other) -2.8												
1108 Stat Desig (Other) 2.8												
FY2014 Replace Land Disposal Income Fund to Help Ensure Long-Term Sustainability of the Fund	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Moving a portion of operating costs from land disposal income fund (LDIF) to general fund (GF) continues the Department of Natural Resources' effort initiated last legislative session to assure the LDIF is sustainable in the long term and able to support actual land sale and disposal efforts.

Projections in 2011 showed the fund would become unsustainable for the long-term due to increased costs and appropriations from the fund and reduced revenues to the fund. The department is endeavoring to mitigate this depletion through various means such as delaying capital project expenditures funded from the LDIF, using other fund sources for general operations where appropriate, and requesting budget actions to replace some LDIF with general funds where the work being performed is for general state operations.

The Legislature supported these actions in FY2013 and approved operating budget fund source switches from LDIF to GF for general operations in the Oil and Gas Development component and the Office of Project Management and Permitting component. LDIF appropriations remained in the Division of Mining, Land and Water, and the Division of Agriculture, the two divisions that actually support land sale activities which generate revenue to the fund. In addition, LDIF appropriations remained in the Administrative Services ($272.5), Information Resource Management ($207.2), and the Public Information Center ($75.9) components, all which are considered overhead and do not directly generate revenue to the fund. The intent was to re-evaluate the fund sustainability based on FY2013 projections and take additional actions if necessary. The next step towards ensuring fund sustainability would be to remove LDIF appropriations from the three remaining components not directly contributing to the LDIF revenue stream, which should potentially bring the fund closer to sustainability in FY2014.

Future changes in the use of the fund may be suggested depending on the actual revenue generated over the next year from additional land sales.

1004 Gen Fund (UGF) 207.2

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Information Resource Management (continued)												
FY2014 Replace Land Disposal Income Fund to Help Ensure Long-Term Sustainability of the Fund (continued)												
1153 State Land (DGF) -207.2												
FY2014 Department of Administration Core Services Rates	Inc	**13.3**	13.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments. The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 13.3												
FY2016 AMD: Transfer Excess Authority to Administrative Services for Human Resources Position	Dec	**-67.6**	0.0	0.0	-67.6	0.0	0.0	0.0	0.0	0	0	0
Excess Interagency (I/A) receipt authority is available for transfer to the Administrative Services component due to unrealized Reimbursable Service Agreements (RSAs) from other divisions. Over time the Information Resource Management (IRM) budget built up a higher amount of IA authority in the budget than what is actually utilized for projects funded from other divisions.												
1007 I/A Rcpts (Other) -67.6												
FY2016 AMD: Centralize Information Technology Functions and Services	Dec	**-85.0**	-85.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
The Information Resource Management (IRM) section is deleting PCN 10-0417 as part of a department-wide initiative to evaluate consolidation of Information Technology (IT) resources and to take advantage of technologies that facilitate remote technical support and computer administration. Due primarily to technical constraints, DNR has long organized its IT support channels around organizational structures and geographic locations. Recent advancements in technology have made remote administration and support much easier and more effective for both the end user and the technical support staff. As part of this effort, the department will evaluate options to standardize technology approaches related to desktop and computing infrastructure support. This includes evaluation to identify any duplicative services and hardware/software infrastructures. The department will evaluate organizing some IT support structures around functional business areas rather than solely around organizational or geographic boundaries. The department will also evaluate opportunities to standardize software development methodologies to reduce any identified duplication of efforts, and to develop software that is more easily re-purposed for a variety of business needs. Deploying software using a smaller collection of industry-standard languages reduces the number of server environments that need to be maintained. Delete (10-0417) Permanent, Full-time Microcomputer/Network Specialist I, Anchorage												
1004 Gen Fund (UGF) -85.0												
FY2017 AMD: Reorganization of Department Support Functions to Achieve Efficiencies	Dec	**-90.0**	-90.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Department of Natural Resources is undergoing an analysis of support positions across the agency to identify restructuring opportunities, areas where we could share positions, and regulations, policies and procedures that could be revisited to reduce administrative burden, to identify savings and position reductions. The specific												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Information Resource Management (continued)												
FY2017 AMD: Reorganization of Department Support Functions to Achieve Efficiencies (continued)												
positions to be deleted will be identified via this department-wide analysis in order to minimize impacts to programs and the public.												
FY2017 December Budget: $4,976.6 FY2017 Total Amendments: -$90.0 FY2017 Total: $4,886.6												
1004 Gen Fund (UGF) -90.0												
FY2018 Reduce Capital Improvement Project Receipt Authority No Longer Needed for Unified Permit Project	Dec	**-491.2**	-278.1	0.0	-213.1	0.0	0.0	0.0	0.0	0	0	0
During FY2017 Management Plan, two positions were transferred to Division of Mining, Land & Water (DMLW) for the Unified Permit capital project. Capital improvement project receipt funding of 213.1 was identified as excess authority to remove in FY2018 Governor.												
In FY2018 Governor, two Unified Permit project positions are being transferred to DMLW and two positions are being deleted. Because the Unified Permit project is moving from the capital budget to the operating budget, these receipts in the amount of 278.1 are no longer needed.												
These are technical adjustments and has no impact on services to the public.												
1061 CIP Rcpts (Other) -491.2												
FY2019 Reduce Uncollectible Capital Improvement Project Receipt Authority	Dec	**-544.8**	0.0	0.0	-544.8	0.0	0.0	0.0	0.0	0	0	0
Reduction of uncollectable capital improvement project receipt authority better aligns the budget with actual spending.												
1061 CIP Rcpts (Other) -544.8												
FY2019 Delete Geographic Information Systems Analyst I (10-0265)	Dec	**-82.3**	-82.3	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
The loss of this position in our GIS unit would eliminate the only entry-level GIS position within the department, and may impact the department's ability to recruit new staff who have limited experience, but have GIS skills or aptitude.												
Deletion of this position will require the remaining team members to pick up the workflow transactions that were performed by this position. The GIS unit is already feeling the effects of the FY2017 deletion of three GIS positions due to budget cuts in FY2017, as Division of Mining, Land and Water GIS users look to this unit for assistance.												
The balance of funding for this position, approximately 22.0, will remain in the component to fund shortfalls in Reimbursable Services Agreements (RSA).												
Delete (10-0265) GIS Analyst I, range 15, Anchorage, Full-Time												
1004 Gen Fund (UGF) -50.0												
1007 I/A Rcpts (Other) -32.3												
*** Allocation Total ***		**-1,152.4**	-432.6	-0.3	-749.5	30.0	0.0	0.0	0.0	-3	0	1

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Interdepartmental Chargebacks												
FY2013 Delete Unnecessary Authorization	Dec	**-0.1**	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0	0	0
This is a technical adjustment to eliminate unnecessary authorization.												
1061 CIP Rcpts (Other) -0.1												
FY2017 Work with Department of Administration to Find Efficiencies to Reduce Chargeback	Dec	**-52.8**	0.0	0.0	-52.8	0.0	0.0	0.0	0.0	0	0	0
Department of Natural Resources will work closely with Department of Administration to find efficiencies that reduce Information Technology and Human Resources chargeback. If savings are not realized either the chargeback will not be paid in full or the shortfall in this component will be allocated out to the divisions resulting in additional reductions to our core capacity.												
1004 Gen Fund (UGF) -52.8												
FY2019 Reduce Uncollectible Inter-Agency Receipt Authority	Dec	**-205.0**	0.0	0.0	-205.0	0.0	0.0	0.0	0.0	0	0	0
Reduction of inter-agency receipt authority better aligns the budget with actual spending.												
1007 I/A Rcpts (Other) -205.0												
*** Allocation Total ***		**-257.9**	0.0	0.0	-257.9	0.0	0.0	0.0	0.0	0	0	0
Facilities												
FY2012 Incorporate partial FY11 distribution of fuel trigger in FY12 base. Trigger start point moves from $51 to $65.	Inc	**4.3**	0.0	0.0	4.3	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 4.3												
FY2017 Work with Department of Administration to Find Efficiencies to Reduce Facility Charges	Dec	**-84.1**	0.0	0.0	-84.1	0.0	0.0	0.0	0.0	0	0	0
Department of Natural Resources will work closely with Department of Administration to find efficiencies that reduce facilities charges (e.g., leased spaced, facility maintenance, and lease administrative costs). If savings are not realized either the chargeback will not be paid in full or the shortfall in this component will be allocated out to the divisions resulting in additional reductions to our core capacity.												
1004 Gen Fund (UGF) -84.1												
FY2019 Lease Savings from Atwood Building Consolidation	Dec	**-125.0**	0.0	0.0	-125.0	0.0	0.0	0.0	0.0	0	0	0
The department will realize lease savings from the Atwood consolidation by reducing office space by over 23,000 square feet.												
Since FY2012 the department's core service costs (including leases, IRIS, Microsoft, audit, mainframe, Linny Pacillo parking garage) have increased $1,227.0 (24%), while general funds in the Facilities and Chargeback components have decreased by $372.0 (4%). As a result, divisions have absorbed these increases, and their costs have increased $547.0 (21%) since FY2012.												
1004 Gen Fund (UGF) -125.0												
*** Allocation Total ***		**-204.8**	0.0	0.0	-204.8	0.0	0.0	0.0	0.0	0	0	0
Citizen's Advisory Commission on Federal Areas												
FY2008 Ch. 40, SLA 2007 (HB 87)- Citizen's Advisory Commission on Federal Areas	FisNot	**246.2**	166.3	34.0	32.4	4.0	9.5	0.0	0.0	2	0	0
1004 Gen Fund (UGF) 246.2												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Citizen's Advisory Commission on Federal Areas (continued)												
FY2009 Implement Year Two of the Fiscal Note for Citizen Advisory Commission SLA07/CH40/HB87	Dec	**-9.5**	0.0	0.0	0.0	0.0	-9.5	0.0	0.0	0	0	0
Year 2 of fiscal note for HB87, Citizens Advisory Commission on Federal Areas (CACFA) eliminates the one-time funding for equipment purchases.												
1004 Gen Fund (UGF) -9.5												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-2.4**	0.0	-2.4	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -2.4												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**2.3**	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $2.3												
1004 Gen Fund (UGF) 2.3												
FY2013 Funding Redistribution from Agency-wide Position Deletions	IncM	**13.0**	13.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

In the Governor's agency-wide effort to limit the growth of state government (for both positions and funding), some vacant positions were deleted, with the intent to utilize savings generated from the deleted positions to fund personal services funding shortfalls or other priority projects within the department.

The department deleted 20 vacant positions across multiple components. General fund savings from the deleted positions is reallocated between components to cover personal services funding shortfalls or other department priority initiatives.

Prior to these funding transfers, personal services funding shortfalls existed in many components at a level that was not manageable without either a general fund increment, or a reduction of positions (most of which are filled) and a loss of service. Shortfalls are primarily a result of when employees receive merit increases, the cost is reflected in the personal services budget need, but the budget is not increased to cover the cost. The general expectation is that departments are responsible to cover merit increases through turnover and vacancies in a component, assuming that will generate savings to offset the merit increases. When components experience little turnover or have few vacant positions, there is no cost savings to cover the increases. The Governor's budget recognizes the need to cover these shortfalls by allowing for the transfer of savings between allocations.

General fund was reallocated as follows:
Commissioner's Office $100.0
Administrative Services $125.0
Information Resource Management $269.2
Citizens' Advisory Commission on Federal Areas $13.0
Parks Management & Access $80.0
Gas Pipeline Project Office ($223.4)
Petroleum Systems Integrity Office ($281.2)
Forest Management & Development ($82.6)

1004 Gen Fund (UGF) 13.0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Citizen's Advisory Commission on Federal Areas (continued)												
FY2014 Department of Administration Core Services Rates	Inc	**0.7**	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments. The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 0.7												
FY2016 Remove the Funding and Positions for the Citizen's Advisory Commission on Federal Areas	Dec	**-288.1**	-235.6	-29.6	-18.9	-4.0	0.0	0.0	0.0	-1	-1	0
1004 Gen Fund (UGF) -288.1												
FY2016 CC: Restore Funding and Positions for the Citizen's Advisory Commission on Federal Areas (Senate was IncOTI)	Inc	**288.1**	235.6	29.6	18.9	4.0	0.0	0.0	0.0	1	1	0
1004 Gen Fund (UGF) 288.1												
FY2017 Delete Citizens Advisory Commission on Federal Areas	Dec	**-272.9**	-228.8	-21.2	-18.9	-4.0	0.0	0.0	0.0	-1	-1	0
The Citizens' Advisory Commission on Federal Areas is responsible for identifying and reducing potential negative impacts on Alaska and its citizens from federal actions on federal land in the state. Although this is an important mission, the commission is not functionally part of Department of Natural Resources, and we cannot afford to support it when we are cutting our core programs. Delete (10-0430) Executive Director, CACFA, range 22, Fairbanks, Full-Time Delete (10-0434) Natural Resource Specialist, range 16, Fairbanks, Part-Time												
1004 Gen Fund (UGF) -272.9												
FY2017 Restore Citizens Advisory Commission on Federal Areas as OTI	IncOTI	**272.9**	228.8	21.2	18.9	4.0	0.0	0.0	0.0	1	1	0
1004 Gen Fund (UGF) 272.9												
FY2017 VETO: Delete Citizens Advisory Commission on Federal Areas	Veto	**-272.9**	-228.8	-21.2	-18.9	-4.0	0.0	0.0	0.0	-1	-1	0
The Citizens' Advisory Commission on Federal Areas is responsible for identifying and reducing potential negative impacts on Alaska and its citizens from federal actions on federal land in the state. Although this is an important mission, the commission is not functionally part of Department of Natural Resources, and we cannot afford to support it when we are cutting our core programs. Delete (10-0430) Executive Director, CACFA, range 22, Fairbanks, Full-Time Delete (10-0434) Natural Resource Specialist, range 16, Fairbanks, Part-Time												
1004 Gen Fund (UGF) -272.9												
*** Allocation Total ***		**-22.6**	-46.5	10.4	13.5	0.0	0.0	0.0	0.0	1	-1	0
Recorder's Office/Uniform Commercial Code												
FY2006 Add Four Part-time Positions to Address Mailout Objectives: PCNs 10-#012-015	Inc	**90.0**	90.0	0.0	0.0	0.0	0.0	0.0	0.0	0	4	0
The Recorder's Office has continually had to rely on supplemental funding and the hiring of non-permanent												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Recorder's Office/Uniform Commercial Code (continued)												
FY2006 Add Four Part-time Positions to Address Mailout Objectives: PCNs 10-#012-015 (continued) positions to work on mail backlogs. The addition of four permanent part-time clerk positions will significantly reduce or eliminate the ongoing dependence on non-perms to catch up the ever existing mail back backlogs. These part-time positions will have the primary responsibility to return all original documents after scanning. The new positions are 10-#012, 10#013, 10-#014, and 10-#015. 1156 Rcpt Svcs (DGF) 90.0												
FY2006 Funding Required to Retain Service at all Existing Offices The component will need $46.5 in services authorization to offset increased chargeback costs, increased lease payments, increased equipment maintenance costs, and postage. $6.6 will be added to commodities categories for the purchase of information technology supplies and other supplies needed to meet workload volumes. $17.9 will go toward increased personal services expenses. This increment will allow the component to maintain operation at all offices statewide. 1156 Rcpt Svcs (DGF) 71.0	Inc	**71.0**	17.9	0.0	46.5	6.6	0.0	0.0	0.0	0	0	0
FY2007 AMD: Maintain Existing Service Levels in State Recorder's Offices Due to increased maintenance fees and other higher costs, in order to stay within our authorization, the Recorder's Office would have had to close service to the Valdez and Nome offices in FY 2007. This budget amendment will allow us to fill the vacant Valdez recorder position and maintain service in our Nome office as well. 1156 Rcpt Svcs (DGF) 100.0	Inc	**100.0**	60.0	0.0	10.0	30.0	0.0	0.0	0.0	0	0	0
FY2008 Increased operational costs for film processing, leases, and computer chargebacks Film Processing - $40.0 Film remains the accepted archival medium to preserve the public record. Film processing has increased significantly since the original contract for services was implemented. Where we used to pay $6.50 per roll for processing charges we are now up to over $17.00 per roll. Increases are anticipated up to 60% over what we pay currently with a new multi-year contract amount potentially exceeding $70.0. Building Leases - $10.0 Market rate increases on our leased property are going up 6% or more annually. Computer chargebacks - $10.0 Recording records continue to be digitized and added to the database for public use and review. The more images available result in more frequent use of the mainframe resulting in added chargeback costs. Having images available statewide increases public access and has been very well received by our users. Office Supplies and Delivery - $5.0 Products not under contract award, and delivery charges associated with purchase and delivery to outlying locations including Bethel, Sitka, Ketchikan, Kodiak, Seward, Valdez continue to increase, and cannot be supported at the existing services levels without additional funding. 1156 Rcpt Svcs (DGF) 65.0	Inc	**65.0**	0.0	0.0	60.0	5.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Recorder's Office/Uniform Commercial Code (continued)												
FY2009 AMD: Computer Support Technician for Recorder's Office/UCC Section	Inc	**73.7**	0.0	0.0	73.7	0.0	0.0	0.0	0.0	0	0	0
The Recorder's Office/UCC Section is requesting an increase in Receipt Supported Services (RSS) funding to pay for its share of computer technician support from the Computer Information Center (CIC). An additional support position is necessary to provide timely computer technical service for the variety of computers and related equipment used on a daily basis at the Recorder's Office. This position will be budgeted for and supervised under the Information Technology Chargeback component, and funded via a Reimbursable Services Agreement (RSA) from this component.												
Computers drive the Recorder's Office two Archive Writer machines and high speed scanners which are used to create and preserve the public record of Alaska. Title companies and other businesses rely on the information we electronically provide daily and when our equipment fails it must be made operational as quickly as possible. In addition, we have numerous computers and printers in our 12 offices across the state. Many of these offices also have scanners to provide images on a daily basis to local title companies. It is essential to have equipment fully operational for the many customers who rely on the information we provide to conduct their business. The Recorder's Office is the 4th highest user of CIC services in the department. Current turnaround time for technician support is unacceptable in our customer-oriented environment.												
The proposed funding is covered by Recorder's Office fees, which are estimated to be approximately $3.9 million more than our budgeted expenditure authorization for FY09. This computer services support ensures we continue to provide timely and professional service to our many paying customers across the state.												
1156 Rcpt Svcs (DGF) 73.7												
FY2010 Atwood Parking Garage Lease Increment Chargeback	Inc	**10.6**	0.0	0.0	10.6	0.0	0.0	0.0	0.0	0	0	0
The new parking garage at the Atwood building requires an increase in lease costs for DNR. This cost was unexpected. An increase in RSS would allow the component to meet the increase in its share of lease costs.												
1156 Rcpt Svcs (DGF) 10.6												
FY2011 Budget Clarification Project fund change to budget for revenue collections from recording and preserving documents	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF) 4,470.4												
1156 Rcpt Svcs (DGF) -4,470.4												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-1.4**	0.0	-1.4	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF) -1.4												
FY2011 LFD: Revise Governor's salary adjustment request	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF) 126.0												
1156 Rcpt Svcs (DGF) -126.0												
FY2012 Add CIP Receipts for 2 Existing Long-Term Non-Perms for the Conversion of Recorded Media to Digital Format projects	IncM	**112.0**	112.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Recorder's Office component requires the addition of CIP receipt authority in order to accurately budget for two existing long-term non-perms working on the Conversion of Recorded Media to Digital capital projects.												
The two positions are a Recorder II (PCN 10-N07034) whose job duties include back indexing of the aperture card												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Recorder's Office/Uniform Commercial Code (continued)												
FY2012 Add CIP Receipts for 2 Existing Long-Term Non-Perms for the Conversion of Recorded Media to Digital Format projects (continued)												
index into a mainframe index and a Recorder Technician (PCN 10-N08038) whose job duties include creating digital images to film from aperture cards and microfiche. Completion of this capital initiative is expected by FY13.												
1061 CIP Rcpts (Other) 112.0												
FY2016 AMD: Recorder's Office Consolidation and Efficiencies	Dec	**-173.3**	-143.4	-1.5	-26.9	-1.5	0.0	0.0	0.0	0	-1	0
With the recent implementation of Electronic Recording and Filing, the Recorder's Office/Uniform Commercial Code section now has the ability to begin implementing consolidation where appropriate, with minimal negative impact to the public. The Bethel and Kodiak offices will be closed. Recording services to the public will still be available via electronic recording and mail, and considering the low traffic volume at these offices, minimal disruption to the public is expected. Both locations are single staffed offices; the part-time Bethel position will be deleted and the full-time Kodiak position will be transferred to Anchorage to handle the increase in electronic recording volume.												
Delete (10-0339) Part-time, Recorder II, Bethel												
Transfer (10-0314) Full-time, Recorder II from Kodiak to Anchorage												
1005 GF/Prgm (DGF) -173.3												
FY2016 Close Single-Staffed Offices in Valdez, Ketchikan, Sitka, and Homer; transfer Homer position to Anchorage	Dec	**-284.2**	-224.8	-1.9	-51.0	-6.5	0.0	0.0	0.0	-3	0	0
1005 GF/Prgm (DGF) -284.2												
FY2016 Reduce Palmer Staffing Due to Reduced Volume	Dec	**-78.3**	-78.3	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1005 GF/Prgm (DGF) -78.3												
FY2018 Delete Capital Improvement Project Authority Due to Project Ending	Dec	**-116.5**	0.0	0.0	-116.5	0.0	0.0	0.0	0.0	0	0	0
The Recorder's Office capital projects were completed in FY2016, and two non-permanent positions funded by capital improvement project receipts were deleted in FY2017 Management Plan. This is a technical adjustment and has no impact on services to the public.												
1061 CIP Rcpts (Other) -116.5												
FY2018 Recorder's Office Consolidation and Efficiencies	Dec	**-750.0**	-533.0	0.0	-217.0	0.0	0.0	0.0	0.0	-5	-2	0
The Recorder's Office will build on consolidation efforts started in FY2016, reducing staffing levels in Fairbanks, Kenai, Juneau, and Palmer, and eliminating funds for a position deleted in FY2017 Management Plan. Offices will remain open for over-the-counter customers and research, and customers can continue to record electronically. Electronic Recording (e-Recording) was first implemented in 2012 and available statewide in 2013. Each year the percentage of use goes up, reducing the need to maintain expensive offices across the state. Currently 54% of documents are e-Recorded, and 70% of revenue is brought in via e-Recording.												
In FY2016, six single-staffed offices were closed and five positions deleted. Revenue generated from recordings and filings were not affected by the closures as e-Recording and mail in recording are still available. Efforts in FY2017 continue the promotion of e-Recording and streamlining processes in the remaining offices (Anchorage, Fairbanks, Palmer, Juneau, and Kenai). This FY2018 reduction would result in the deletion of seven positions and the transfer of one to Anchorage, reducing the Kenai office from three to one, the Fairbanks office from five to three, the Palmer office from five to two, and the Juneau office from three to two.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Recorder's Office/Uniform Commercial Code (continued)												
FY2018 Recorder's Office Consolidation and Efficiencies (continued)												
An additional reduction of -217.0 is possible because replacement of expensive equipment (archive writers, plat scanner/copiers, high volume scanners, software, etc.) will take place in FY2017, and no large purchases are anticipated within the next five years. In addition, we are negotiating smaller lease spaces for offices as they are consolidated.												
Impact to the public will be minimal as e-Recording is available statewide, mail-in recording continues to be available, and offices will be maintained in Kenai, Fairbanks, Juneau, and Palmer. Impact to the Recorder's Office will be heavier work volumes in Anchorage with fewer Recorders in the outlying offices to assist with any backlogs. The transfer of one position from Kenai to Anchorage will help address this concern.												
The Recorder's Office maintains the permanent public record of filed documents related to security interests in personal property. Alaska statutes and regulations govern the prices charged for recording. Revenue is a function of economic activity: sales of homes, purchases of personal property, etc., result in recording fees and state revenue. Annually, the Recorder's Office collects more in revenue than authorized to spend. Revenue in excess of authorization, as well as unspent authorization, returns to the general fund. The FY2018 proposed reduction should increase the revenue to the general fund if recording activity remains stable, as services can be delivered to Alaskans at a lower cost.												
Delete (10-0333) Recorder I/II, range 10/11, Kenai, Part-Time												
Delete (10-0324) Recorder I/II, range 10/11, Palmer, Full-Time												
Delete (10-0363) Recorder I/II, range 10/11, Palmer, Full-Time												
Delete (10-0422) Recorder I/II, range 10/11, Palmer, Full-Time												
Delete (10-0321) Recorder I/II, range 10/11, Fairbanks, Full-Time												
Delete (10-0370) Recorder I/II, range 10/11, Fairbanks, Full-Time												
Delete (10-0323) Recorder I/II, range 10/11, Juneau, Part-Time												
Transfer (10-0331) Recorder I/II, range 10/11, Kenai to Anchorage, Full-Time												
1005 GF/Prgm (DGF) -750.0												
*** Allocation Total ***		**-881.4**	-699.6	-4.8	-210.6	33.6	0.0	0.0	0.0	-9	1	0
Conservation & Development Board												
FY2006 Full funding for a Natural Resource Conservation and Development Board Project Coordinator PCN 10-#020	Inc	**34.1**	34.1	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0

This provides full funding for a Natural Resource Conservation and Development Board Project Coordinator (10-#020). The position is partially funded by existing ARLF receipts, the general fund increment brings it to full-time support for the Board.

Duties of this full-time position include:

- Conduct annual nominations/elections of local district supervisors

- Review annual program plans of local districts

- Schedule and coordinate meetings of the NRCDB

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Conservation & Development Board (continued)												
FY2006 Full funding for a Natural Resource Conservation and Development Board Project Coordinator PCN 10-#020 (continued)												
- Coordinating with the districts throughout the year.												
- Attend AACD meetings and give advice to the district managers.												
1004 Gen Fund (UGF) 34.1												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	5.2	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 2.1												
1021 Agric RLF (DGF) 3.1												
FY2008 AMD: Eliminate General Fund Support for the Natural Resource Conservation and Development Board	Dec	-44.1	-44.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Eliminate the general fund support for the Natural Resource Conservation and Development Board (NRCDB). These general funds represent roughly 40% of the cost of a full-time position.												
DNR will attempt to support the activities of the NRCDB with the remaining 60 percent funding from the Argiculture Revolving Loan Fund. In prior years this support was provided by a staff member on a part-time basis, and although not ideal, the basic amount of work required for support of the NRCDB would continue to be supported.												
1004 Gen Fund (UGF) -44.1												
FY2008 Replace Agricultural Revolving Loan Fund with GF	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 109.3												
1021 Agric RLF (DGF) -109.3												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-1.3	0.0	-1.3	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -1.3												
FY2016 AMD: Eliminate Funding for the Natural Resources Conservation & Development Board	Dec	-116.5	0.0	-13.7	-101.6	-1.2	0.0	0.0	0.0	0	0	0
The elimination of funding for the Natural Resources Conservation and Development Board (NRCDB) would eliminate state support for this Board, and significantly reduce state oversight and support of Alaska's Soil and Water Conservation Districts. The NRCDB and its Executive Director review and approve the district's annual work plans, and approve new districts or changes to existing districts. Districts would no longer receive annual state funding, currently $2.0 per district. The NRCDB is established in statute (AS 41.10.040) and its members are appointed by the Governor.												
1004 Gen Fund (UGF) -116.5												
*** Allocation Total ***		-122.6	-4.8	-15.0	-101.6	-1.2	0.0	0.0	0.0	1	0	0
EVOS Trustee Council Projects												
FY2006 Reduction in anticipated services required by Exxon Valdez Oil Spill Trustee Council	Dec	-185.8	0.0	0.0	-185.8	0.0	0.0	0.0	0.0	0	0	0
This decrement represents a reduction in anticipated services required by the Exxon Valdez Oil Spill Trustee Council.												
1002 Fed Rcpts (Fed) -40.6												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
EVOS Trustee Council Projects (continued)												
FY2006 Reduction in anticipated services required by Exxon Valdez Oil Spill Trustee Council (continued)												
1018 EVOS Civil (Other) -145.2												
FY2007 Delete vacant Natural Resource Manager (NRM) II position (PCN 10-0110) and associated funding	Dec	**-56.0**	-56.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Delete vacant Natural Resource Manager II position (PCN 10-0110) and associated funding.												
1018 EVOS Civil (Other) -56.0												
FY2011 EVOS Trustee Council Personal Services Adjustment	Inc	**14.6**	14.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This will provide authorization for the Exxon Valdez Oil Spill Trustee Council budget action that increased the amount in personal services. This allows for an additional month to be added to the Coordinator's salary. This position is split with Large Project Permitting.												
1018 EVOS Civil (Other) 14.6												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**0.9**	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $0.9												
1018 EVOS Civil (Other) 0.9												
FY2016 AMD: Decrease EVOS Authorization to Match Trustee Council Budget for FY2016	Dec	**-246.9**	0.0	-2.5	-244.4	0.0	0.0	0.0	0.0	0	0	0
Decrease (Exxon Valdez Oil Spill) EVOS authorization to align with actual expenditure and the Exxon Valdez Oil Spill Trustee Council's (Council) budget associated with the implementation of restoration goals and objectives for the Habitat Protection Program. This level of authorization is no longer needed for due diligence (appraisal reports, reviews, surveys, environmental clearances, site visits, title research, etc.) costs and land acquisitions which are now either included with project specific capital requests or completed by the Council's contractor.												
1018 EVOS Civil (Other) -246.9												
FY2018 Reduce Uncollectible Authority No Longer Available for Mapping Projects	Dec	**-60.1**	-21.5	-1.5	-29.1	-8.0	0.0	0.0	0.0	0	0	0
The Department of Natural Resources anticipates the completion of the mapping and interpretive catalog projects. The workload reductions result in less travel, contracts, supplies, and personnel dedicated to these projects.												
1018 EVOS Civil (Other) -60.1												
*** Allocation Total ***		**-533.3**	-62.0	-4.0	-459.3	-8.0	0.0	0.0	0.0	-1	0	0
Public Information Center												
FY2007 Increase in operating funds to maintain current service levels	Inc	**6.0**	1.5	0.0	2.0	2.5	0.0	0.0	0.0	0	0	0
Due to escalating costs a small increase of operating authorization is necessary to allow the Public Services Office component to continue providing a status quo level of service.												
1153 State Land (DGF) 6.0												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-50.9**	-50.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) -47.8												
1153 State Land (DGF) -3.1												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Public Information Center (continued)												
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Other divisions would need more funds individually for the IA receipts for the information office. A fund source change from IA to LDIF in this component prevents the need to do individual increments in other components.												
1007 I/A Rcpts (Other) -8.2												
1153 State Land (DGF) 8.2												
FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) -8.6												
1153 State Land (DGF) 8.6												
FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) -4.3												
1153 State Land (DGF) 4.3												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Public Services Office component (PSO) is primarily funded with RSAs from divisions within DNR; most of these RSAs are paid for with general funds. As personal service costs in the PSO component continue to increase, they traditionally receive increased IA authorization in the budget with the expectation that they collect more via RSA from divisions. The PSO is unable to pass this additional cost on to the divisions in FY12, as the divisions are not receiving additional general funds to pay for the service.												
No additional RSA funding is forthcoming in FY12, requiring a fund change to general funds to allow the component to maintain the same level of service in our Public Information Offices in Anchorage and Fairbanks.												
1007 I/A Rcpts (Other) -17.3												
1153 State Land (DGF) 17.3												
FY2012 Staff Support for Inter-Agency Funded Projects	Inc	**8.0**	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
An increment of $8,000 is needed in order to accommodate an RSA to provide support for the Recorder's Office.												
1007 I/A Rcpts (Other) 8.0												
FY2014 Replace Land Disposal Income Fund to Help Ensure Long-Term Sustainability of the Fund	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Moving a portion of operating costs from land disposal income fund (LDIF) to general fund (GF) continues the Department of Natural Resources' effort initiated last legislative session to assure the LDIF is sustainable in the long term and able to support actual land sale and disposal efforts.												
Projections in 2011 showed the fund would become unsustainable for the long-term due to increased costs and appropriations from the fund and reduced revenues to the fund. The department is endeavoring to mitigate this depletion through various means such as delaying capital project expenditures funded from the LDIF, using other fund sources for general operations where appropriate, and requesting budget actions to replace some LDIF with general funds where the work being performed is for general state operations.												
The Legislature supported these actions in FY2013 and approved operating budget fund source switches from												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Public Information Center (continued)												
FY2014 Replace Land Disposal Income Fund to Help Ensure Long-Term Sustainability of the Fund (continued)												
LDIF to GF for general operations in the Oil and Gas Development component and the Office of Project Management and Permitting component. LDIF appropriations remained in the Division of Mining, Land and Water, and the Division of Agriculture, the two divisions that actually support land sale activities which generate revenue to the fund. In addition, LDIF appropriations remained in the Administrative Services ($272.5), Information Resource Management ($207.2), and the Public Information Center ($75.9) components, all which are considered overhead and do not directly generate revenue to the fund. The intent was to re-evaluate the fund sustainability based on FY2013 projections and take additional actions if necessary. The next step towards ensuring fund sustainability would be to remove LDIF appropriations from the three remaining components not directly contributing to the LDIF revenue stream, which should potentially bring the fund closer to sustainability in FY2014.												
Future changes in the use of the fund may be suggested depending on the actual revenue generated over the next year from additional land sales.												
1004 Gen Fund (UGF) 75.9												
1153 State Land (DGF) -75.9												
FY2014 Department of Administration Core Services Rates	Inc	**1.1**	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 1.1												
FY2014 Cost Allocation to Comply with Vacancy Factor Guidelines	Inc	**10.0**	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
An increase of interagency receipts authorization is required to allow the Public Information Center to maintain a reasonable vacancy factor.												
1007 I/A Rcpts (Other) 10.0												
FY2016 AMD: Reduce Excess Authorization Due to Transfer of General Funds from Other Components	Dec	**-449.1**	-269.9	0.0	-179.2	0.0	0.0	0.0	0.0	0	0	0
The Public Information Center (PIC) is currently over 80% funded from other divisions within the Department of Natural Resources (DNR) using inter-agency (I/A) receipts via Reimbursable Services Agreements (RSAs). General funds were transferred from the following components to the PIC in separate change records. This transaction deletes the excess inter-agency receipts.												
Mining, Land and Water - $356.5 Oil and Gas - $8.3 Parks and Outdoor Recreation - $62.3 Forestry - $12.5 Fire Preparedness - $9.5												
1007 I/A Rcpts (Other) -449.1												
FY2019 Increase Inter-Agency Receipt Authority	Inc	**30.0**	0.0	0.0	30.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Public Information Center (continued)												
FY2019 Increase Inter-Agency Receipt Authority (continued)												
These decrements and increments of Inter-Agency Receipts listed below by component better aligns the budget with actual spending.												
Commissioner's Office: ($120.0) Interdepartmental Chargeback: ($205.0) Public Information Center: $30.0 Mining, Land & Water: $100.0 Forest Management: $100.0 Agricultural Development $65.0 Parks Management: ($250.0) Office of History & Archeology: ($200.0) DNR Total: ($480.0)												
These are technical adjustments and have no impact on services to the public.												
1007 I/A Rcpts (Other) 30.0												
*** Allocation Total ***		**-444.9**	-300.2	0.0	-147.2	2.5	0.0	0.0	0.0	0	0	0
Mental Health Trust Lands Administration												
FY2006 Increase personal services for FY06 Trustee approved merit increases	Inc	**15.6**	15.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Increase personal services to allow for merit increases.												
1092 MHTAAR (Other) 15.6												
FY2006 Delete three non-permanent PCN's not included in the FY06 Trustee approved work plan.	Dec	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	-3
Delete three non-permanent positions (PCNs 10-N001, 10-PX01, 10-SI07). The Trust Land Office does not have projects scheduled for non-permanent positions for the FY06 Trustee approved work plan.												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**57.3**	57.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR (Other) 57.3												
FY2007 Operational increase per Trustee Work Plan: reduce vacancy factor; RSA with Law and agency Admin Support /IT support	Inc	**73.5**	39.7	0.0	33.8	0.0	0.0	0.0	0.0	0	0	0
Reduce vacancy factor to manageable level as approved by Alaska Mental Health Trust Board.												
Increase contractual services budget as approved by the Alaska Mental Health Trust Board due to increased costs with inter-agency and intra-agency Reimburseable Services Agreements (Department of Law $15.0, Department of Natural Resources, Administrative Support Services $15.0 and IT Support $3.8).												
1092 MHTAAR (Other) 73.5												
FY2008 Increment approved by Alaska Mental Health Trust Board for new resource manager position and project support.	Inc	**225.2**	141.3	0.0	83.9	0.0	0.0	0.0	0.0	0	0	0
Increment covers one new Trust Resource Manager (PCN-X002) established in FY07. New position is tasked with managing complex land management programs and assisting senior resource managers in achieving annual revenue goals per Trustee approved work plan. Increment also covers reducing vacancy factor to manageable												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Mental Health Trust Lands Administration (continued)												
FY2008 Increment approved by Alaska Mental Health Trust Board for new resource manager position and project support. (continued)												
level, wage increases, training for and restructuring of Asset Management Program, projected cost increases to inter-agency and intra-agency Reimbursable Services Agreements and projected cost increases for utilities and service contracts (snow, lawn, janitorial, etc.) for several Trust owned facilities.												
1092 MHTAAR (Other) 225.2												
FY2008 AMD: Amend request to match Trustee-approved budget level	Dec	**-19.3**	0.0	0.0	-19.3	0.0	0.0	0.0	0.0	0	0	0
This transaction amends the original budget request to match the final Trustee-approved budget level for the Mental Health Trust Lands Administration component within DNR.												
1092 MHTAAR (Other) -19.3												
FY2009 MH Trust: Cont - Trust Land Office Admin Budget Grant 129.06	IncOTI	**1,684.1**	1,255.9	35.0	373.2	20.0	0.0	0.0	0.0	0	0	0
The FY09 Operating Budget will continue funding the annual operation costs for the Trust Land Office (TLO). The TLO was established to manage the lands and other non-cash assets of the Alaska Mental Health Trust Authority. Our mission is two-fold: (1) to protect and enhance the value of Alaska Mental Health Trust lands; and (2) to maximize revenues from Trust lands over time. Operation costs include personal services and travel expenses for 11 staff members, contractual expenses such as professional services, contracts for janitorial and snow removal, ongoing costs for utilities, postage, advertising, etc., and supplies such as office equipment and general office supplies. The TLO is advised by the Trust Authority Resource Management Committee.												
The operating budget is managed by the TLO Business Manager with support from two Trust Resource Technicians.												
The operating budget provides the core funding for the Trust Land Office.												
1092 MHTAAR (Other) 1,684.1												
FY2010 MH Trust: Cont - Grant 129.07 Trust Land Office Admin Budget	IncOTI	**1,783.3**	1,350.1	85.0	325.2	23.0	0.0	0.0	0.0	0	0	0
The FY10 Operating Budget will continue funding the annual operation costs for the Trust Land Office (TLO). The TLO was established to manage the lands and other non-cash assets of the Alaska Mental Health Trust Authority. Our mission is two-fold: (1) to protect and enhance the value of Alaska Mental Health Trust lands; and (2) to maximize revenues from Trust lands over time. Operation costs include personal services and travel expenses for 12 staff members, contractual expenses such as professional services, contracts for janitorial and snow removal, ongoing costs for utilities, postage, advertising, etc., and supplies such as office equipment and general office supplies. The TLO is advised by the Trust Authority Resource Management Committee.												
The operating budget is managed by the TLO Business Manager with support from two Trust Resource Technicians.												
The operating budget provides the core funding for the Trust Land Office.												
1092 MHTAAR (Other) 1,783.3												
FY2010 AMD: Delete Vacant PCNs 10-0131 and 10-0136	Dec	**-189.9**	-189.9	0.0	0.0	0.0	0.0	0.0	0.0	-2	0	0
Management has decided not to fill the positions (listed below) in FY10 and delete them. Based on the current												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Mental Health Trust Lands Administration (continued)												
FY2010 AMD: Delete Vacant PCNs 10-0131 and 10-0136 (continued)												
status of funding available from the Mental Health Trust Authority, current economic conditions, and future business opportunities, these positions will not be needed. Current workload can be managed with existing staff.												
PCN 10-0131 Health Trust Manager												
PCN 10-0136 Health Trust Manager												
1092 MHTAAR (Other) -189.9												
FY2010 Cap to Op: Mental Health Land Development services for land management, pre-disposal or disposal services	Inc	**680.0**	0.0	0.0	680.0	0.0	0.0	0.0	0.0	0	0	0
Effective management and development of MH lands. Formerly in Capital Budget.												
1092 MHTAAR (Other) 680.0												
FY2011 MH Trust: Cont - Grant 129.08 Trust Land Office Admin Budget	IncOTI	**1,661.2**	850.0	85.0	703.2	23.0	0.0	0.0	0.0	0	0	0
The FY11 Operating Budget will continue funding the annual operation costs for the Trust Land Office (TLO). The TLO was established by statute to manage the lands and other non-cash assets of the Alaska Mental Health Trust Authority. Our mission is two-fold: (1) to protect and enhance the value of Alaska Mental Health Trust lands; and (2) to maximize revenues from Trust lands over time. Operation costs include personal services and travel expenses for staff, contractual expenses including professional services contracts with the private sector, contracts for janitorial and snow removal; ongoing costs for utilities, postage, advertising, etc., and supplies such as office equipment and general office supplies. The TLO is advised by the Trust Authority Resource Management Committee and the Alaska Mental Health Trust Board of Trustees..												
The operating budget is managed by the TLO Business Manager.												
The operating budget provides the core funding for the Trust Land Office.												
1092 MHTAAR (Other) 1,661.2												
FY2011 Move Trust Land Development from Capital to Operating	IncOTI	**680.0**	300.0	0.0	380.0	0.0	0.0	0.0	0.0	0	0	0
Trust land development has been moved from the CIP budget to the operating budget, which better classified this ongoing program. Funding for these expenses are now part of the annual operating budget and appropriation.												
1092 MHTAAR (Other) 680.0												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**30.3**	30.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $30.3												
1007 I/A Rcpts (Other) 2.8												
1092 MHTAAR (Other) 27.5												
FY2011 Ch. 56, SLA 2010 (HB 421) Correct Unrealizable Fund Sources in the FY2011 Noncovered Year 1 Salary Increase	FisNot	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The I/A Receipts were to cover increased P/S cost for an employee working on the In State Gas Line Project. PCN 10-0127 is no longer a part of the In State Gas Line and information has been updated to reflect MHTAAR funding (1092) funding.												
1007 I/A Rcpts (Other) -2.8												
1092 MHTAAR (Other) 2.8												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Mental Health Trust Lands Administration (continued)												
FY2012 Eliminate Inter-Agency Receipt Authorization	Dec	**-4.2**	-4.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
I/A Receipts were provided as part of the funding for the In-State Gas Line Project initially managed through the Trust Land Office (TLO) for part of FY10. The project was relocated to another state agency; as such the funding was also relocated and will no longer be required as part of the TLO budget.												
1007 I/A Rcpts (Other) -4.2												
FY2012 MH Trust: Cont - Grant 129.09 Trust Land Office Admin Budget	IncM	**2,390.3**	1,753.3	85.0	533.2	18.8	0.0	0.0	0.0	0	0	0
The FY12 Operating Budget will continue funding the annual operation costs for the Trust Land Office (TLO). The TLO was established by statute to manage the lands and other non-cash assets of the Alaska Mental Health Trust Authority. Our mission is two-fold: (1) to protect and enhance the value of Alaska Mental Health Trust lands; and (2) to maximize revenues from Trust lands over time. Operation costs include personal services and travel expenses for staff, contractual expenses such as professional services, contracts for janitorial and snow removal, ongoing costs for utilities, postage, advertising, etc., and supplies such as office equipment and general office supplies. The TLO is advised by the Trust Authority Resource Management Committee.												
The operating budget provides the core funding for the Trust Land Office.												
1092 MHTAAR (Other) 2,390.3												
FY2012 MH Trust: Cont - Grant 129.09 Trust Land Office Admin Budget	Inc	**443.9**	234.7	6.0	186.0	17.2	0.0	0.0	0.0	0	0	0
DNRs Mental Health Trust Lands Office (MHTLO) has a new Executive Director, Greg Jones, who started in October. He is in the process of working the with the existing staff and the Trust to establish an updated operational plan and some of those plans and decisions are still fluid.												
The increases for FY12, as approved by the Trust, are currently budgeted for the following:												
Personal services $234.7. This covers a variety of actions, including a salary increase for the Deputy Director position to bring it in line with salaries of other office staff; merit/pay increment increases for the unit, most of which have not had a merit or pay increment salary increase in almost 3 years; conversion of two part-time employees from PT to FT status; and funding to reduce the vacancy factor down, as they plan to have little to no vacant positions.												
Travel $6.0. Financial opportunities for future Trust revenue generation exist in Southeast Alaska, requiring more travel. In addition, the staff are traveling more to deal with public trespassing, dumping and illegal use of remote Trust properties.												
Services $186.0. The MHTLO has entered into three long-term engineering contracts and anticipates spending at a higher rate against these contracts to support Trust projects in FY12.												
Commodities $17.0. There has been no increase in the budget allocation for supplies and commodities in the last 10 years. The staffing level has gone from 7 to 16 over this time period, and the current allocation is too little to cover the basic operational supplies.												
1092 MHTAAR (Other) 443.9												
FY2012 Reorganization of the MH Trust Land Office staffing structure to optimize investments	Inc	**498.7**	498.7	0.0	0.0	0.0	0.0	0.0	0.0	3	0	0
Amendment added during subcommittee closeout on 2/24/11												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Mental Health Trust Lands Administration (continued)												
FY2012 Reorganization of the MH Trust Land Office staffing structure to optimize investments (continued)												
1092 MHTAAR (Other) 498.7												
FY2012 Reduce increment and PCN from the Mental Health Trust Land Office	Dec	**-112.0**	-112.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1092 MHTAAR (Other) -112.0												
FY2013 Additional funding for the FY13 Trust Land Office Admin Budget	Inc	**261.3**	49.7	0.0	215.8	-4.2	0.0	0.0	0.0	0	0	0
The FY2013 Operating Budget will continue funding the annual operation costs for the Trust Land Office (TLO). The TLO was established by statute to manage the lands and other non-cash assets of the Alaska Mental Health Trust Authority. Our mission is two-fold: (1) to protect and enhance the value of Alaska Mental Health Trust lands; and (2) to maximize revenues from Trust lands over time. Operation costs include personal services and travel expenses for staff, contractual expenses such as professional services, contracts for janitorial and snow removal, ongoing costs for utilities, postage, advertising, etc., and supplies such as office equipment and general office supplies. The TLO is advised by the Trust Authority Resource Management Committee. The operating budget provides the core funding for the Trust Land Office.												
1092 MHTAAR (Other) 261.3												
FY2014 Additional funding for the FY14 Trust Land Office Admin Budget	Inc	**542.8**	308.3	32.2	187.3	15.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR (Other) 542.8												
FY2014 Delete Unneeded Authorization due to Transfer of Trust Resource Manager (10-T058)	Dec	**-160.3**	-160.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Vacant Trust Resource Manager (10-T058) is being transferred to the Department of Revenue, Long Term Care Ombudsman Office. This position will become an Assistant Ombudsman. The authorization associated with this position is being deleted.												
1092 MHTAAR (Other) -160.3												
FY2015 MH Trust: Grant 129.08 Expand MH Trust Lands Administration Budget for FY15	Inc	**57.7**	57.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The FY2015 Operating Budget will continue funding the annual operation costs for the Trust Land Office (TLO). The TLO was established by statute to manage the lands and other non-cash assets of the Alaska Mental Health Trust Authority. The mission is two-fold: (1) to protect and enhance the value of Alaska Mental Health Trust lands; and (2) to maximize revenues from Trust lands over time. Operating costs include personal services and travel expenses for staff, contractual expenses such as professional services, advertising, postage, and general office supplies. The TLO is advised by the Trust Authority Resource Management Committee. The FY2015 budget focuses on maintaining the existing level of service. The increase of $57.7 is a 1.43 percent increase over FY2014. This represents the funding necessary beyond the FY14 Conference Committee in order for the TLO to fulfill its mission.												
1092 MHTAAR (Other) 57.7												
FY2016 MH Trust: Cont - Grant 129.08 Maintain Trust Land Office Administrative Budget	IncM	**4,071.4**	2,619.4	123.2	1,274.3	54.5	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Mental Health Trust Lands Administration (continued)												
FY2016 MH Trust: Cont - Grant 129.08 Maintain Trust Land Office Administrative Budget (continued)												
The FY2016 Operating Budget will continue funding the annual operation costs for the Trust Land Office (TLO). The TLO was established by statute to manage the lands and other non-cash assets of the Alaska Mental Health Trust Authority. The mission is two-fold: (1) to protect and enhance the value of Alaska Mental Health Trust lands; and (2) to maximize revenues from Trust lands over time. Operating costs include personal services and travel expenses for staff, contractual expenses such as professional services, advertising, postage, and general office supplies. The TLO is advised by the Trust Authority Resource Management Committee.												
1092 MHTAAR (Other) 4,071.4												
FY2016 MH Trust: Cont - Grant 129.08 Expand Trust Land Office Administrative Budget	Inc	**255.6**	121.0	20.5	112.6	1.5	0.0	0.0	0.0	0	0	0
Issue: The Alaska Mental Health Trust Land Office (TLO) is requesting a 253.6 increase for the FY2016 Operating Budget. This represents a 255.6 increase over FY2015. This briefing paper discusses only the difference between the two budget years.												
The FY2016 Operating Budget will continue funding the annual operation costs for the TLO. The TLO was established by statute to manage the lands and other non-cash assets of the Alaska Mental Health Trust Authority (Trust). The mission is two-fold: (1) to protect and enhance the value of Alaska Mental Health Trust lands; and (2) to maximize revenues from Trust lands over time. Operating costs include personal services and travel expenses for staff, contractual expenses such as professional services, advertising, postage, and general office supplies. The increase in the FY2016 budget will maintain the status quo.												
Personal Services: COLA and merit-based salary increases (and related benefit increases) and small organizational changes are included. The TLO maintains a near-zero vacancy factor to allow the office to be fully staffed for a full year.												
Travel: As the real estate program grows, more travel is necessary to monitor these assets.												
Contractual: Used for engineering, surveying, and legal services contracts relating to land management and development.												
Status Quo: The TLO budgets for a zero vacancy factor and must include all anticipated increases in costs in order to maintain the status quo. This includes merit, cost-of-living adjustment (COLA), and other benefit increases. If these increases are not funded, the TLO will need to scale back on activities that maximize revenue generated from Trust land for beneficiaries.												
1092 MHTAAR (Other) 255.6												
FY2017 Trust Land Office Administration Budget Increase	Inc	**75.6**	48.5	-0.7	27.8	0.0	0.0	0.0	0.0	0	0	0
The FY2017 Operating Budget will continue funding the annual operation costs for the Trust Land Office (TLO). The TLO was established by statute to manage the lands and other non-cash assets of the Alaska Mental Health Trust Authority. The mission is two-fold: (1) to protect and enhance the value of Alaska Mental Health Trust lands; and (2) to maximize revenues from Trust lands over time. Operating costs include personal services and travel expenses for staff, contractual expenses such as professional services, advertising, postage, and general office supplies. The TLO is advised by the Trust Authority Resource Management Committee.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services (continued)												
Mental Health Trust Lands Administration (continued)												
FY2017 Trust Land Office Administration Budget Increase (continued)												
The TLO has undertaken several initiatives for revenue growth, including establishing regional managers to oversee Trust Land, increases in mining activity on Trust Land, moving the southeast Alaska land exchange forward with the United States Forest Service, and a significant new real estate investment plan.												
1092 MHTAAR (Other) 75.6												
FY2018 H DNR 1 - Eliminate funding for public relations contracting.	Dec	**-250.0**	0.0	0.0	-250.0	0.0	0.0	0.0	0.0	0	0	0
The Trust Land Office published a request for proposals from public relations contractors, with a contract ceiling of $250.0 per year. The TLO should not contract with any public relations firm. This amendment eliminates funding for TLO PR outsourcing.												
1092 MHTAAR (Other) -250.0												
FY2019 Reverse Mental Health Trust Recommendation	OTI	**-4,213.2**	-2,832.8	-143.0	-1,181.4	-56.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR (Other) -4,213.2												
FY2019 Continuation - Maintain Trust Land Office Administration Budget	IncM	**4,213.2**	2,842.8	133.0	1,181.4	56.0	0.0	0.0	0.0	0	0	0
The FY2019 Operating Budget will continue funding the annual operating costs for the Trust Land Office (TLO). The TLO was established by statute to manage the lands and other non-cash assets of the Alaska Mental Health Trust Authority. The mission is two-fold: (1) to protect and enhance the value of Alaska Mental Health Trust lands; and (2) to maximize revenues from Trust lands over time. Operating costs include personal services and travel expenses for staff, contractual expenses such as professional services, advertising, postage, and general office supplies. The TLO is advised by the Trust Authority Resource Management Committee.												
1092 MHTAAR (Other) 4,213.2												
*** Allocation Total ***		**14,752.1**	9,275.1	461.2	4,847.0	168.8	0.0	0.0	0.0	0	0	-3
*** * Appropriation Total * ***		**35,966.9**	12,123.2	1,151.7	22,395.0	297.0	0.0	0.0	0.0	-1	0	-2
Oil & Gas												
Oil & Gas												
FY2006 Gasline Commercialization and Expanding Investment in Exploration	Inc	**978.6**	861.1	8.0	89.5	20.0	0.0	0.0	0.0	4	0	0

The Division of Oil and Gas requests an increment of $978.6 with four new positions: A petroleum geologist, a commercial analyst, a microcomputer technician I, and an accounting technician II.

At least four new positions are needed due to the dramatically increased workload associated with two major oil and gas initiatives. First, the gas pipeline initiative has dramatically increased the commercial section's workload. Second, the governor has taken the initiative to increase oil and gas production through the Division creating and disseminating geological data to explorers. $544.6K

I. Gasline Commercialization: Commercial Analyst and Accounting Technician Positions
Activities leading to the development of an ANS gas pipeline have severely impacted the commercial section's resources. At the moment, nearly everyone in the commercial section has a full-time commitment to the gas pipeline process, either by way of analysis or participating in negotiations. These activities will likely continue

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Oil & Gas (continued)

FY2006 Gasline Commercialization and Expanding Investment in Exploration (continued)

through and beyond a gas pipeline start date. Even upon completion of a Stranded Gas Act contract, numerous complex commercial agreements related to the underlying Stranded Gas Act contract will need to be analyzed and negotiated. These agreements will be several years in development. Furthermore, the State may take an active role selling royalty in-kind gas; whether this activity is conducted within DNR or outsourced, commercial staff will be dedicated to its planning, implementation and conduct.

As a consequence of the overwhelming nature of the gas pipeline workload, several commercial initiatives are receiving less than optimum attention. Missed opportunities to market royalty in-kind and a potential weakness in dealing with royalty settlement reopeners have real revenue consequences to the state. The commercial section staffing level has improved with the addition of a Petroleum Investment Manager who brings to the division industry experience in gas trading and marketing. We also are trying to fill an Economist II position to support the Commercial Analysts by relieving them of the more tedious aspects of data analyses.

The Division requests a new Commercial Analyst position to provide upstream expertise (e.g., industry facility sharing agreements and costs and upstream gas) and add negotiating depth to the staff for royalty oil and gas valuation and royalty in-kind sales. Currently, our upstream commercial expertise is being utilized in gas pipeline negotiations. Additionally, the Division requests a new accounting technician position for data input into the royalty accounting system and gasline data databases and models. Use of an accounting technician for data screening and entry will free up significant time of commercial staff, accountants, and auditors so they can spend more of their time in economic analysis and professional level work in support of negotiations.

II. Expanding Investment in Exploration: Petroleum Geologist and Microcomputer Technician
As was illustrated by the most recent North Slope and Beaufort Sea lease sales where ten independents but only one major bid, the future of Alaska exploration will likely be dominated by smaller companies, many of whom are new to Alaska. These companies need baseline geologic data that the state can provide through new research and the compilation and publication of existing data.

If we are to continue attracting new companies to the state, baseline data from Cook Inlet and the North Slope foothills is needed, as is data from new areas such as the proposed lease sale area on the Alaska Peninsula. In order to accelerate and expand current efforts to create and provide this information the Division is requesting two new positions; a highly specialized petroleum geologist and a microcomputer technician.

The new petroleum geologist would focus on critical reservoir issues and must be an expert in petrographic analysis and basin analysis. The microcomputer technician is necessary in order to provide computer support on the Division's internal network which links interpretation workstations to seismic and well data bases used in subsurface oil and gas mapping and interpretation. The additional support is needed because the division is required to manage separate confidential and nonconfidential datasets so that research geologists can analyze and publish results from the nonconfidential data. In FY06, the division plans on moving a petroleum geologist to Fairbanks to work in conjunction with geologists of the State Geological Survey. The microtechnican will need to support the migration and maintenance of a subsurface interpretation work station in Fairbanks.

III. Full funding for Oil & Gas workload and staff
The Division's budget authority for personal services is 6.72% ($558.2K) short of what is needed to fully pay for all authorized staff. With the legislatively approved pay increases for the Division's professional staff in 2004, the

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2006 Gasline Commercialization and Expanding Investment in Exploration (continued)												
Division has been successful in retaining its highly-trained and experienced staff. With minimal turnover and the high demands on Division staff to quickly and efficiently serve the needs of gas pipeline negotiations and oil and gas exploration, development, and production; an 6.72% vacancy factor overstates both actual and desired vacancy rates. Ideally, the Division would operate with a 2% vacancy ($166.1K), in which case it could maintain and perhaps increase the pace of lease issuance, permitting, unitization, and its pursuit of underpaid royalties. Industry supports the first three of these goals, and appreciates the early resolution of royalty disputes, if not the payment of incremental sums due.												
Without this increment the Division has to make up the shortfall and could be required to lay off existing personnel and defer filling vacancies and any new positions. Having to make up the shortfall is an untenable situation where escalating demands are being placed on the Division and will further exacerbate delays in issuing leases, permitting, unitization, and pursuit of underpaid royalties. INC:$392.1K												
IV. COLA increases for Exempt Personnel COLA increases were not assigned to exempt personnel as it was for the General Government, Confidential, and Supervisory bargaining units. This request adds funding (1.5%) to pay the COLA for the exempt personnel. Funding this request would maintain parity in increases between exempt personnel and bargaining unit members. INC: $41.9K												
1004 Gen Fund (UGF) 978.6												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**202.1**	202.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 137.6												
1005 GF/Prgm (DGF) 1.0												
1061 CIP Rcpts (Other) 1.1												
1105 PF Gross (Other) 62.4												
FY2007 Continuation of Oil & Gas and Gasline Increased Workload	Inc	**1,075.0**	953.3	32.5	55.6	25.3	8.3	0.0	0.0	0	0	0
Introduction: Under the supplemental one-time funding provided in late FY05 and continued through FY06 we have hired staff to begin the missions outlined in the original request. Continuation of funding and retention of the staff are critical for the division to continue these missions. Required staff commitments and activities that will lead to the development of an Alaska North Slope (ANS) gas pipeline had severely impacted the division's resources and its ability to accomplish its day-to-day business. These gas line activities will last many years--until and beyond a gas pipeline start date. We anticipate that, even upon completion of a Stranded Gas Act (SGA) contract, commercial and technical staff will be assigned over the next years to develop various supplemental agreements with the SGA contract parties, such as gas accounting, audit, volume nomination and measurement protocols, gas balancing agreements and various pipeline and gas treatment plant limited liability corporation agreements. Furthermore, the State may take an active role selling royalty in-kind gas; whether this activity is conducted within DNR or outsourced, commercial and technical staff will be dedicated to its planning, implementation, and conduct. Retention of the staff associated with this request is critical for the division to accomplish its base missions and measures of: A) Encourage Exploration and Development; B) Maximize Benefits of Development and Production to the State; and C) Maximize Non-tax Revenue from State Oil and Gas Production; as well as to continue gas line related activities. Failure to fund the positions described below will result in much slower gas line negotiations,												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Oil & Gas (continued)

FY2007 Continuation of Oil & Gas and Gasline Increased Workload (continued)

missed opportunities for new oil and gas revenue and an overall slower response to the division's day-to-day business activities.

Gas Line:
At the moment, nearly everyone in the commercial section as well as many other division staff have a full-time commitment to the gas pipeline process. As a consequence, several commercial and development initiatives are receiving less than optimum attention. Missed opportunities to market royalty in-kind and a potential weakness in dealing with royalty settlement reopeners and royalty reduction applications have real revenue consequences to the State. An experienced petroleum reservoir engineer will be hired and a petroleum land manager was hired to fill in the gaps left when existing staff were diverted to gasline work. We added two new Commercial Analyst positions that will supplement our upstream expertise (e.g., industry facility sharing agreements and costs, and upstream gas) and add negotiating depth to the staff for royalty oil and gas valuation, royalty relief applications, and royalty in-kind sales. A third Commercial Analyst position now supervises the Royalty Accounting section and, among his other duties, will ensure the RIK billing and analyses are completed accurately and on time. A programmer analyst is assisting in modeling efforts and data base construction.

Expanding Investment in Exploration and Development:
As was illustrated by the most recent North Slope and Beaufort Sea lease sales, where ten independents but only one major bid, the future of exploration will be dominated by smaller companies, many of whom are new to Alaska. These companies need baseline geologic data that the State can provide through new research and the compilation and publication of existing data. This data is needed in Cook Inlet and the North Slope foothills as well as in new areas such as the proposed lease sale area for the Alaska Peninsula. In order to accelerate and expand current efforts to create and provide this information, the Division has added four new positions: two highly specialized petroleum geologists, a geophysicist, and a programmer analyst. The petroleum geologist will focus on critical reservoir issues and must be an expert in petrographic analysis and basin analysis. The programmer analyst is necessary in order to provide computer support on the division's internal network which links interpretation workstations to seismic and well data bases used in subsurface oil and gas mapping and interpretation. The additional support is needed because of the requirement for the division to manage separate confidential and nonconfidential datasets so that research staff can analyze and publish results from the nonconfidential data. In FY06, the division plans on moving a petroleum geologist and a geologist to Fairbanks to work in conjunction with geologists of the State Geological Survey. The programmer analyst will need to support the migration and maintenance of a subsurface interpretation work station in Fairbanks. Two Natural Resource Specialists were added to supplement the lease sales, licensing and permit compliance effort. These two positions are primarily necessary to avoid unnecessary delays in the permitting of oil and gas activities proposed by new explorers. These positions will also increase the division's capacity to monitor and inspect new and existing oil and gas operations, as identified in our management measures. In addition, a publications specialist will assist with drafting and editing division documents, especially those related to gas and the gasline.

Summary of Activities and Missions:
A. Increasing oil & gas investment and production by new and existing companies:
1. Encouraging the maximum use and sharing of existing infrastructure with new entrants
2. Encouraging the development and use of new or alternate exploration and development technologies to lower costs, accelerate activity and decrease environmental impact
3. Planning and designing for new infrastructure to support exploration and development in frontier areas (such

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Oil & Gas (continued)

FY2007 Continuation of Oil & Gas and Gasline Increased Workload (continued)

as regional staging areas, roads and pipelines)

4. Development and publication of technical data on geology, engineering, economic and regulatory structure to support and recruit new investors and accelerate exploration.

B. Ongoing North Slope gas pipeline analysis, negotiation, and project development/implementation:

1. Analyze and model fiscal systems proposed by project applicants or developed by the State.
2. Analyze fiscal impacts and risk/reward profile of delivery point, gas treatment, gas transportation, and gas balancing proposals for royalty in-kind gas.
3. Negotiate with multiple parties some with both upstream and midstream project interests, and some with only upstream or midstream project interests.
4. Provide staff support, analysis, and data for administration officials, and analysis and data for the Legislature.
5. Analyze marketing and valuation options for gas liquids associated with the project.
6. Provide information and comments to the Federal Energy Regulatory Commission concerning regulation of the gas pipeline.
7. Retain consultant and expert advice on gas line matters; manage contracts with consultants and experts.
8. Investigate potential for additional North Slope gas resources including gas hydrates location, ownership, resource size, and development options.
9. Develop appropriate LLC corporate governance structure for State ownership participation in pipelines and gas treatment plants, as well as, voting rights that protect State interests are a critical component.
10. Analyze downstream marketing costs and risks for royalty in-kind gas.
11. Analyze effects of gas sales on existing oil production reservoir modeling and simulation.
12. Develop expertise needed to participate in pipelines and gas treating facilities open seasons and make long term gas treating and shipping commitments.
13. Continue robust economic modeling of all project proposals including evaluation of risk/reward profiles.
14. Negotiate measurement, audit, and accounting protocols for a project.
15. Negotiate gas take in-kind protocols to describe volume nomination, day to day volume notification/accounting and both short term and long term imbalance procedures.
16. Analyze options for buying and selling gas in the field, at the inlet to a gas treating plant, and at the pipeline inlets.
17. Develop options to possibly convert net profit share lease interests to fixed royalty or sliding scale royalty lease interests.

One-time project funding for the positions listed below was approved through FY06 only. In order to support the ongoing efforts described above, the division is requesting ongoing full time funding for the following 13 positions:

1. Three Commercial Analysts (Anchorage, exempt, R26)
2. One Publications Specialist III (Anchorage, R19)
3. One Petroleum Reservoir Engineer (Anchorage, exempt, R26)
4. Two Petroleum Geologists (Anchorage/Fairbanks, exempt, R26)
5. One Petroleum Geophysicist (Anchorage, exempt, R26)
6. One Natural Resource Specialist IV (Anchorage, R21)
7. One Natural Resource Specialist III (Anchorage, R18)
8. One Petroleum Land Manager (Anchorage, exempt, R26)
9. One Programmer Analyst IV (Anchorage, R20)
10. One Geologist IV (Fairbanks, R20)

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2007 Continuation of Oil & Gas and Gasline Increased Workload (continued)												
1004 Gen Fund (UGF) 737.0												
1153 State Land (DGF) 338.0												
FY2007 CC: Reduce funding for Oil & Gas and Gasline Increased Workload	Dec	**-433.7**	-433.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Introduction:
Under the supplemental one-time funding provided in late FY05 and continued through FY06 we have hired staff to begin the missions outlined in the original request. Continuation of funding and retention of the staff are critical for the division to continue these missions. Required staff commitments and activities that will lead to the development of an Alaska North Slope (ANS) gas pipeline had severely impacted the division's resources and its ability to accomplish its day-to-day business. These gas line activities will last many years--until and beyond a gas pipeline start date. We anticipate that, even upon completion of a Stranded Gas Act (SGA) contract, commercial and technical staff will be assigned over the next years to develop various supplemental agreements with the SGA contract parties, such as gas accounting, audit, volume nomination and measurement protocols, gas balancing agreements and various pipeline and gas treatment plant limited liability corporation agreements. Furthermore, the State may take an active role selling royalty in-kind gas; whether this activity is conducted within DNR or outsourced, commercial and technical staff will be dedicated to its planning, implementation, and conduct. Retention of the staff associated with this request is critical for the division to accomplish its base missions and measures of: A) Encourage Exploration and Development; B) Maximize Benefits of Development and Production to the State; and C) Maximize Non-tax Revenue from State Oil and Gas Production; as well as to continue gas line related activities. Failure to fund the positions described below will result in much slower gas line negotiations, missed opportunities for new oil and gas revenue and an overall slower response to the division's day-to-day business activities.

Gas Line:
At the moment, nearly everyone in the commercial section as well as many other division staff have a full-time commitment to the gas pipeline process. As a consequence, several commercial and development initiatives are receiving less than optimum attention. Missed opportunities to market royalty in-kind and a potential weakness in dealing with royalty settlement reopeners and royalty reduction applications have real revenue consequences to the State. An experienced petroleum reservoir engineer will be hired and a petroleum land manager was hired to fill in the gaps left when existing staff were diverted to gasline work. We added two new Commercial Analyst positions that will supplement our upstream expertise (e.g., industry facility sharing agreements and costs, and upstream gas) and add negotiating depth to the staff for royalty oil and gas valuation, royalty relief applications, and royalty in-kind sales. A third Commercial Analyst position now supervises the Royalty Accounting section and, among his other duties, will ensure the RIK billing and analyses are completed accurately and on time. A programmer analyst is assisting in modeling efforts and data base construction.

Expanding Investment in Exploration and Development:
As was illustrated by the most recent North Slope and Beaufort Sea lease sales, where ten independents but only one major bid, the future of exploration will be dominated by smaller companies, many of whom are new to Alaska. These companies need baseline geologic data that the State can provide through new research and the compilation and publication of existing data. This data is needed in Cook Inlet and the North Slope foothills as well as in new areas such as the proposed lease sale area for the Alaska Peninsula. In order to accelerate and expand current efforts to create and provide this information, the Division has added four new positions: two highly specialized petroleum geologists, a geophysicist, and a programmer analyst. The petroleum geologist will focus

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Oil & Gas (continued)

FY2007 CC: Reduce funding for Oil & Gas and Gasline

Increased Workload (continued)

on critical reservoir issues and must be an expert in petrographic analysis and basin analysis. The programmer analyst is necessary in order to provide computer support on the division's internal network which links interpretation workstations to seismic and well data bases used in subsurface oil and gas mapping and interpretation. The additional support is needed because of the requirement for the division to manage separate confidential and nonconfidential datasets so that research staff can analyze and publish results from the nonconfidential data. In FY06, the division plans on moving a petroleum geologist and a geologist to Fairbanks to work in conjunction with geologists of the State Geological Survey. The programmer analyst will need to support the migration and maintenance of a subsurface interpretation work station in Fairbanks. Two Natural Resource Specialists were added to supplement the lease sales, licensing and permit compliance effort. These two positions are primarily necessary to avoid unnecessary delays in the permitting of oil and gas activities proposed by new explorers. These positions will also increase the division's capacity to monitor and inspect new and existing oil and gas operations, as identified in our management measures. In addition, a publications specialist will assist with drafting and editing division documents, especially those related to gas and the gasline.

Summary of Activities and Missions:

A. Increasing oil & gas investment and production by new and existing companies:

1. Encouraging the maximum use and sharing of existing infrastructure with new entrants
2. Encouraging the development and use of new or alternate exploration and development technologies to lower costs, accelerate activity and decrease environmental impact
3. Planning and designing for new infrastructure to support exploration and development in frontier areas (such as regional staging areas, roads and pipelines)
4. Development and publication of technical data on geology, engineering, economic and regulatory structure to support and recruit new investors and accelerate exploration.

B. Ongoing North Slope gas pipeline analysis, negotiation, and project development/implementation:

1. Analyze and model fiscal systems proposed by project applicants or developed by the State.
2. Analyze fiscal impacts and risk/reward profile of delivery point, gas treatment, gas transportation, and gas balancing proposals for royalty in-kind gas.
3. Negotiate with multiple parties some with both upstream and midstream project interests, and some with only upstream or midstream project interests.
4. Provide staff support, analysis, and data for administration officials, and analysis and data for the Legislature.
5. Analyze marketing and valuation options for gas liquids associated with the project.
6. Provide information and comments to the Federal Energy Regulatory Commission concerning regulation of the gas pipeline.
7. Retain consultant and expert advice on gas line matters; manage contracts with consultants and experts.
8. Investigate potential for additional North Slope gas resources including gas hydrates location, ownership, resource size, and development options.
9. Develop appropriate LLC corporate governance structure for State ownership participation in pipelines and gas treatment plants, as well as, voting rights that protect State interests are a critical component.
10. Analyze downstream marketing costs and risks for royalty in-kind gas.
11. Analyze effects of gas sales on existing oil production reservoir modeling and simulation.
12. Develop expertise needed to participate in pipelines and gas treating facilities open seasons and make long term gas treating and shipping commitments.
13. Continue robust economic modeling of all project proposals including evaluation of risk/reward profiles.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2007 CC: Reduce funding for Oil & Gas and Gasline Increased Workload (continued)												
14. Negotiate measurement, audit, and accounting protocols for a project.												
15. Negotiate gas take in-kind protocols to describe volume nomination, day to day volume notification/accounting and both short term and long term imbalance procedures.												
16. Analyze options for buying and selling gas in the field, at the inlet to a gas treating plant, and at the pipeline inlets.												
17. Develop options to possibly convert net profit share lease interests to fixed royalty or sliding scale royalty lease interests.												
One-time project funding for the positions listed below was approved through FY06 only. In order to support the ongoing efforts described above, the division is requesting ongoing full time funding for the following 13 positions:												
1. Three Commercial Analysts (Anchorage, exempt, R26)												
2. One Publications Specialist III (Anchorage, R19)												
3. One Petroleum Reservoir Engineer (Anchorage, exempt, R26)												
4. Two Petroleum Geologists (Anchorage/Fairbanks, exempt, R26)												
5. One Petroleum Geophysicist (Anchorage, exempt, R26)												
6. One Natural Resource Specialist IV (Anchorage, R21)												
7. One Natural Resource Specialist III (Anchorage, R18)												
8. One Petroleum Land Manager (Anchorage, exempt, R26)												
9. One Programmer Analyst IV (Anchorage, R20)												
10. One Geologist IV (Fairbanks, R20)												
1004 Gen Fund (UGF) -433.7												
FY2007 Increase Audits on Oil & Gas Royalties and Net Profit Share Lease Payments to Generate Revenue and Reduce Backlog	Inc	**89.0**	71.0	2.3	15.7	0.0	0.0	0.0	0.0	1	0	0

Introduction:
The Department of Natural Resources received authority to audit oil and gas royalties and net profit share lease (NPSL) payments under a legislative amendment effective July 1, 2003. AS 38.05.036. The Department of Revenue previously had such audit authority, in addition to auditing taxes paid by oil and gas producers. When DNR received audit authority a number of royalty and NPSL audits were not current. Although the Division of Oil and Gas, Audit Section, has subsequently reduced the number of audits that are behind schedule, a significant number of large, complex audits remain. The division would be able to perform audits more quickly to become current, and stay current, if it hires two additional auditors. The amount of royalty revenues at stake justifies the requested positions. This increment supports one of our division's end results - "Maximize Non-tax Revenue from State Oil and Gas Production".

In FY04, approximately 75 percent of the state's revenues (excluding investment and federal revenues) came from the oil and gas industry in the amount of approximately $2.4 billion. Of that amount, about $1.42 billion came from oil and gas royalties (59 percent of the total oil and gas revenues), with the rest coming from various oil and gas taxes. Division of Oil and Gas auditors are responsible for auditing, analyzing or reviewing in some manner virtually all of the royalties collected, either directly through audits or through review and negotiations during periodic amendments to royalty settlement agreements (called reopeners in the case of agreements with the three major oil producers on the North Slope). Thus, division auditors are responsible for verifying or reviewing the state's largest component of revenue (excluding federal and investment revenues).

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2007 Increase Audits on Oil & Gas Royalties and Net Profit Share Lease Payments to Generate Revenue and Reduce Backlog (continued)												
1004 Gen Fund (UGF) 89.0												
FY2007 Increase Federal Receipts to Match Agreement with Minerals Management Service	Inc	**30.0**	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Besides state audits, the Audit Section is also responsible for auditing all federal oil and gas leases in Alaska, under a delegation of authority and contract with the U.S. Minerals Management Service. The State of Alaska receives up to 90 percent of federal royalties, depending on the location of the lease.

Proposed additions to audit staff:
The two new auditors would be in Oil and Gas Revenue Auditor I-III flex positions (Ranges 16/18/20). The Audit Section needs two additional auditors to catch up on old audits and stay current on state oil and gas audits. Several North Slope audits are substantially behind schedule, including NPSL and marine transportation audits. Both NPSL and marine transportation audits involve complex issues, require examination of voluminous accounting and financial records, may include examination of $200-$300 million of costs per year, and by their nature take a significant amount of time to complete. Based on past experience, these audits can each result in millions of dollars of audit recoveries to the state.

In addition to the NPSL and marine transportation audits, the Audit Section also audits Cook Inlet oil and gas production, audits North Slope oil production at Alpine and Northstar, and monitors and verifies North Slope royalties paid under settlement agreements (which constitutes most North Slope oil production). The North Slope royalty settlement agreements ("RSA's) with the three major producers involve extensive examination of company accounting and financial records, can occur on tight time deadlines, and have historically resulted in millions of dollars of recoveries to the state. The Audit Section plays a key role in monitoring, verifying, and amending the RSA's, and also in defending the state's position in litigation and arbitrations relating to RSA disputes.

Expected revenue impact of hiring new auditors:
The expected revenue impact of hiring two new auditors is difficult to measure, but is expected to be positive. The new auditors would allow the Cook Inlet oil and gas audits to be performed more quickly, as well as NPSL and marine transportation audits. As examples, the most recent Cook Inlet oil audit recoveries were in the amount of $1,391,926 (includes principal and interest), while the most recent Cook Inlet gas audit recoveries were $1,030,855 (for state leases) and $121,278 (for federal leases). For the most recently completed NPSL audit, the state received $18,472,728 in audit recoveries. The division's most recently completed marine transportation audit is the subject of an RSA arbitration that will probably be held in spring or summer 2006, so it is premature to estimate a recovery amount. However, the Audit Section's review of the producer's marine transportation costs resulted in the producer significantly reducing its claimed costs.

Therefore, although it is difficult to state with precision the expected revenue impact of hiring two new auditors, it is likely to be considerable because of the millions of dollars in audit recoveries at stake. The new auditors will also allow the audits to be performed more efficiently, and for the state to produce timely audit claims and recover those claims sooner. The oil and gas producers will also benefit, because more timely audits means less interest charges on the audit claims.

Increased federal receipts are needed for the cooperative agreement with the Minerals Management Service (MMS). Under the agreement, one Auditor is full-time and the other is currently at twenty-five percent of his time. The new agreement funds the second Auditor for fifty percent of his time.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2007 Increase Federal Receipts to Match Agreement with Minerals Management Service (continued)												
1002 Fed Rcpts (Fed) 30.0												
FY2007 Continuation of Oil & Gas and Gasline Increased Workload	IncOTI	**858.7**	761.4	26.0	44.5	20.2	6.6	0.0	0.0	0	0	0

Introduction:
Under the supplemental one-time funding provided in late FY05 and continued through FY06 we have hired staff to begin the missions outlined in the original request. Continuation of funding and retention of the staff are critical for the division to continue these missions. Required staff commitments and activities that will lead to the development of an Alaska North Slope (ANS) gas pipeline had severely impacted the division's resources and its ability to accomplish its day-to-day business. These gas line activities will last many years--until and beyond a gas pipeline start date. We anticipate that, even upon completion of a Stranded Gas Act (SGA) contract, commercial and technical staff will be assigned over the next years to develop various supplemental agreements with the SGA contract parties, such as gas accounting, audit, volume nomination and measurement protocols, gas balancing agreements and various pipeline and gas treatment plant limited liability corporation agreements. Furthermore, the State may take an active role selling royalty in-kind gas; whether this activity is conducted within DNR or outsourced, commercial and technical staff will be dedicated to its planning, implementation, and conduct. Retention of the staff associated with this request is critical for the division to accomplish its base missions and measures of: A) Encourage Exploration and Development; B) Maximize Benefits of Development and Production to the State; and C) Maximize Non-tax Revenue from State Oil and Gas Production; as well as to continue gas line related activities. Failure to fund the positions described below will result in much slower gas line negotiations, missed opportunities for new oil and gas revenue and an overall slower response to the division's day-to-day business activities.

Gas Line:
At the moment, nearly everyone in the commercial section as well as many other division staff have a full-time commitment to the gas pipeline process. As a consequence, several commercial and development initiatives are receiving less than optimum attention. Missed opportunities to market royalty in-kind and a potential weakness in dealing with royalty settlement reopeners and royalty reduction applications have real revenue consequences to the State. An experienced petroleum reservoir engineer will be hired and a petroleum land manager was hired to fill in the gaps left when existing staff were diverted to gasline work. We added two new Commercial Analyst positions that will supplement our upstream expertise (e.g., industry facility sharing agreements and costs, and upstream gas) and add negotiating depth to the staff for royalty oil and gas valuation, royalty relief applications, and royalty in-kind sales. A third Commercial Analyst position now supervises the Royalty Accounting section and, among his other duties, will ensure the RIK billing and analyses are completed accurately and on time. A programmer analyst is assisting in modeling efforts and data base construction.

Expanding Investment in Exploration and Development:
As was illustrated by the most recent North Slope and Beaufort Sea lease sales, where ten independents but only one major bid, the future of exploration will be dominated by smaller companies, many of whom are new to Alaska. These companies need baseline geologic data that the State can provide through new research and the compilation and publication of existing data. This data is needed in Cook Inlet and the North Slope foothills as well as in new areas such as the proposed lease sale area for the Alaska Peninsula. In order to accelerate and expand current efforts to create and provide this information, the Division has added four new positions: two highly specialized petroleum geologists, a geophysicist, and a programmer analyst. The petroleum geologist will focus on critical reservoir issues and must be an expert in petrographic analysis and basin analysis. The programmer

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Oil & Gas (continued)

FY2007 Continuation of Oil & Gas and Gasline Increased Workload (continued)

analyst is necessary in order to provide computer support on the division's internal network which links interpretation workstations to seismic and well data bases used in subsurface oil and gas mapping and interpretation. The additional support is needed because of the requirement for the division to manage separate confidential and nonconfidential datasets so that research staff can analyze and publish results from the nonconfidential data. In FY06, the division plans on moving a petroleum geologist and a geologist to Fairbanks to work in conjunction with geologists of the State Geological Survey. The programmer analyst will need to support the migration and maintenance of a subsurface interpretation work station in Fairbanks. Two Natural Resource Specialists were added to supplement the lease sales, licensing and permit compliance effort. These two positions are primarily necessary to avoid unnecessary delays in the permitting of oil and gas activities proposed by new explorers. These positions will also increase the division's capacity to monitor and inspect new and existing oil and gas operations, as identified in our management measures. In addition, a publications specialist will assist with drafting and editing division documents, especially those related to gas and the gasline.

Summary of Activities and Missions:

A. Increasing oil & gas investment and production by new and existing companies:

1. Encouraging the maximum use and sharing of existing infrastructure with new entrants
2. Encouraging the development and use of new or alternate exploration and development technologies to lower costs, accelerate activity and decrease environmental impact
3. Planning and designing for new infrastructure to support exploration and development in frontier areas (such as regional staging areas, roads and pipelines)
4. Development and publication of technical data on geology, engineering, economic and regulatory structure to support and recruit new investors and accelerate exploration.

B. Ongoing North Slope gas pipeline analysis, negotiation, and project development/implementation:

1. Analyze and model fiscal systems proposed by project applicants or developed by the State.
2. Analyze fiscal impacts and risk/reward profile of delivery point, gas treatment, gas transportation, and gas balancing proposals for royalty in-kind gas.
3. Negotiate with multiple parties some with both upstream and midstream project interests, and some with only upstream or midstream project interests.
4. Provide staff support, analysis, and data for administration officials, and analysis and data for the Legislature.
5. Analyze marketing and valuation options for gas liquids associated with the project.
6. Provide information and comments to the Federal Energy Regulatory Commission concerning regulation of the gas pipeline.
7. Retain consultant and expert advice on gas line matters; manage contracts with consultants and experts.
8. Investigate potential for additional North Slope gas resources including gas hydrates location, ownership, resource size, and development options.
9. Develop appropriate LLC corporate governance structure for State ownership participation in pipelines and gas treatment plants, as well as, voting rights that protect State interests are a critical component.
10. Analyze downstream marketing costs and risks for royalty in-kind gas.
11. Analyze effects of gas sales on existing oil production reservoir modeling and simulation.
12. Develop expertise needed to participate in pipelines and gas treating facilities open seasons and make long term gas treating and shipping commitments.
13. Continue robust economic modeling of all project proposals including evaluation of risk/reward profiles.
14. Negotiate measurement, audit, and accounting protocols for a project.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2007 Continuation of Oil & Gas and Gasline Increased Workload (continued)												
15. Negotiate gas take in-kind protocols to describe volume nomination, day to day volume notification/accounting and both short term and long term imbalance procedures.												
16. Analyze options for buying and selling gas in the field, at the inlet to a gas treating plant, and at the pipeline inlets.												
17. Develop options to possibly convert net profit share lease interests to fixed royalty or sliding scale royalty lease interests.												
One-time project funding for the positions listed below was approved through FY06 only. In order to support the ongoing efforts described above, the division is requesting ongoing full time funding for the following 13 positions:												
1. Three Commercial Analysts (Anchorage, exempt, R26)												
2. One Publications Specialist III (Anchorage, R19)												
3. One Petroleum Reservoir Engineer (Anchorage, exempt, R26)												
4. Two Petroleum Geologists (Anchorage/Fairbanks, exempt, R26)												
5. One Petroleum Geophysicist (Anchorage, exempt, R26)												
6. One Natural Resource Specialist IV (Anchorage, R21)												
7. One Natural Resource Specialist III (Anchorage, R18)												
8. One Petroleum Land Manager (Anchorage, exempt, R26)												
9. One Programmer Analyst IV (Anchorage, R20)												
10. One Geologist IV (Fairbanks, R20)												
1053 Invst Loss (UGF) 858.7												
FY2008 Fund Source Adjustment for Exempt Employees Health Insurance Increases	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Fund source change to correct unrealizeable fund sources.												
1004 Gen Fund (UGF) 0.7												
1053 Invst Loss (UGF) -0.7												
FY2008 Replace One-time Funding for Oil and Gas Workload	IncOTI	**1,318.1**	1,207.0	58.5	35.1	12.5	5.0	0.0	0.0	0	0	0

Introduction:

Under one-time funding provided in late FY05 and continued in FY06 and FY07 we have hired staff and undertaken the missions and activities to meet the Division of Oil & Gas additional workload requirements. Continuation of funding and, more importantly, retention of the staff are critical for the division to continue these missions. Required staff commitments and activities that will lead to the development of an Alaska North Slope (ANS) gas pipeline had severely impacted the division's resources and its ability to accomplish its day-to-day business. The new Petroleum Production Tax (PPT) adds to the division's workload in the near term as well as long term due to anticipated increases in industry exploration and development activity. The gas line activities will last many years--until and well beyond a gas pipeline contract and start of North Slope gas flow. We anticipate that, even upon completion of a Stranded Gas Act (SGA) contract, commercial and technical staff will be assigned over the next years to develop various supplemental agreements with the SGA contract parties, such as gas accounting, audit, volume nomination and measurement protocols, gas balancing agreements, and various pipeline and gas treatment plant LLC agreements. The state may take an active role selling royalty in-kind gas; whether this activity is conducted within DNR or outsourced, commercial and technical staff will be dedicated to its planning, implementation, and conduct. In the near term, division staff are assessing the impacts of PPT on existing commercial agreements and incorporating the PPT into the economic modeling and other processes that

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Oil & Gas (continued)

FY2008 Replace One-time Funding for Oil and Gas Workload (continued)

will be used in future commercial negotiations. Retention of the staff associated with this request is critical for the division to accomplish its base missions and measures as well as continue gas line-related activities. Twelve division staff are funded through this increment. In addition to the ongoing gas line-related activities, staff funded in this increment work on lease sales, lease administration, unitization, resource evaluation, IT, and permitting/compliance. Failure to fund the positions described below will result in much slower, less productive gas line negotiations, missed opportunities for new oil and gas revenue, and an overall slower response in the division's day-to-day business activities.

Increased Workload:

Through early FY07 most of the commercial section as well as many other division staff have significant commitments preparing for increased oil and gas exploration and development resulting from the new PPT and the ongoing gas pipeline process. Prior to this increment starting in FY05, several commercial and development initiatives were receiving less than optimum attention. Missed opportunities to market royalty in-kind and a potential weakness in dealing with royalty settlement reopeners and royalty reduction applications have real revenue consequences to the state. The commercial section staffing level has improved with the addition of a Petroleum Investment Manager who brings to the division industry experience in gas trading and marketing and a commercial analyst who brings oil and gas royalty and analytical expertise. An experienced petroleum engineer and a petroleum land manager were hired to fill in the gaps left when existing staff were diverted to gas line work. In order to relieve the Commercial Analysts of the more tedious aspects of data analyses, an Economist II position was filled. A new Commercial Analyst position was added to supplement our upstream expertise (e.g., industry facility sharing agreements and costs and upstream gas) and add negotiating depth to the staff for royalty oil and gas valuation and royalty in-kind sales. A programmer/analyst is assisting in modeling efforts and database construction. The staff are essential to continue the division's mission.

Expanding Investment in Exploration and Development:

As was illustrated in recent North Slope, Beaufort Sea, and Cook Inlet lease sales, the future of exploration in Alaska will be dominated more and more by smaller companies, many of whom are new to Alaska. These companies need baseline geologic data that the state can provide through new research, field work, and the compilation and publication of existing data. This data is needed in Cook Inlet and the North Slope foothills as well as in new areas, such as the new lease sale area for the Alaska Peninsula. In order to accelerate and expand current efforts to create and provide this information, the division has added three new positions: two highly specialized petroleum geologists and a geophysicist. The petroleum geologist's focus on critical reservoir issues and are experts in petrographic analysis and basin analysis. Two natural resource specialists were added to supplement the lease sales, licensing, and permit compliance effort. New best interest findings are coming due for the four legacy areawide lease sales and they require a significant staff commitment to research, write and publish. Unitization-related work has not diminished as new entrants begin exploring and existing units progress toward development and production.

Summary of Activities and Missions:

A. Increasing oil and gas investment and production by new and existing companies:
1. Encouraging the maximum use and sharing of existing infrastructure with new entrants.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Oil & Gas (continued)

FY2008 Replace One-time Funding for Oil and Gas Workload (continued)

2. Encouraging the development and use of new or alternate exploration and development technologies to lower costs, accelerate activity, and decrease environmental impact.
3. Planning and designing for new infrastructure to support exploration and development in frontier areas (such as regional staging areas, roads, and pipelines).
4. Development and publication of technical data on geology, engineering, economic, and regulatory structure to support and recruit new investors and accelerate exploration.

B. Ongoing North Slope gas pipeline analysis, negotiation, and project development/implementation:
1. Analyze and model fiscal systems proposed by project applicants or developed by the state.
2. Analyze fiscal impacts and risk/reward profile of delivery point, gas treatment, gas transportation, and gas balancing proposals for royalty in-kind gas.
3. Negotiate with multiple parties, some with both upstream and midstream project interests, and some with only upstream or midstream project interests.
4. Provide staff support, analysis and data for administration officials and analysis and data for the legislature.
5. Analyze marketing and valuation options for gas liquids associated with the project.
6. Provide information and comments to the Federal Energy Regulatory Commission (FERC) concerning regulation of the gas pipeline.
7. Retain consultant and expert advice on gas line matters; manage contracts with consultants and experts.
8. Investigate potential for additional North Slope gas resources including gas hydrates-location, ownership, resource size, and development options.
9. Develop appropriate limited liability company (LLC) corporate governance structure for state ownership participation in pipelines and gas treatment plants-voting rights that protect state interests are a critical component.
10. Analyze downstream marketing options, costs, and risks for royalty in-kind gas.
11. Analyze effects of gas sales on existing oil production-reservoir modeling and simulation.
12. Develop expertise needed to participate in pipelines and gas treating facilities open seasons--make long-term gas treating and shipping commitments.
13. Continue robust economic modeling of all project proposals including evaluation of risk/reward profiles.
14. Negotiate measurement, audit, and accounting protocols for a project.
15. Negotiate gas take in-kind protocols to describe volume nomination, day-to-day volume notification/accounting and both short-term and long-term as imbalance procedures.
16. Analyze options for buying and selling gas in the field, at the inlet to a gas-treating plant, and at the pipeline inlets and outlets.
17. Develop options to possibly convert net profit share lease interests to fixed royalty or sliding scale royalty lease interests.

One-time project funding for the positions listed below was approved through FY05/FY06 and into FY07. In order to support the ongoing efforts described above, the division is requesting ongoing full-time funding for the following 12 positions:
1. Three Commercial Analysts (Anchorage exempt: R26) - (10-Z009, 10-T007, 10-T010)
2. One Publications Specialist III (Anchorage GP:R19) - (10-4242)
3. One Petroleum Reservoir Engineer (Anchorage exempt: R26) - (10-X001)
4. Two Petroleum Geologists (Anchorage exempt: R26) - (10-T008, 10-T009)
5. One Petroleum Geophysicist (Anchorage exempt: R26) - (10-T011)

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2008 Replace One-time Funding for Oil and Gas Workload (continued)												
6. One Natural Resource Specialist IV (Anchorage GP: R21) - (10-4244)												
7. One Natural Resource Specialist III (Anchorage GP: R18) - (10-4245)												
8. One Petroleum Land Manager (Anchorage exempt: R26) - (10-T003)												
9. One Programmer Analyst IV (Anchorage GP: R20) - (10-4247)												
Currently, one of the three full-time funded Commercial Analysts and a quarter-time of the Publication Specialist III is funded through another funding source.												
1004 Gen Fund (UGF) 1,318.1												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-155.3**	-155.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1053 Invst Loss (UGF) -109.1												
1153 State Land (DGF) -46.2												
FY2009 LFD: Add one-time General Funds for Oil and Gas Workload	IncOTI	**1,318.1**	1,207.0	58.5	35.1	12.5	5.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 1,318.1												
FY2009 FY09, One-Time Oil and Gas Workload funding, moved to Governor's Office, Branch-wide Oil & Gas Development Allocation	Dec	**-1,318.1**	-1,207.0	-58.5	-35.1	-12.5	-5.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -1,318.1												
FY2009 Exempt Employees Salary Parity with Alaska Oil and Gas Conservation Commission (AOGCC)	Inc	**216.7**	216.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Oil and Gas is responsible for managing a set of oil and gas assets generating ~$2 billion annually. The success of the Division is directly attributable to the experience and expertise of the professional staff. Continued success will require attracting and retaining qualified professionals in the exempt service in the geosciences and law, as well as individuals with commercial oil and gas experience. In doing so the Division competes directly with private industry and the federal government, both of which provide better compensation packages than the state provides for comparable positions. These funds are necessary in order for the Division to continue attracting top level professional talent that will effectively protect and manage the state's world-class energy assets. This will match our employees up to the wages recently approved by the Governor's Office for the exempt employees in the AOGCC organization.												
1004 Gen Fund (UGF) 216.7												
FY2009 Expanded Audit Function passed in fiscal note for HB2001 (November 2007 Special Session)	Inc	**464.4**	450.0	0.0	10.4	4.0	0.0	0.0	0.0	2	0	0
Fiscal note for SCSCSHB2001(FIN)amS - Oil and Gas Tax Amendments: This bill created two new oil and gas revenue audit master positions in the Division of Oil and Gas. These two positions would be the senior level auditors and are expected to have extensive oil and gas auditing experience. They will be the division's most senior auditor positions and will have salaries that are consistent with market comparables and will be above the current salary levels allowed under the existing Oil and Gas Revenue Auditor pay classification system. The division shares the experience with the Department of Revenue in failing to successfully recruit auditors with the required industry experience. These two positions will direct and provide training to existing staff. Salary and benefits for these positions plus other salary adjustments within the audit staff will be $450.0 per year. PCN's are 10-#069 and 10-#070. Contractual services and supplies line items are needed to support these two positions.												
1004 Gen Fund (UGF) 464.4												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2009 Increased Royalty Modification Applications	Inc	**300.0**	0.0	0.0	300.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Oil and Gas anticipates receiving two additional royalty modification applications in FY09. The applications are estimated at $150,000 each, and pay for the services of an independent contractor to assist the DNR Commissioner and Division of Oil & Gas in evaluating the applicant's financial and technical data prior to making a determination on royalty modification. The costs of the independent contractor are reimbursed to the state by the applicant, hence the $300,000 Statutory Designated Program Receipts (SDPR).												
1108 Stat Desig (Other) 300.0												
FY2009 CC: Funding for outside contract auditors to reduce or eliminate current backlog of royalty and net profit share audits	IncOTI	**200.0**	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 200.0												
FY2009 Funding for outside legal counsel and outside experts for reopener of state's arbitrations of royalty issues	IncOTI	**1,000.0**	0.0	0.0	1,000.0	0.0	0.0	0.0	0.0	0	0	0
Move from Capital Budget to Operating Budget and change fund source from Alaska Capital Fund (other) to General Fund.												
This request will fund the cost of outside legal counsel and outside experts, the State's cost of reopener arbitrations as the State proceeds with the renegotiation and arbitration of royalty issues, as well as other activities to optimize State royalty value.												
During the current fiscal year the state expects to reopen its settlement agreement with ConocoPhillips. It is expected that tens of millions will be in play, and that we will be well into FY 2009 before the issues are fully resolved. In these situations, the division of oil and gas must vigorously develop its case by involving its own staff and bring in outside experts. The quality of this work and the expertise of both the staff and outside experts has a direct effect on the success of the state in recovering its audit claims and developing clear interpretations of the lease terms that govern value.												
1004 Gen Fund (UGF) 1,000.0												
FY2009 CC: Reduce funding for outside legal counsel and outside experts for reopener of state's arbitrations	Dec	**-500.0**	0.0	0.0	-500.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -500.0												
L FY2009 Alaska Resource Rebate Special Session-Gas pipeline implementation.	Special	**5,500.0**	0.0	0.0	5,500.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 5,500.0												
FY2010 IncOTI/ATrin from Gov's office to address Oil and Gas workload	IncOTI	**1,143.1**	1,032.0	58.5	35.1	12.5	5.0	0.0	0.0	0	0	0
This annual OTI funding has been utilized since FY05 to address workload issues in the Division of Oil and Gas, and thereby assure timely completion of tasks related to generation of revenue from oil and gas development on state lands including: management of units; evaluation of exploration license applications; analysis of royalty modification applications; evaluation of Exploration Incentive Credits (EIC) under the new tax system; and management of the state's interest and resources in an increasingly complicated Alaska oil and gas environment. This funding is not related to any specific project. In order to continue to pay for the ongoing operations of the Division of Oil and Gas, it is requested that this funding be added to the base operating budget, where it will continue to be utilized as it has been during the past five years.												
1004 Gen Fund (UGF) 1,143.1												
FY2010 Royalty Audits - Contract Auditors to reduce/eliminate backlog of auditors.	IncOTI	**200.0**	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2010 Royalty Audits - Contract Auditors to reduce/eliminate backlog of auditors. (continued)												
Fund the cost of outside auditors to reduce or eliminate the current backlog of royalty and net profit share lease audits. This funding was orginally requested for FY09 as a CIP due to the length of time to necessary to perform the audits. The funding was appropriated in the operating budget.												
1004 Gen Fund (UGF) 200.0												
FY2010 For contract legal counsel/experts for Oil & Gas Royalty Valuation Arbitration issues.	IncOTI	**500.0**	0.0	0.0	500.0	0.0	0.0	0.0	0.0	0	0	0
Funds for the cost of outside legal counsel and consultants to develop and defend the State's position in royalty disputes and to help optimize the State's royalty value. This funding was requested as a CIP in FY09 but was approved as an operating appropriation.												
1004 Gen Fund (UGF) 500.0												
FY2011 Ongoing Oil and Gas Development Workload	Inc	**943.1**	832.0	58.5	35.1	12.5	5.0	0.0	0.0	-1	0	0
This funding has been utilized annually starting in FY05 to address workload issues in the Division of Oil & Gas. It provides funding for permanent positions needed to assure timely completion of tasks related to generation of revenue from oil and gas development on state lands including: management of units; evaluation of exploration license applications; analysis of royalty modification applications; evaluation of Exploration Incentive Credits (EIC) under the new tax system; and management of the state's interest and resources in an increasingly complicated oil and gas environment.												
This increment supports 11 positions.												
1004 Gen Fund (UGF) 943.1												
FY2011 Arbitration of Oil and Gas Royalty Issues	IncOTI	**200.0**	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0	0	0
This will fund the ongoing need and cost of outside legal counsel and experts for reopener arbitrations as the state proceeds with renegotiation and arbitration of royalty issues, as well as other activities to optimize state royalty value. These "reopeners" offer the state and its lessees the opportunity to resolve disputes over royalty value, keep royalty settlement agreements up-to-date, and avoid costly and time-consuming litigation. Contractors are hired directly by DNR or through the Department of Law to represent the state's intersts in the arbitrations.												
1004 Gen Fund (UGF) 200.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-29.9**	0.0	-29.9	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -27.4												
1005 GF/Prgm (DGF) -0.2												
1153 State Land (DGF) -2.3												
L FY2011 AMD: Depositing Interest Earnings into the DNR Abandonment Liability Fund	MisAdj	**250.0**	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
In 2009, Pacific Energy Resources Ltd. (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond, in the amount of $6,600,000 along with interest earned, for abandonment liabilities for the Redoubt Unit between PERL and DNR, Division of Oil and Gas was transferred to DNR in October 2009.												
The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as a part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.												
The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. However, it cost over $1,800/mo in bank fees to hold the money in escrow. The department would												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2011 AMD: Depositing Interest Earnings into the DNR Abandonment Liability Fund (continued)												
prefer to hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.												
DNR requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.												
Interest earned is expected to be $250,000 in fiscal year 2011. CIE will pay an estimated additional $250,000 into the bond account.												
Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.												
1005 GF/Prgm (DGF) 250.0												
L FY2011 Remove: Depositing Interest Earnings into the DNR Abandonment Liability Fund	MisAdj	**-250.0**	0.0	0.0	-250.0	0.0	0.0	0.0	0.0	0	0	0
In 2009, Pacific Energy Resources Ltd. (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond, in the amount of $6,600,000 along with interest earned, for abandonment liabilities for the Redoubt Unit between PERL and DNR, Division of Oil and Gas was transferred to DNR in October 2009.												
The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as a part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.												
The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. However, it cost over $1,800/mo in bank fees to hold the money in escrow. The department would prefer to hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.												
DNR requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.												
Interest earned is expected to be $250,000 in fiscal year 2011. CIE will pay an estimated additional $250,000 into the bond account.												
Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.												
1005 GF/Prgm (DGF) -250.0												
L FY2011 FY11 interest Earnings on a $6.6 million bond for the Redoubt Unit in Cook Inlet: for purposes of the bond (FY11-14)	MultiYr	**250.0**	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
In 2009, Pacific Energy Resources Ltd. (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond, in the amount of $6,600,000 along with interest earned, for abandonment liabilities for the Redoubt Unit between PERL and DNR, Division of Oil and Gas was transferred to DNR in October 2009.												
The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as a part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2011 FY11 interest Earnings on a $6.6 million bond for the Redoubt Unit in Cook Inlet: for purposes of the bond (FY11-14) (continued)												
The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. However, it cost over $1,800/mo in bank fees to hold the money in escrow. The department would prefer to hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.												
DNR requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.												
Interest earned is expected to be $250,000 in fiscal year 2011. CIE will pay an estimated additional $250,000 into the bond account.												
Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.												
1217 NGF Earn (Other) 250.0												
FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -3.9												
1005 GF/Prgm (DGF) 3.9												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**117.1**	117.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $117.1												
1004 Gen Fund (UGF) 73.9												
1005 GF/Prgm (DGF) 1.1												
1105 PF Gross (Other) 31.6												
1153 State Land (DGF) 10.5												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Bureau of Ocean Energy Management, Regulation & Enforcement (BOEMRE), formerly the US Mineral Management Service (MMS) contracts with the Division of Oil & Gas to perform audits on their behalf. There are no more personal service funds available in this already negotiated contract.												
1002 Fed Rcpts (Fed) -7.5												
1004 Gen Fund (UGF) 7.5												
L FY2012 FY12 interest Earnings on a $6.6 million bond for the Redoubt Unit in Cook Inlet: for purposes of the bond (FY12-14)	MultiYr	**250.0**	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
1217 NGF Earn (Other) 250.0												
FY2012 Arbitration of Oil and Gas Royalty Issues	IncM	**200.0**	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0	0	0
This request funds a maintenance level for the ongoing need and cost of outside legal counsel and experts for reopener arbitrations as the state proceeds with renegotiation and arbitration of royalty issues, as well as other activities to optimize state royalty value. These "reopeners" offer the state and its lessees the opportunity to resolve disputes over royalty value, keep royalty settlement agreements up-to-date, and avoid costly and time-consuming litigation. Contractors are hired directly by DNR or through the Department of Law to represent the state's interests in the arbitrations.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2012 Arbitration of Oil and Gas Royalty Issues (continued)												
1004 Gen Fund (UGF) 200.0												
FY2012 AGIA Commercial Monitor and Advisor	IncOTI	**800.0**	0.0	0.0	800.0	0.0	0.0	0.0	0.0	0	0	0
This request will enable the state to secure expert advice from parties familiar with the commercial requirements associated with launching major new gas pipeline projects. This expertise is needed on two fronts. First, as the project and commercial arrangements with shippers mature, the state will need to ensure that any changes to the commercial terms initially proposed in the licensee's AGIA application comply with the license terms. Second, the state will need assistance from those with midstream commercial and financial expertise to develop, support, and maintain the state's position -- especially in the context of future possible negotiations with the North Slope producers.												
1004 Gen Fund (UGF) 800.0												
FY2012 Increase Funding for Arbitration of Oil and Gas Royalty Issues	IncOTI	**300.0**	0.0	0.0	300.0	0.0	0.0	0.0	0.0	0	0	0
This request funds the ongoing need and cost of outside legal counsel and experts for reopener arbitrations as the state proceeds with renegotiation and arbitration of royalty issues, as well as other activities to optimize state royalty value. These "reopeners" offer the state and its lessees the opportunity to resolve disputes over royalty value, keep royalty settlement agreements up-to-date, and avoid costly and time-consuming litigation. Contractors are hired directly by DNR or through the Department of Law to represent the state's interests in the arbitrations. The Division of Oil and Gas anticipates several royalty disputes in FY12 that may require arbitration or litigation. In one particular case now underway involving the Federal government, there is over $100 million dollars in potential royalty dollars for the State of Alaska. The division needs expert witnesses and outside counsel in order to be able to effectively support the State's position and fund litigation. This budget item has been previously funded as a one-time item (OTI). In the FY11 budget, it was reduced from $500,000 to $200,000. This OTI is being requested in conjunction with an increment to maintain services for the $200,000 that was in previously in the budget. Together, these increases will restore the arbitration funds to the original $500,000 fur FY 2012.												
1004 Gen Fund (UGF) 300.0												
L FY2013 Sec 18(a), Ch 15, SLA 2012 (HB 284)-FY13 interest Earnings on $6.6 mill bond for Redoubt Unit in Cook Inlet: (FY13-15)	MultiYr	**250.0**	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
In 2009, Pacific Energy Resources Ltd. (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond, in the amount of $6,600,000 along with interest earned, for abandonment liabilities for the Redoubt Unit between PERL and DNR, Division of Oil and Gas was transferred to DNR in October 2009. The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as a part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation. The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. However, it cost over $1,800/mo in bank fees to hold the money in escrow. The department would prefer to hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2013 Sec 18(a), Ch 15, SLA 2012 (HB 284)-FY13 interest Earnings on $6.6 mill bond for Redoubt Unit in Cook Inlet: (FY13-15) (continued)												
DNR requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.												
Interest earned in FY2011 was $110.1. CIE will pay an estimated additional $110.1 into the bond account. $250.0 is an estimate of interest to be earned on the bond for FY2013.												
Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.												
1217 NGF Earn (Other)		250.0										
FY2013 Land Disposal Income Fund (LDIF) Unsustainable for Future Operating Costs	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Projections show that the LDIF will not be able to sustain the amount of budget appropriations against it beyond FY2012. An analysis of the sources and uses of funds show the complete unsustainability of the fund beyond FY2012 due to uncollectible land sale contracts and levels of use of the funds. The Department is taking steps to mitigate this depletion such as delaying capital projects that use the LDIF, using other fund sources and replacing LDIF with general funds.												
The department recommends removing the LDIF appropriations and replacing them with general fund, leaving LDIF appropriations only in ML&W, Agriculture, Admin Services, IRM, and the PIC. This would ensure the sustainability of the fund for at least another year or two, depending on future sales and contracts. These appropriations are doing general funded work and are eligible for the fund switch.												
1004 Gen Fund (UGF)		776.1										
1153 State Land (DGF)		-776.1										
FY2013 Arbitration of Oil and Gas Royalty Issues	IncM	**300.0**	0.0	0.0	300.0	0.0	0.0	0.0	0.0	0	0	0
There is an ongoing need for outside legal counsel and experts for reopener arbitrations as the state proceeds with renegotiation and arbitration of royalty issues, as well as other activities to optimize state royalty value. Under the terms of several existing royalty settlement agreements with lessees, disputes over royalty valuation can be settled by "reopeners" that are opportunities to resolve these disputes and avoid costly time-consuming litigation. As more and more production of oil and gas comes from leases that are not covered by existing royalty settlement agreements, DNR will face potential disagreements over the interpretation of these "new form" leases and will need to resolve issues that arise in the audit of royalty paid under these new form leases. This request includes an increase of current one-time funding. In part, the department may require funding to establish prospective measures of value to minimize disputes before they arise. This request provides the additional funds that may be expended directly by DNR or that may be RSA'd to the Department of Law to pay for contracts with experts, outside counsel, and litigation expenses if reopener procedures are initiated.												
1004 Gen Fund (UGF)		300.0										
FY2013 North Slope Easement Processing	Inc	**105.0**	105.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Oil & Gas took over the permitting function for North Slope easements from the Division of Mining, Land and Water several years ago. Over those years the workload has increased, and the revenue generated by these permitting functions averages over $300.0 per year, most of which goes to the unrestricted general fund. This request would utilize $105.0 of these fees to pay for the personal services of an existing and vacant position to process the increased easement permit requests and help prevent a backlog situation.												
1005 GF/Prgm (DGF)		105.0										
FY2013 CC: AGIA Commercial Monitor and Advisor	IncOTI	**600.0**	0.0	0.0	600.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2013 CC: AGIA Commercial Monitor and Advisor (continued)												
The state will secure expert advice from parties familiar with the commercial requirements associated with launching major new gas pipeline projects. This expertise is needed on two fronts. First, as the project and commercial arrangements with shippers mature, the state will need to ensure that any changes to the commercial terms initially proposed in the licensee's AGIA application comply with the license terms. Second, the state will need assistance from those with midstream commercial and financial expertise to develop, support, and maintain the state's position -- especially in the context of future possible negotiations with the North Slope producers.												
1004 Gen Fund (UGF) 600.0												
FY2013 (HB 276) OIL/GAS PROD. TAX CREDITS/RATES/VALUE	FisNot	**211.4**	193.4	0.0	11.0	7.0	0.0	0.0	0.0	2	0	0
The House Finance committee substitute for HB 276 removed a subsection (q) and added a new section on production tax for commercial finds of oil or gas production south of 68 degrees, other than Cook Inlet. HB276CS(FIN) also extends the credit to Federal onshore lands and amends existing statutes that determine the production tax value of oil and gas.												
1004 Gen Fund (UGF) 211.4												
FY2013 DID NOT PASS: (HB 276) OIL/GAS PROD. TAX CREDITS/RATES/VALUE	FisNot	**-211.4**	-193.4	0.0	-11.0	-7.0	0.0	0.0	0.0	-2	0	0
The House Finance committee substitute for HB 276 removed a subsection (q) and added a new section on production tax for commercial finds of oil or gas production south of 68 degrees, other than Cook Inlet. HB276CS(FIN) also extends the credit to Federal onshore lands and amends existing statutes that determine the production tax value of oil and gas.												
1004 Gen Fund (UGF) -211.4												
FY2013 Ch. 51, SLA 2012 (SB23) - Incorporated HB 276 Funding) - TAX/CREDIT: FILM/OIL & GAS/GAS STOR./CORP.	FisNot	**211.4**	193.4	0.0	11.0	7.0	0.0	0.0	0.0	2	0	0
The House Finance committee substitute for HB 276 removed a subsection (q) and added a new section on production tax for commercial finds of oil or gas production south of 68 degrees, other than Cook Inlet. HB276CS(FIN) also extends the credit to Federal onshore lands and amends existing statutes that determine the production tax value of oil and gas.												
1004 Gen Fund (UGF) 211.4												
L FY2014 Reverse Chapter 15 SLA 2012 Sec. 18(a) Cook Inlet Interest	OTI	**-250.0**	0.0	0.0	-250.0	0.0	0.0	0.0	0.0	0	0	0

In 2009, Pacific Energy Resources Ltd. (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond, in the amount of $6,600,000 along with interest earned, for abandonment liabilities for the Redoubt Unit between PERL and DNR, Division of Oil and Gas was transferred to DNR in October 2009.

The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as a part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.

The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. However, it cost over $1,800/mo in bank fees to hold the money in escrow. The department would prefer to hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2014 Reverse Chapter 15 SLA 2012 Sec. 18(a) Cook Inlet Interest (continued)												
DNR requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.												
$250.0 is an estimate of interest to be earned on the bond for FY2013.												
Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.												
1217 NGF Earn (Other) -250.0												
L FY2014 FY13 interest Earnings on $6.6 mill bond for Redoubt Unit in Cook Inlet: (FY14-16) (Sec 20a, HB 65)	MultiYr	**250.0**	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
In 2009, Pacific Energy Resources Ltd. (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond, in the amount of $6,600,000 along with interest earned, for abandonment liabilities for the Redoubt Unit between PERL and DNR, Division of Oil and Gas was transferred to DNR in October 2009.												
The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as a part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.												
The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. However, it cost over $1,800/mo in bank fees to hold the money in escrow. The department prefers to hold the bond in Treasury. Interest earnings on the bond requires an annual appropriation to the bond.												
DNR requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.												
$250.0 is an estimate of interest to be earned on the bond for FY2014.												
Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.												
1217 NGF Earn (Other) 250.0												
FY2014 Department of Administration Core Services Rates	Inc	**42.3**	42.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 42.3												
FY2014 Eliminate Base Funding for Arbitration of Oil and Gas Royalty Issues	Dec	**-500.0**	0.0	0.0	-500.0	0.0	0.0	0.0	0.0	0	0	0
To be moved to language section												
1004 Gen Fund (UGF) -500.0												
L FY2014 Expert Contractors to Examine Commercial Terms for Gas Commercialization Proj & Ensure Compliance w/AGIA (Sec 20e, HB65)	Lang	**600.0**	0.0	0.0	600.0	0.0	0.0	0.0	0.0	0	0	0
Not to exceed $600.0.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2014 Expert Contractors to Examine Commercial Terms for Gas Commercialization Proj & Ensure Compliance w/AGIA (Sec 20e, HB65) (continued)												
1004 Gen Fund (UGF) 600.0												
L FY2014 CC: Royalty Oil and Gas Valuation Matters (Sec 20f, HB 65)	Lang	**650.0**	0.0	0.0	650.0	0.0	0.0	0.0	0.0	0	0	0
Not to exceed $500.0.												
1004 Gen Fund (UGF) 650.0												
FY2014 Ch. 13, SLA 2013 (HB 129) OIL & GAS EXPLORATION/DEVELOPMENT AREAS	FisNot	**134.0**	80.0	3.0	48.8	2.2	0.0	0.0	0.0	0	0	1
While the bill does not require regulations, after discussion and review in the House/Senate Resources Committees, the Department determined that regulations would be a useful tool in managing the decision-making process.												
1004 Gen Fund (UGF) 134.0												
FY2015 Eliminate CIP Authorization	Dec	**-17.4**	-17.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The division does not anticipate any capital related personal services expenditures in FY2015.												
1061 CIP Rcpts (Other) -17.4												
L FY2015 Sec 20a, HB266 - Restore Cook Inlet Energy Reclamation Bond Interest (FY15-FY17)	MultiYr	**150.0**	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0	0	0

In 2009, Pacific Energy Resources Ltd. (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond in the amount of $6,600,000 along with interest earned for abandonment liabilities for the Redoubt Unit between PERL and DNR, Division of Oil and Gas was transferred to DNR in October 2009.

The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as a part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.

The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. However, it cost over $1,800/mo in bank fees to hold the money in escrow. The department would prefer to hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.

The Department of Natural Resources requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.

$150.0 is the estimate of interest to be earned on the bond for FY2015.

Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.

If funding is not received, interest earned on the bond held by DOR's Division of Treasury cannot be applied toward future bond requirements, imposing additional financial burden on this small and producing company.

Language
The interest earned during the fiscal year ending June 30, 2015, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2015 Sec 20a, HB266 - Restore Cook Inlet Energy Reclamation Bond Interest (FY15-FY17) (continued)												
Resources, estimated to be $150,000, is appropriated from interest held in the general fund to the Department of Natural Resources for the purpose of the bond for the fiscal years ending June 30, 2015, June 30, 2016, and June 30, 2017.												
1217 NGF Earn (Other) 150.0												
FY2015 Arbitration of Oil & Gas Royalty Issues	IncM	**500.0**	0.0	0.0	500.0	0.0	0.0	0.0	0.0	0	0	0
Arbitration of oil and gas issues is an on-going activity in response to routine but disputed audit findings. The FY2014 Governor's budget requested a total of $800.0 for this activity; the final legislative action was a language appropriation capping the expenditure at $650.0. As a language appropriation this will require an annual operating budget request. DNR requests the $650.0 be submitted as a numbers section item and included in the base budget for future years.												
If funding is not received, routinely disputed audit findings will require more costly litigation rather than arbitrated settlement.												
1004 Gen Fund (UGF) 500.0												
FY2015 Partially Account for DNR Responsibility in Generating Royalty Revenue for the Permanent Fund	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -125.0												
1105 PF Gross (Other) 125.0												
L FY2016 Sec 18(a), HB72 - Restore Cook Inlet Energy Reclamation Bond Interest	IncM	**150.0**	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0	0	0

In 2009, Pacific Energy Resources Ltd. (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond in the amount of 6,600,000 along with interest earned for abandonment liabilities for the Redoubt Unit between PERL and DNR, Division of Oil and Gas was transferred to DNR in October 2009.

The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as a part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.

The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. However, it cost over 1,800/mo in bank fees to hold the money in escrow. The department would prefer to hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.

The Department of Natural Resources requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.

150.0 is the estimate of interest to be earned on the bond for FY2015.

Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.

If funding is not received, interest earned on the bond held by DOR's Division of Treasury cannot be applied toward future bond requirements, imposing additional financial burden on this small and producing company.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2016 Sec 18(a), HB72 - Restore Cook Inlet Energy Reclamation Bond Interest (continued)												
Language The interest earned during the fiscal year ending June 30, 2016, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources, estimated to be 150,000, is appropriated from interest held in the general fund to the Department of Natural Resources for the purpose of the bond for the fiscal years ending June 30, 2016, June 30, 2016, and June 30, 2016.												
1217 NGF Earn (Other) 150.0												
FY2016 Reduce Excess Designated Program Receipt Authority From Oil and Gas Royalty Modifications	Dec	**-430.0**	0.0	0.0	-430.0	0.0	0.0	0.0	0.0	0	0	0
This authorization was initially added to the operating budget via the fiscal note for HB28 (SLA2003/CH73), and was intended to be used as necessary to receive reimbursement funding from applicants to hire contractors to assist the DNR Commissioner in evaluating the applicant's financial and technical data prior to making a determination on royalty modification. This provision and budget authorization is not used and keeping the authorization on the books overstates actual budget funding available for operations.												
1108 Stat Desig (Other) -430.0												
FY2016 AMD: Division Reorganization and Efficiencies as a Result of Work Process Improvements	Dec	**-644.0**	-644.0	0.0	0.0	0.0	0.0	0.0	0.0	-3	0	-2
The review and revision of the division's strategic plan has resulted in work process improvements, standardization of timelines, enhanced performance reporting, and use of approval/authorization templates. These changes have improved communication and collaboration among sections, reduced processing requirements, eliminated variability and the need for negotiation, and revision of division timelines in the Leasing, Permitting, and Units sections. Improved efficiencies will soon allow modifications to the organization that eliminate the need for three full-time, permanent PCNs and two College Intern positions. The Division's new annual reporting of authorized and accomplished oil- and gas-related surface activities, in combination with a renewed focus on the public review, and Division approval of oil and gas project phases, has led the Division to becoming a more efficient organization that is closely aligned with oil and gas industry needs. Staff will work in support of coordinated, phase-related decision-making to concentrate expertise on the techniques and proposed projects where it can be shared among all related decision-makers to improve responsiveness. Delete: (10-4168) Permanent, Full-time Analyst/Programmer IV, Anchorage (10-4121) Permanent, Full-time Natural Resource Specialist V, Anchorage (10-4242) Permanent, Full-time Publications Specialist III, Anchorage (10-401SI) Long-term, Non-perm College Intern, Anchorage (10-403SI) Long-term, Non-perm College Intern, Anchorage												
1004 Gen Fund (UGF) -644.0												
FY2016 Eliminate Vacant Commercial Analyst and Natural Resource Specialist Positions	Dec	**-296.9**	-296.9	0.0	0.0	0.0	0.0	0.0	0.0	-2	0	0
PCN 10-T007, PCN 10-4209												
1004 Gen Fund (UGF) -296.9												
FY2016 Restore Commercial Analyst Position	Inc	**190.7**	190.7	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF) 190.7												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2016 Reverse FY2016 Governor Veto Unallocated Adjustment	Dec	**-277.5**	0.0	-277.5	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -277.5												
FY2017 Reduce Best Interest Findings, Lease Sale Preparations, Public Record Requests and Communications	Dec	**-139.5**	-139.5	0.0	0.0	0.0	0.0	0.0	0.0	-2	0	0

In the review of personnel and associated functions, great care has been taken to ensure that opportunities for cross-function training and professional development are maximized in order to reduce the loss in capacity that will result from staff reductions and the related instability leading to attrition in the division. It is imperative that Division of Oil and Gas (DOG), like Department of Natural Resources (DNR) as a whole, retain its core expertise and ability to deliver on its mission of capturing maximum value for the people of Alaska from resource development while protecting the state's interest.

Personnel reductions will not reduce the work or programs for which the affected positions are responsible. Tasks performed across several sections will remain and must be absorbed by other fully engaged positions. Timely delivery of services could be affected, as will be the capacity to take on additional work requests outside the division's day-to-day workload.

These positions support best interest findings, lease sale preparations, public records requests, and public and industry communications, which could impact Alaska's ability to maximize our resource development.
The division's ability to process permit applications, lease sale transactions, asset transfers, unit applications, royalty modification applications and general business requests in a timely manner could be reduced due to the loss of these positions.

The division necessarily works as an integrated team much like the industry it serves; each section plays a vital role in the division's core functions. As a result, staff reductions in one area may adversely affect critical task completion in another. With fewer staff to complete the same workload, deliverables could be delayed.
Staff reductions could delay or reduce the division's output which is largely composed of authorizations for industry to explore, develop and produce the energy resources of the state. Longer processing time may delay exploration and development activity, lengthening an already multi-year process. Ultimately, these delays could result in a longer time period for the state to realize the benefits of its oil and gas resources and could create uncertainty for oil and gas investors.

Delete (10-4239) Administrative Assistant II, range 14, Anchorage, Full-Time
Delete (10-4198) Natural Resource Technician I, range 10, Anchorage, Full-Time

1004 Gen Fund (UGF) -139.5

FY2017 AMD: Reorganization of Department Support Functions to Achieve Efficiencies	Dec	**-54.0**	-54.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0

Department of Natural Resources is undergoing an analysis of support positions across the agency to identify restructuring opportunities, areas where we could share positions, and regulations, policies and procedures that could be revisited to reduce administrative burden, to identify savings and position reductions. The specific positions to be deleted will be identified via this department-wide analysis in order to minimize impacts to programs and the public.

FY2017 December Budget:

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2017 AMD: Reorganization of Department Support Functions to Achieve Efficiencies (continued)												
$22,335.7												
FY2017 Total Amendments: -$54.0												
FY2017 Total: $22,281.7												
1004 Gen Fund (UGF) -54.0												
FY2017 Increase Authority for Additional Review and Permit Processing	Inc	**15.0**	14.5	0.5	0.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Oil and Gas received approximately $15.0 unbudgeted interagency receipts in FY2015 from Department of Natural Resources, Office of Project Management and Permitting. It is anticipated a similar amount will be received for future fiscal years. This change record budgets for those interagency receipts.												
1007 I/A Rcpts (Other) 15.0												
L FY2018 Sec 33(a), HB57 FY18 Cook Inlet Energy Reclamation Bond Interest appropriated for FY18 through FY20	MultiYr	**150.0**	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0	0	0

In 2009, Pacific Energy Resources Limited. (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond in the amount of $6,600.0 along with interest earned for abandonment liabilities for the Redoubt Unit between PERL and Department of Natural Resources' (DNR) Division of Oil and Gas was transferred to DNR in October 2009.

The assets were purchased in December 2009, by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as a part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.

The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. It cost over $1,800/mo in bank fees to hold the money in escrow. The department would prefer to hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.

DNR requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.

$150.0 is the estimate of interest to be earned on the bond for FY2018.

Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.

If funding is not received, interest earned on the bond held by Department of Revenue's Division of Treasury cannot be applied toward future bond requirements, imposing additional financial burden on this small and producing company.

Language
The interest earned during the fiscal year ending June 30, 2018, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources, estimated to be $150,000, is appropriated from interest held in the general fund to the Department of Natural Resources for the purpose of the bond for the fiscal years ending June 30, 2018, June 30, 2019, and June 30, 2020.

1217 NGF Earn (Other) 150.0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2018 Division Consolidation to Manage Oil and Gas Resources	Dec	**-870.0**	-870.0	0.0	0.0	0.0	0.0	0.0	0.0	-6	0	0

Proposed staff reductions within the Division of Oil & Gas (DOG) could have some negative effect on DOG's capacity to optimally manage oil and gas leasing, permitting, units and participating area management activities, along with the oil industry's performance in Alaska. However, DOG believes that such risks and impacts can be mitigated somewhat through streamlining of existing work practices, and more effective scope of work and staff management.

Over the past two years the division has made progress towards consolidating its approach to management of oil and gas resources. This proposed reorganization further consolidates the division, including Best Interest Findings through lease sales, and units and participating area management functions.

As a result of these reductions the lease sale schedule may be affected, potentially leading to less acreage available on an annual basis. Additionally, many unit management processes follow timelines mandated in statute and regulation (unit formation, expansion, contraction, plan of development approval, etc.). Delaying decisions is not a viable option so significant effort will be needed to assure that the work is completed timely without diminishing the thoroughness of analyses. The division will also have minimal staff and less depth available to draft comments related to federal legislation and its potential impacts on Alaska resource development.

Delete (10-4101) Petroleum Reservoir Engineer, range 26, Anchorage, Full-Time
Delete (10-4110) Natural Resource Specialist IV, range 21, Anchorage, Full-Time
Delete (10-4169) Natural Resource Specialist V, range 23, Anchorage, Full-Time
Delete (10-0111) Office Assistant II, range 10, Anchorage, Full-Time
Delete (10-4250) Natural Resource Specialist IV, range 21, Anchorage, Full-Time
Delete (10-T003) Petroleum Land Manager, range 26, Anchorage, Full-Time

1004 Gen Fund (UGF) -870.0

FY2018 Reduce Uncollectible Statutory Designated Program Receipt Authority	Dec	**-517.0**	0.0	0.0	-517.0	0.0	0.0	0.0	0.0	0	0	0

In FY2017 Management Plan the division deleted positions vacant for more than a year. This will bring the Department's budget closer in line with actual spending. This is a technical adjustment and has no impact on services to the public.

1108 Stat Desig (Other) -517.0

FY2018 Dec for misused fund	Dec	**-43.3**	0.0	0.0	0.0	0.0	0.0	0.0	-43.3	0	0	0
1105 PF Gross (Other) -43.3												
FY2018 Inc for misused fund	Inc	**43.3**	0.0	0.0	0.0	0.0	0.0	0.0	43.3	0	0	0
1105 PF Gross (Other) 43.3												
L FY2019 Reverse Cook Inlet Energy Reclamation Bond Interest	OTI	**-150.0**	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0	0	0

In 2009, Pacific Energy Resources Limited (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond in the amount of $6,600.0 along with interest earned for abandonment liabilities for the Redoubt Unit between PERL and Department of Natural Resources' (DNR) Division of Oil and Gas was transferred to DNR in October 2009.

The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2019 Reverse Cook Inlet Energy Reclamation Bond Interest (continued)												
The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. It costs over $1,800/month in bank fees to hold the money in escrow. The department would prefer to hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.												
DNR requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.												
$150.0 is the estimate of interest to be earned on the bond for FY2018.												
Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.												
If funding is not received, interest earned on the bond held by Department of Revenue's Division of Treasury cannot be applied toward future bond requirements, imposing additional financial burden on this small and producing company.												
Language The interest earned during the fiscal year ending June 30, 2018, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources, estimated to be $150,000, is appropriated from interest held in the general fund to the Department of Natural Resources for the purpose of the bond for the fiscal years ending June 30, 2018, June 30, 2019, and June 30, 2020.												
1217 NGF Earn (Other) -150.0												
L FY2019 Interest earned in FY19 on Cook Inlet Energy Reclamation Bond is available for purpose of the bond (FY19 through FY21)	IncT	**150.0**	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0	0	0
In 2009, Pacific Energy Resources Limited (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond in the amount of $6,600.0 along with interest earned for abandonment liabilities for the Redoubt Unit between PERL and Department of Natural Resources' (DNR) Division of Oil and Gas was transferred to DNR in October 2009.												
The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.												
The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. It costs over $1,800/month in bank fees to hold the money in escrow. The department would prefer to hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.												
DNR requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.												
$150.0 is the estimate of interest to be earned on the bond for FY2019.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2019 Interest earned in FY19 on Cook Inlet Energy Reclamation Bond is available for purpose of the bond (FY19 through FY21) (continued)												
1217 NGF Earn (Other) 150.0												
FY2019 One Time Funding for Reservoir Modeling Contractual Services	IncOTI	**250.0**	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0

Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.

If funding is not received, interest earned on the bond held by Department of Revenue's Division of Treasury cannot be applied toward future bond requirements, imposing additional financial burden on this small and producing company.

Language
The interest earned during the fiscal year ending June 30, 2019, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources, estimated to be $150,000, is appropriated from interest held in the general fund to the Department of Natural Resources for the purpose of the bond for the fiscal years ending June 30, 2019, June 30, 2020, and June 30, 2021.

Interest is applied to the bond annually. Use IncT to indicate the transaction remains in the base.

Reservoir studies capital funds were allocated in FY2009 to build and maintain sophisticated reservoir models in house. Rather than build and maintain these models it was found to be more cost effective to pay yearly for the proprietary software necessary to analyze data to the degree that would allow qualitative policy decisions with respect to field development and hire consultants to analyze reservoirs on the North Slope and Cook Inlet on an as-needed basis.

The majority of the capital project was reappropriated to the high priority Arctic Strategic Transportation and Resources (ASTAR) project at the end of FY2017 leaving enough funds to cover FY2018 software licensing and contractual services for imminent reservoir analysis, with the understanding that an operating budget increment would be requested for FY2019.

This one time item will allow the Division of Oil & Gas (DOG) to hire consultants to analyze reservoirs on the North Slope and in Cook Inlet. Reservoir dynamic models are used to predict future performance and recovery of oil, water and gas. The results from predictive model runs are used to calculate where production originates in the reservoir and under which leases. In this manner, equity in a producing reservoir is established by calculating volumes recovered from each owner's lease and the resulting royalty volumes are determined.

The nature of resource evaluation requires technical experts to perform state-of-the-art mechanistic and deterministic three-dimensional (3D) studies. A static model is created from thousands to hundreds of thousands of pieces of data. A dynamic reservoir model is created and populated with data that describes the rock and fluid (oil, water and gas) characteristics over the range of pressure and temperature conditions. In addition, the layers of the reservoir are described as thousands of cells with length, width and height dimensions. All of the mathematical fluid and flow relationships are put in the 3D computer models to calculate and match reservoir history. Enhanced oil recovery processes are also included to predict and estimate the impact on recovery. Both the static and dynamic models may be modified to attain a better history match and improve model performance.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Oil & Gas (continued)												
FY2019 One Time Funding for Reservoir Modeling Contractual Services (continued)												
Differential lease royalty terms and different mineral estate owners' equity stakes must be accurately determined. The state may wish to perform their own model studies to audit the unit operators' work or to evaluate a disagreement on where hydrocarbons are produced and how much is allocated to each equity owner and mineral estate owner.												
Oil and gas producers typically conduct these studies for stakeholders, but there are occasions when the stakeholders do not agree or align on technical and commercial issues. It is in the state's interest to perform due diligence studies to assure the state's interest is protected and to verify and validate the producers' work. A recent study disputed a producer's work, resulting in an additional $100 million in state revenue (net present value).												
The Alpine, Nanuq-Kuparuk, Fiord-Nechelik, Nanuq-Nanuq, Qannik, and Fiord-Kuparuk units are scheduled for redeterminations in FY2018 and FY2019. If an increment is not approved the division will not be able to perform any of the geological and engineering analysis and the state may forego significant royalty revenue.												
1004 Gen Fund (UGF) 250.0												
FY2019 Reservoir Modeling Software Licensing	Inc	**250.0**	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
Reservoir Studies capital funds were allocated in FY2009 to build and maintain sophisticated reservoir models in house. Rather than build and maintain these models it was found to be more cost effective to pay yearly for the proprietary software necessary to analyze data to the degree that would allow qualitative policy decisions with respect to field development. Annual software licensing were paid out of these CIP funds.												
The majority of the capital project was reappropriated to the high priority Arctic Strategic Transportation and Resources (ASTAR) project at the end of FY2017 leaving enough funds to cover FY2018 software licensing and contractual services for imminent reservoir analysis, with the understanding that an operating budget increment would be requested for FY2019.												
If an increment is not approved the division will not be able to renew the software licenses which allow the division to perform the geological and engineering analysis and the state could forego signifcant royalty revenue.												
1004 Gen Fund (UGF) 250.0												
FY2019 Reduce Uncollectible Statutory Designated Program Receipt Authority	Dec	**-500.0**	0.0	0.0	-500.0	0.0	0.0	0.0	0.0	0	0	0
Reduction of statutory designated program receipt authority better aligns the budget with actual spending.												
1108 Stat Desig (Other) -500.0												
FY2019 Reduce Uncollectible Federal Receipt Authority	Dec	**-50.0**	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0	0	0
Reduction of federal receipt authority better aligns the budget with actual spending.												
1002 Fed Rcpts (Fed) -50.0												
*** Allocation Total ***		**16,269.1**	4,748.8	-59.6	11,433.8	116.2	29.9	0.0	0.0	-5	0	-1
Petroleum Systems Integrity Office												
FY2008 Lease Monitoring and Engineering Integrity	Inc	**1,475.1**	1,211.5	79.7	46.1	111.0	26.8	0.0	0.0	10	0	0
This increment will continue the project initiated in the first quarter of FY07. It was not included in the FY07 operating budget as it is in direct response to the Prudhoe Bay Unit pipeline corrosion and production shut down incidents. The project is integral to the state's overall commitment to ensure the system integrity of oil and gas infrastructure. It will facilitate safe, reliable and more continuous oil and gas production and thereby help to maximize and stabilize revenues to the state. Based on the authorities and responsibilities of oil and gas leases,												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Petroleum Systems Integrity Office (continued)

FY2008 Lease Monitoring and Engineering Integrity (continued)

and pursuant to Administrative Order 229, the Division of Oil and Gas is implementing the Lease Monitoring and Engineering Integrity Coordinator's Office (LMEICO) as an expansion and enhancement of the state's existing permitting and compliance functions.

Specifically, the LMEICO will address oversight of petroleum facilities where regulatory gaps exist, and will address engineering design, operational procedures, maintenance and corrosion prevention programs, and quality assurance (QA) programs for all oil and gas units/leases. A regulatory gap analysis will be performed first, to enable quick focus on infrastructure that has not previously been subject to oversight, and to preclude any duplication of effort. Following the regulatory gap analysis and any resulting immediate actions required, the assessment of each unit/lease operator's quality assurance programs will proceed. The program's elements will be compared with technical, industry and performance standards, leading to a prioritized risk assessment of the various facilities, systems, operational and maintenance practices in each oil and gas unit/lease. Corrective actions will be required to address program gaps and weaknesses, both on paper and in the field, through documented inspections performed with the addition of inspectors to the Compliance function, expanding the division's field presence, and with the use of outside contract expertise, as necessary.

A similar function is currently performed by the State Pipeline Coordinator's Office (SPCO) of the Joint Pipeline Office, but is limited specifically to those pipelines located within state rights-of-way and authorized under AS 38.35, which currently consists of portions of 16 pipelines. The LMEICO initiative was implemented within the Division of Oil and Gas to address the far broader scope of all oil and gas facilities and related operation and maintenance practices and procedures on state oil and gas leases. The Plan of Operation approval process used by the Division of Oil and Gas additionally provides a vehicle for description and approval of all aspects of lease usage, and facilitates close coordination with other division functions concerned with Unit management, commercial considerations, royalty accounting, and others.

Administrative Order 229 directs designated agencies, the Departments of Natural Resources, Environmental Conservation, Fish and Game, Transportation and Public Facilities, Labor and Workforce Development, and Public Safety, to: appoint a liaison officer to coordinate all permitting, authorizations and oversight related to oil and gas production from state leases; to communicate regarding the oil and gas related permitting actions of their agencies and maintain related files; to coordinate public notices and public hearing processes; and to coordinate all permitting and compliance actions. Until the regulatory gap analysis is completed, the full extent of staffing necessary to effect the LMEICO is unknown. In the interim, the Department of Natural Resources' Office of Habitat Management and Permitting, Office of Project Management and Permitting, and Division of Mining, Land and Water are requesting budgetary support for their agencies' Liaisons and associated costs. The Department of Environmental Conservation has identified an agency Liaison as well as the various positions and support costs required for implementation of new pipeline oversight regulations, for funding through the LMEICO. The Division of Oil and Gas has identified seven new positions, which form the core group which will assess the quality assurance programs of unit operators, perform risk analyses thereon, and ensure compliance with the approved QA programs through an increased field presence. The division has also identified three new positions to provide adequate administrative and technical support to the LMEICO.

Results to be achieved:

The first phase of the LMEICO implementation addresses the regulatory gap analysis is to be performed and

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Petroleum Systems Integrity Office (continued)												
FY2008 Lease Monitoring and Engineering Integrity (continued)												
completed in FY07, as well as the initial risk assessment for the Prudhoe Bay Unit. New positions identified for ANDR/Division of Oil and Gas are hired in FY07 subject to available funding.												
In FY08, the second phase of implementation will proceed. Risk assessments will be performed on a unit-by-unit basis statewide. Phase Two implementation includes evaluation of proposed facility designs, operations and maintenance practices for technical competence and consistency with established government and industry standards. Implementation of the DEC regulations addressing gathering lines will proceed. Inspections of all facility types will be performed on an ongoing basis, documenting compliance with approved procedures and plans. Corrective actions will be ordered where required.												
The third phase of implementation, post-FY08, would address the full-scale LMEIC Office, including compilation of a technical library as a repository for all oil and gas related permitting and compliance actions within the state, establishment within the LMEICO budget of all oil and gas related functions from the designated agencies, and establishment of a single location providing office space for all liaisons and support staff from the designated agencies, the whole of the Permitting and Compliance section of the Division of Oil and Gas, federal cooperating agencies, the Technical Library, and associated IT and administrative support.												
Identification of new and continuing positions and associated budget, FY08 (Phase Two LMEICO):												
ADNR/Division of Oil and Gas:												
Petroleum Facilities Integrity/Compliance Manager (XE) R26M												
Natural Resource Specialist IV (SS) R21C												
Natural Resource Specialist III (GP) R18C												
Natural Resource Specialist I/II/III (GP) R14C/R16C/R18C												
Petroleum Facilities Integrity Engineer (XE) R26M												
Petroleum Facilities Integrity Engineer (XE) R26K												
Petroleum Facilities Integrity Specialist (XE) R26K												
Administrative Assistant (GP) R13B												
Administrative Clerk III (GP) R10B												
Natural Resource Technician -I/II (GP) R10B/R12B												
1004 Gen Fund (UGF) 1,475.1												
FY2008 Other Agency/Division Participation in Lease Monitoring and Engineering Integrity	Inc	**3,007.8**	0.0	0.0	3,007.8	0.0	0.0	0.0	0.0	0	0	0
A new office is being established with the Department of Natural Resources' (DNR) Division of Oil and Gas, the Lease Monitoring and Engineering Integrity Coordination Office (LMEICO). As part of this new coordination effort and in response to Administrative Order 229, the Designated Agencies are required to provide a liaison to work with this office. The DNR Division of Mining, Land and Water (ML&W), Office of Habitat Management and Permitting (OHMP), Office of Project Management and Permitting (OPMP) and the Department of Environmental Conservation (DEC) have identified associated positions and costs to support the LMEICO. Other Designated Agencies have not identified budgetary needs at this time.												
The following agency budget requests are included in this change record as general fund, and appear in their respective budget components as Interagency receipts:												
DNR ML&W - $121.5												
DNR OPMP - $102.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Petroleum Systems Integrity Office (continued)

FY2008 Other Agency/Division Participation in Lease Monitoring and Engineering Integrity (continued)

DNR OHMP - $139.1
DNR Support Services -$407.5
DEC - $2,237.7
Total = $3,007.8

DNR ML&W, OPMP, and OHMP:
The ML&W, OPMP and OHMP are responsible for many authorizations related to the exploration and development of oil and gas leases, including habitat and fish passage permits, reviews for consistency with the Alaska Coastal Management Plan, pipeline rights of way, other easements, permits, material sales and other associated leases. The new liaison positions, possibly established under FY07 supplemental requests, will coordinate all oil and gas authorizations statewide but not directly supervise the other Division or Office employees. Some of the duties include providing technical expertise to the LMEICO, performing some of the work necessary to process permits, gathering appropriate case files to share with the LMEICO, reviewing both internal and external cases, and coordinating efforts of existing divisional, office and regional staff. The liaisons will ensure the required coordination without slowing down existing authorization procedures; process some of the oil and gas authorizations; potentially create new regulations, orders, and procedures related to oil and gas authorizations; coordinate division and office participation on a multidisciplinary team regarding oil and gas projects requiring participation of experts such as geologists, economists, petroleum geophysicists, commercial analysts, environmental specialists, engineers, hydrologists and assistant attorneys general; resolve multi-agency conflicts or disputes; budget preparation; represent the department before the public, legislature and industry on highly technical issues impacting oil and gas exploration and commercial development; analyze comments and recommendations made by state, federal and local agencies, user groups, the public, and the oil and gas industry; balance competing interests and recommend resolution; respond to comments on behalf of the department and division; and negotiate permit conditions.

DEC OIL AND GAS INTEGRITY MANAGEMENT INITIATIVE:
Alaska is experiencing a significant increase in issues concerning integrity management of aging oil production and transportation infrastructure within the state. The number of spills from oil exploration and production facilities is increasing annually. As the average age of Alaska's pipelines and production facilities increases, maintenance issues and oversight of system integrity becomes vitally important to ensure continued safe operation and to reduce the number and severity of oil spills. Aggressive oversight is also important to ensure that revenues from oil production not be reduced or stopped due to inadequate industry maintenance and operational processes.

Along with aging oil transportation infrastructure issues, oil exploration in Alaska is currently on an upswing, necessitating additional resources to accommodate additional facilities and new oilfield operators unfamiliar with state pollution control requirements.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of oil and gas integrity issues or exploration and development activities.

Oil and gas facilities are not inspected for compliance with state environmental laws as thoroughly or as often as required to provide adequate oversight.

The aging oil production infrastructure requires additional oversight to maintain compliance with state

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Petroleum Systems Integrity Office (continued)

FY2008 Other Agency/Division Participation in Lease Monitoring and Engineering Integrity (continued)

requirements.

The cumulative impact of oil and gas waste discharges to the air, from the North Slope industrial operations, have not been monitored or measured to assess the aggregate potential harm to land, water, vegetation, wildlife and humans.

As new oilfield operators enter the state, significant compliance assistance is needed to make sure that state requirements are met.

There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.

Much of the work carried out on the North Slope is made by contractors whose day to day activities are often not monitored or given departmental oversight due to the current lack of a full-time field presence of staff.

The oil and gas integrity management initiative funds new and enhanced services in the Divisions of Water, Air Quality, Spill Prevention and Response, and Environmental Health. Services fall in two areas:
1) inspection, monitoring and compliance and
2) environmental planning, design and consultation.

1) DEC INSPECTION, MONITORING AND COMPLIANCE:

ENVIRONMENTAL HEALTH
- Conduct inspections of solid waste units, including temporary storage facilities for drilling wastes and provide compliance assistance to North Slope facilities.

- Increase inspections for temporary storage, reserve pits, and grind-and-inject facilities.

WATER QUALITY
- Conduct water inspections and provide compliance assistance to North Slope facilities.

- Increase inspection rates for high priority wastewater discharges from 50% to 100%.

- Increase inspections for pad and road construction projects from 0% to 50% (approximately 50 projects).

- Conduct independent verification of effluent quality and verification of facility self-reporting on discharge monitoring reports.

- Evaluate ambient water quality through sampling and analyses.

SPILL PREVENTION AND RESPONSE
- Provide a continuous field presence to increase general oversight of all oil field operators including the numerous contractors currently employed by the oil companies.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Petroleum Systems Integrity Office (continued)

FY2008 Other Agency/Division Participation in Lease Monitoring and Engineering Integrity (continued)

- Increase the number of drills and exercises conducted to test and determine compliance with oil discharge prevention and contingency plans.

- Increase the number of on-site inspections conducted to determine compliance with discharge prevention.

- Increase inspections of regulated oil and gas facilities to ensure compliance with spill prevention requirements.

- Verify equipment and resources are available and ready in accordance with oil spill contingency plans.

- Increase technical oversight of operations and maintenance practices designed to prevent oil spills and unanticipated shutdowns.

- Investigate complaints on lack of proper oil and hazardous substance discharge prevention, preparedness, and cleanup.

- Increase on-site monitoring and oversight of cleanups and field responses to significant spills.

- Utilize third-party inspectors to assess leak detection and corrosion monitoring practices.

- Utilize third-party subject matter experts to assess and aid in correction of aging infrastructure-related problems.

- Conduct engineering review of pipeline corrosion management planning.

- Implement new regulations for oil flow lines.

2) ENVIRONMENTAL PLANNING, DESIGN AND CONSULATION:

DEC will:

- Work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.

- Review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.

- Identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.

- Review and prepare a single coordinated and consolidated response.

- Develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.

- Increase its participation with stakeholder workgroups to resolve.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Petroleum Systems Integrity Office (continued)

FY2008 Other Agency/Division Participation in Lease Monitoring and Engineering Integrity (continued)

ENVIRONMENTAL HEALTH
- Complete review and evaluation of plans for solid waste storage facilities. Plans include engineering plans and specifications, operations plans, and closure plans, including monitoring requirements.

WATER QUALITY
- Evaluate best available technologies to reduce waste quantity and toxicity.

SPILL PREVENTION AND RESPONSE
- Develop standardized technical manuals, scenario guidelines and assumptions.

- Provide technical assistance for contingency plan review.

- Provide full time, on-site technical assistance to industry and consultants.

- Develop educational materials and conduct stakeholder outreach.

- Establish minimum design and construction performance standards for oil spill prevention.

- Review oil and gas leases, plans of operation and EIS reviews to insure adequate measures are in place for spill prevention and response.

DEC COMPONENT-SPECIFIC INCREMENT SUMMARY:

The oil and gas integrity management initiative funds new and enhanced services in the Prevention and Emergency Response component as follows:

- Day-to-day presence of DEC personnel on the North Slope to ensure operations are conducted in a safe and environmentally sound manner.

- Increase in inspections and monitoring of the aging infrastructure.

- Increase inspections of spill response equipment.

- Increased monitoring of spill responses and cleanups.

- Increased monitoring of industry training and spill drills.

- Provides for immediate technical assistance.

The oil and gas integrity management initiative funds new and enhanced services in the Industry Preparedness and Pipeline Operations component as follows:

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Oil & Gas (continued)

Petroleum Systems Integrity Office (continued)

FY2008 Other Agency/Division Participation in Lease Monitoring and Engineering Integrity (continued)

- Implement engineering evaluation and review of corrosion management programs for 1,500 miles of flowlines on the North Slope and Cook Inlet oil and gas fields which are subject to new state regulations.

- Implement and increase technical field inspections and compliance monitoring of new oil spill prevention requirements.

- Increase verification of response capability for exploration, production, and refinery facilities by 15%.

- Increase engineering support for design review of new flowline installations and leak detection systems for crude oil transmission pipelines.

- Complete specialized training requiring certification for inspection of pipelines and bulk fuel storage facilities.

- Conduct independent third party audits of corrosion management and other spill prevention requirements for regulated facilities to ensure integrity of oil and gas operations and protection of the environment.

The oil and gas integrity management initiative funds new and enhanced services in the Solid Waste component as follows:

- Increased inspections of solid waste facilities on the North Slope.

- Increased review and evaluation of plans for solid waste storage and disposal facilities.

As a result of increased maintenance and testing of the pipeline system, there will be an increase in the volume of solid waste (sludge from pipelines) requiring temporary storage and disposal, likely through grind-and-injection facilities.

The oil and gas integrity management initiative funds new and enhanced services in the Water Quality component as follows:

- Water inspections and compliance assistance to North Slope facilities.

- Increased rate of inspections for high priority wastewater discharges from 50% to 100%.

- Increase inspections for pad and road construction projects from 0% to 50% (approximately 50 projects).

- Independent verification of effluent quality and verification of facility self-reporting on discharge monitoring reports.

- Evaluation of ambient water quality through sampling and analyses.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Petroleum Systems Integrity Office (continued)												
FY2008 Other Agency/Division Participation in Lease Monitoring and Engineering Integrity (continued)												
- Evaluation of best available technologies to reduce waste quantity and toxicity.												
1004 Gen Fund (UGF) 3,007.8												
FY2008 AMD: Elimination of Funding for Other Agency/Division Participation in Lease Monitoring and Engineering Integrity	Dec	**-3,007.8**	0.0	0.0	-3,007.8	0.0	0.0	0.0	0.0	0	0	0
The original FY08 Governor's budget submittal contained funding for a Lease Monitoring and Engineering Integrity Coordination Office (LMEICO) initiative, as a response to Administrative Order 229 and the pipeline corrosion issues. Governor Palin's administration is re-evaluating the plan and has proposed a revised preliminary approach to this issue.												
The initiative will now be referred to as the Petroleum Systems Integrity Office (PSIO). The resulting budget impact is the elimination of funding for other agency/division participation at this point in the process. The revised plan will be for agencies to identify a liaison or point of contact, but the duties will be minimal and it has been determined that additional funding and new positions for participating agencies are not justified.												
1004 Gen Fund (UGF) -3,007.8												
FY2008 AMD: Reduction of Funding for Original Lease Monitoring and Engineering Integrity Initiative	Dec	**-638.1**	-507.6	-37.7	6.0	-84.0	-14.8	0.0	0.0	-6	0	0
The original FY08 Governor's budget submittal contained funding for a Lease Monitoring and Engineering Integrity Coordination Office (LMEICO) initiative, as a response to Administrative Order 229 and the pipeline corrosion issues. Governor Palin's administration is re-evaluating the plan and has proposed a revised preliminary approach to this issue.												
The initiative will now be referred to as the Petroleum Systems Integrity Office (PSIO), and this request includes a change to the budget component name as well. The resulting budget impact is this reduction of funding for the core staff and operations of the office. The new plan envisions an office to address oversight of petroleum facilities where regulatory gaps exist, and will address maintenance, corrosion prevention, and quality assurance programs for all oil and gas units.												
The revised and proposed budget for this Office is: $703.9 for personal services (4 FT positions) $42.0 for travel $52.1 for services $27.0 for commodities $12.0 for capital outlay $837.0 Total												
1004 Gen Fund (UGF) -638.1												
L FY2009 House Floor amendment matching Governor's amended request	Lang	**523.0**	353.3	97.2	22.5	30.5	19.5	0.0	0.0	0	0	0
The sum of $523,000 is appropriated from the general fund to the Department of Natural Resources, Resources Development Appropriation, for the Petroleum Systems Integrity Office for the Fiscal Year Ending June 30, 2009.												
1004 Gen Fund (UGF) 523.0												
FY2010 Remove FY09 Conference Committee transaction--to be replaced with new increment	ConfCom	**-846.5**	-613.9	-42.0	-151.6	-27.0	-12.0	0.0	0.0	-4	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Petroleum Systems Integrity Office (continued)												
FY2010 Remove FY09 Conference Committee transaction--to be replaced with new increment (continued)												
1004 Gen Fund (UGF) -846.5												
L FY2010 Remove FY09 Conference Committee transaction--language does not appear in the Governor's FY2010 operating bill	OTI	**-523.0**	-353.3	-97.2	-22.5	-30.5	-19.5	0.0	0.0	0	0	0
Apparent error--OMB assumes the CC transaction continues into FY2010. Should be in section 1 as base.												
1004 Gen Fund (UGF) -523.0												
FY2010 Combine FY09 language transaction ($523.0) with section 1 transaction ($846.5)	Inc	**1,369.5**	966.9	139.5	174.1	57.5	31.5	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 1,369.5												
FY2010 Reduce funding due to budget contraints	Dec	**-261.5**	0.0	0.0	-261.5	0.0	0.0	0.0	0.0	0	0	0
This decrement reduces the Governor's $523.0 request by half, or $261.5.												
1004 Gen Fund (UGF) -261.5												
FY2010 CC: Further budget reductions	Dec	**-80.0**	-80.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This decrement reduces the Governor's $523.0 request by an additional $80.0. Combined with the other $261.5 reduction, the CC's total reduction is $341.5.												
1004 Gen Fund (UGF) -80.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-2.7**	0.0	-2.7	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -2.7												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**8.8**	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $8.8												
1004 Gen Fund (UGF) 8.8												
FY2013 Long-Term Vacant Positions Deletion for Intra-agency Funding Redistribution	Dec	**-281.2**	-281.2	0.0	0.0	0.0	0.0	0.0	0.0	-3	0	0

In the Governor's agency-wide effort to limit the growth of state government (for both positions and funding), some vacant positions were deleted, with the intent to utilize savings generated from the deleted positions to fund personal services funding shortfalls or other priority projects within the department.

The department deleted 20 vacant positions across multiple components. General fund savings from the deleted positions is reallocated between components to cover personal services funding shortfalls or other department priority initiatives.

Prior to these funding transfers, personal services funding shortfalls existed in many components at a level that was not manageable without either a general fund increment, or a reduction of positions (most of which are filled) and a loss of service. Shortfalls are primarily a result of when employees receive merit increases, the cost is reflected in the personal services budget need, but the budget is not increased to cover the cost. The general expectation is that departments are responsible to cover merit increases through turnover and vacancies in a component, assuming that will generate savings to offset the merit increases. When components experience little turnover or have few vacant positions, there is no cost savings to cover the increases. The Governor's budget recognizes the need to cover these shortfalls by allowing for the transfer of savings between allocations.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
Petroleum Systems Integrity Office (continued)												
FY2013 Long-Term Vacant Positions Deletion for Intra-agency Funding Redistribution (continued)												
General fund was reallocated as follows: Commissioner's Office $100.0 Administrative Services $125.0 Information Resource Management $269.2 Citizens' Advisory Commission on Federal Areas $13.0 Parks Management & Access $80.0 Gas Pipeline Project Office ($223.4) Petroleum Systems Integrity Office ($281.2) Forest Management & Development ($82.6)												
1004 Gen Fund (UGF) -281.2												
FY2014 Department of Administration Core Services Rates	Inc	**2.3**	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments. The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 2.3												
FY2015 Delete Funding for 1 PFT and 2 Temporary Vacant Positions	Dec	**-207.1**	-207.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -207.1												
FY2016 Delete Petroleum Systems Integrity Office	Dec	**-607.6**	-539.2	-15.6	-43.3	-8.5	-1.0	0.0	0.0	0	0	0
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.												
1004 Gen Fund (UGF) -607.6												
*** Allocation Total ***		**-69.0**	-39.5	121.2	-230.2	49.0	30.5	0.0	0.0	-3	0	0
State Pipeline Coordinator's Office												
FY2006 Increase I/A Receipt Authority to Support Gas Pipeline Activities	Inc	**122.1**	56.3	0.0	65.8	0.0	0.0	0.0	0.0	0	0	0
This change record adds IA Receipt Authority to budget for JPO support of Gas Pipeline Office via an RSA.												
1007 I/A Rcpts (Other) 122.1												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**14.2**	14.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
State Pipeline Coordinator's Office (continued)												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit (continued)												
1005 GF/Prgm (DGF) 1.4												
1108 Stat Desig (Other) 12.8												
FY2007 Increase federal receipts to match cooperative operating agreement with Bureau of Land Management (BLM)	Inc	**20.0**	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0	0	0
The Joint Pipeline Office (JPO) is a consortium of state and federal agencies. The State Pipeline Coordinator's Office (state) and Bureau of Land Management (federal) function as the lead agencies for JPO. To facilitate efficient operation of the JPO, a cooperative agreement exists between the State Pipeline Coordinator's Office and Federal Bureau of Land Management. The cooperative agreement provides for federal reimbursement of a portion of state expenditures for shared resources including items such as building lease, copiers, postage and office supplies. This increment will accommodate federal reimbursement for a corresponding portion of increased operating costs for these items during FY07 per the cooperative agreement.												
1002 Fed Rcpts (Fed) 20.0												
FY2008 AMD: FY08 Retirement Systems Rate Increases for Participating Agency Liaison Positions	Inc	**132.9**	0.0	0.0	132.9	0.0	0.0	0.0	0.0	0	0	0
The State Pipeline Coordinator's Office (SPCO) requests this additional authorization to allow them to enter into agreements with their cooperators to charge for the increased PERS costs for the participating agency pipeline liaison positions. The SPCO funds positions in the departments of Fish and Game, Environmental Conservation, Labor, and Public Safety, plus a position in the Alaska Coastal Management Office in DNR. These positions are liaisons between the departments on joint pipeline issues and are budgeted for with interagency receipts. With the increase in PERS, the cost of these positions will increase. The SPCO has reviewed their statutory designated program receipt authorization and determined that they do not have enough available authorization to build this increase into the existing budget structure without this amendment.												
1108 Stat Desig (Other) 132.9												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-16.8**	-16.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) -16.8												
FY2009 Increase authorization for Federal Cooperative Agreement with BLM	Inc	**213.4**	0.0	0.0	213.4	0.0	0.0	0.0	0.0	0	0	0
A new cooperative agreement is being finalized between U.S. Bureau of Land Management and Alaska Dept of Natural Resources (State Pipeline Coordinator's Office). The new agreement will span three years and reapportions shared costs to include building lease, IT, phones, copiers, etc. The new agreement will provide federal reimbursement of up to $276.7 for applicable shared costs, an increase of $213.4 from the FY08 Federal Authorization for the Pipeline Coordinator Component.												
1002 Fed Rcpts (Fed) 213.4												
FY2010 Multi-agency coordination and review of AGIA, Denali, ANGDA and ENSTAR right-of-way work	Inc	**2,500.0**	59.4	50.0	2,375.6	15.0	0.0	0.0	0.0	0	0	0
Line items forwarded from previous similar request, but which had one PFT.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
State Pipeline Coordinator's Office (continued)												
FY2010 Multi-agency coordination and review of AGIA, Denali, ANGDA and ENSTAR right-of-way work (continued)												
1108 Stat Desig (Other) 2,500.0												
FY2010 Salary Increases for positions paid for in other agencies	Inc	**20.0**	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0	0	0
The costs related to wage and health insurance increases will be higher for this component to cover the salary increases for positions paid for in other agencies.												
This request provides authorization to fund increased RSA costs related to JPO Liaisions' wage and health insurance increases. The State Pipeline Coordinator's Office funds JPO liaison positions via RSAs with the following agencies:												
Department of Environmental Conservation (Spill Prevention and Response) Department of Labor (Occupational Safety and Electrical Inspectors) Department of Public Safety (Fire Safety) Department of Fish & Game (Habitat Management) Department of Natural Resources (Coastal & Ocean Managment)												
1108 Stat Desig (Other) 20.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-0.6**	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF) -0.6												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**4.8**	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $4.8												
1005 GF/Prgm (DGF) 0.5												
1108 Stat Desig (Other) 4.3												
FY2014 Operating and Facility Costs of State Pipeline Coordinator's Office	Inc	**85.0**	0.0	0.0	65.0	20.0	0.0	0.0	0.0	0	0	0
Additional general fund program receipts (GFPR) are needed to support operational costs previously funded through federal receipts under the now expired Joint Pipeline Office Cooperative Agreement. The excess federal receipt authorization will be deleted; this change record reflects funding for the remaining operational costs that must be absorbed by the state such as lease and equipment costs. The State Pipeline Coordinator's Office (SPCO) will utilize GFPR funds generated from pipeline right-of-way fees. Fees are not being changed, the SPCO annually collects approximately $3,500.0 more in receipts than they are authorized to expend. Without this additional funding the SPCO would not be able to maintain current services necessary to support operations.												
1005 GF/Prgm (DGF) 85.0												
FY2014 Multi-Agency Reimbursement for Pipeline Permitting, Construction Oversight and Operational Monitoring	Inc	**200.0**	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0	0	0
To support the State Pipeline Coordinator's Office (SPCO) coordination of state participation in anticipated pipeline projects authorized under AS 38.35 the SPCO will need increased statutory designated program receipt authority. Under AS 38.35 the applicant is required to reimburse the state for all work efforts related to preparation of a lease and oversight of construction and operations of pipeline project activities.												
1108 Stat Desig (Other) 200.0												
FY2014 Delete Uncollectible Federal Receipts	Dec	**-276.7**	0.0	0.0	-276.7	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
State Pipeline Coordinator's Office (continued)												
FY2014 Delete Uncollectible Federal Receipts (continued)												
The State Pipeline Coordinators Office (SPCO) can no longer collect federal receipt funding from the Bureau of Land Management (BLM) that was previously used to pay some operational costs. BLM and SPCO are no longer co-located and the Joint Pipeline Office Cooperative agreement has expired.												
1002 Fed Rcpts (Fed) -276.7												
FY2015 Stand Alone Pipeline Permitting, Construction Oversight and Operational Monitoring for Alaska Gasline Development Corp	Inc	**670.3**	520.5	10.0	132.8	7.0	0.0	0.0	0.0	0	0	0
Chapter 11 SLA 2013 (HB4) created a new funding source, the In-State Natural Gas Pipeline Fund (GasPipeFnd). The approved fiscal note included funding for the State Pipeline Coordinator's Office (SPCO):												
FY2014 - $0.0 FY2015 - $670.3 FY2016 - $2,251.1 FY2017 - $2,603.4 FY2018 - $2,603.4 FY2019 - $376.6												
Funding is related to SPCO's coordination of the participation of DNR divisions and other agencies in pre-construction permitting and work associated with the Alaska Gasline Development Corporation (AGDC) plan and process development as statutorily mandated by HB4. Activities to be performed include: administration of material sales and material sites, pre-construction permitting, oversight of state lease and lease compliance and the preparation and issuance of Notices to Proceed (NTP), monitoring of contractors performing in the field and compliance oversight, travel to public meetings and public hearings, and other coordination activities.												
In FY2015 existing staff will be used. New positions will be added in FY2016												
1229 AGDC-ISP (Other) 670.3												
FY2015 Fund source change from In-state Natural Gas Pipeline Fund (1229) to Instate Natural Gas Pipeline Fund I/A (1232)	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Code 1232 is a newly created code designed to meet accounting requirements for separation of the Alaska Gasline Development Corporation (AGDC) budget from money spent by other agencies at the request of AGDC. This is one of two fund codes that access the in-state pipeline fund established with the adoption of HB4 during the 2013 session. (The other is code 1229.)												
Fund code 1229 should be used only to record the operating budget of the AGDC. Code 1232 should be used only to record AGDC's purchases of services from other state agencies. Agencies can spend code 1232 only as specified in a reimbursable services agreement signed by the corporation. Funding for RSAs will be drawn from the fund without appearing in the operating budget of AGDC.												
1229 AGDC-ISP (Other) -670.3												
1232 ISPF-I/A (Other) 670.3												
FY2016 Spending and Receipt Authority for Pipeline and Gas Line Projects	Inc	**1,085.2**	635.1	55.2	374.8	20.1	0.0	0.0	0.0	0	0	0
Issue:												
This request assumes an overall increase in activities proposed by pipeline projects authorized under AS 38.35. A												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
State Pipeline Coordinator's Office (continued)												
FY2016 Spending and Receipt Authority for Pipeline and Gas Line Projects (continued)												

number of projects in exploratory stage are expected to significantly ramp up during FY2016. It is assumed that: the Alaska Liquified Natural Gas (AKLNG) project will accelerate its Right-of-Way (ROW) leasing, permitting, National Environmental Policy Act (NEPA) and Federal Energy Regulatory Commission (FERC) pre-file processes; Point Thomson will commence operations in FY2016; the Donlin project pre-construction and ROW processes will accelerate; construction on the Alaska Industrial Development and Export Authority (AIDEA) North Slope LNG will continue and the project will commence operations in FY2016; the Trans-Foreland project will commence operations in FY2016; and all other current pipelines are expected to remain status quo. This request increases SPCO's authority for Statutory Designated Program Receipts (SDPR) as direct reimbursements for actual costs.

Status Quo:
SPCO would not have the spending or receipt authority necessary to perform its statutorily mandated duties in a timely fashion. Projects would be delayed.

Accomplished With Prior Year Funding:
SPCO met its performance objectives and obligations as authorized under AS 38.35.

1108 Stat Desig (Other)	1,085.2											
FY2016 Increased Workload for Alaska Stand Alone Pipeline (ASAP)	Inc	**1,802.0**	864.4	192.1	732.1	13.4	0.0	0.0	0.0	0	0	8

Issue:
HB4 created a new funding source ISPF-I/A.

The SPCO submitted a fiscal note for HB4 related to the mission of delivering natural gas from Alaska's North Slope to Fairbanks and Southcentral Alaska. In FY2016, SPCO will continue to coordinate the participation of DNR divisions and other agencies that did not submit fiscal notes, in pre-construction permitting and work associated with Alaska Gasline Development Corporation (AGDC) plan and process development. It is estimated the project will progress from pre-construction to construction phase in FY2016.

Estimated expenditures include contractual costs that will be managed by SPCO permanent employees either via Reimbursable Services Agreements (RSA) with other state entities, or through procurement of professional services.

SPCO anticipates, and included on the original fiscal note, a need for eight (8) long-term, non-permanent (LTNP) employees to assist with increased activities on the project.

Status Quo:
SPCO would not have sufficient receipt authority to receive reimbursement for costs associated with performing its duties related to the Alaska Gasline Development Corporation (AGDC) Alaska Stand Alone Pipeline (ASAP). Activities and tasks that would not be performed, or would be significantly delayed include: coordinating the participation of other entities in pre-construction permitting and review processes; monitoring performance of field work by sub-agencies and contractors; providing technical expertise navigating federal and state requirements; and other work associated with the AGDC FY2016 work plan.

Accomplished With Prior Year Funding:

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
State Pipeline Coordinator's Office (continued)												
FY2016 Increased Workload for Alaska Stand Alone Pipeline (ASAP) (continued)												
Per SPCO's mission, the office coordinated efforts of multiple agencies according to the FY2015 AGDC work plan, which included work from the following departments: Natural Resources, Environmental Conservation, Health & Social Services, Fish & Game, Public Safety, and Transportation. Additionally, the SPCO coordinated all permitting efforts for the project, to include numerous permits and authorizations from the above-listed agencies. Detailed work included initial efforts on the Supplemental Environmental Impact Statement (SEIS); moderation of regular meetings related to the applicant's geotechnical borehole and other field programs; management of the Health Impact Assessment (HIA) contract with an external vendor; and other tasks associated with managing and coordinating a large project.												
FY2014 efforts on the project were coordinated by SPCO; however, SPCO was not directly funded -- its funding came through AGDC via Reimbursable Services Agreement (RSA). The $911.0 RSA included funding for multiple agencies according to the FY2014 AGDC project work plan.												
Position Detail:												
8 - Natural Resource Specialist III, Anchorage, LTNP												
1232 ISPF-I/A (Other) 1,802.0												
FY2016 AMD: Eliminate New Instate Pipeline Receipt Request	Dec	**-1,802.0**	-864.4	-192.1	-732.1	-13.4	0.0	0.0	0.0	0	0	-8
The FY2016 Governor's Work-in-Progress budget included an increment to receive reimbursement for duties related to the Alaska Gasline Development Corporation's (AGDC) Alaska Stand Alone Pipeline project, including a request for 8 new positions. Actual needs for SPCO will be evaluated as the project progresses and if necessary funds can be accepted from AGDC as an unbudgeted RSA during FY2016. This adjustment will eliminate the initial increment request.												
1232 ISPF-I/A (Other) -1,802.0												
FY2016 AMD: Incorporate State Pipeline Coordinator's Office into Division of Oil and Gas to Reduce Administrative Costs	Dec	**-518.9**	-518.9	0.0	0.0	0.0	0.0	0.0	0.0	-3	0	0
It is in the best interest of all stakeholders that the exploration, development, and production of oil and gas in Alaska be properly and efficiently regulated. Management of our subsurface resources requires coordination of many agencies and involves regulatory efforts that start in the reservoir, and continues throughout the infrastructure that carries product to market. Where appropriate, minimizing the number of separate agencies, and associated management structures, allows the state to minimize 'silos' of regulatory activity that may hinder coordination efforts. Having duplicative management and administrative structures within oil and gas production and transport regulatory framework is also financially burdensome to both the state and producers. Incorporating the management of the State Pipeline Office into the structure of the division of Oil & Gas accomplishes both a reduction of regulatory overhead cost, as well as helping to ensure coordination of regulatory efforts from the wellhead to the marine transport terminal.												
Delete the following PCNs:												
(10-8106) Permanent, Full-time State Pipeline Coordinator, Anchorage												
(10-0114) Permanent, Full-time Deputy State Pipeline Coordinator, Anchorage												
(10-0112) Permanent, Full-time Administrative Officer II, Anchorage												
1005 GF/Prgm (DGF) -80.0												
1007 I/A Rcpts (Other) -16.0												
1108 Stat Desig (Other) -260.9												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Oil & Gas (continued)												
State Pipeline Coordinator's Office (continued)												
FY2016 AMD: Incorporate State Pipeline Coordinator's Office into Division of Oil and Gas to Reduce Administrative Costs (continued)												
1232 ISPF-I/A (Other) -162.0												
FY2016 AMD: Reduce Spending and Receipt Authority for Pipeline and Gas Line Projects Based on Updated Estimates of Activity	Dec	**-500.0**	0.0	0.0	-500.0	0.0	0.0	0.0	0.0	0	0	0
The FY2016 Governor's Work-in-Progress budget included an increment assuming an overall increase in activities proposed by pipeline projects authorized under AS 38.35. This request reduces SPCO's increment request by about 50% based on updated estimates of activity.												
1108 Stat Desig (Other) -500.0												
*** Allocation Total ***		**3,754.9**	754.6	114.6	2,823.6	62.1	0.0	0.0	0.0	-3	0	0
*** * Appropriation Total * ***		**19,955.0**	5,463.9	176.2	14,027.2	227.3	60.4	0.0	0.0	-11	0	-1
Fire Suppression, Land & Water Resources												
Mining, Land & Water												
L FY2012 Mine Reclamation Bond Claims	Lang	**50.0**	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
Sec 13(b) Gov Original Bill												
1192 Mine Trust (Other) 50.0												
L FY2012 General Reclamation Bond Claims	Lang	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
Sec 18, Gov Original Bill												
1108 Stat Desig (Other) 25.0												
FY2012 Incorporate partial FY11 distribution of fuel trigger in FY12 base. Trigger start point moves from $51 to $65.	Inc	**1.5**	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 1.5												
L FY2013 Sec 18(b), Ch 15, SLA 2012 (HB 284) - Mine Reclamation Trust Estimate	IncM	**50.0**	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
1192 Mine Trust (Other) 50.0												
L FY2013 Sec 18(c), Ch 15, SLA 2012 (HB 284) - General Reclamation Bond Claims Estimate	IncM	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig (Other) 25.0												
FY2013 Improve Efficiency of Land and Water Use Application Process	IncM	**1,421.1**	1,131.6	25.0	153.0	111.5	0.0	0.0	0.0	6	0	0

REQUEST

With the FY2012 one time increment of $1,421.0 the division has begun the work necessary to accomplish all of the stated goals, recognizing that the goals would not be met in the first year. The division has initiated a multi-frontal attack on reducing the backlog and changing process and identifying other ways to keep from perpetuating the same problems that created the backlog in the first place. The increased funding for staffing is an absolutely essential component of this effort. In order to meet the goals, this work must be continued in FY2013 and beyond. The efficiency gains created through this increment would not be sustainable without the continuation of the positions and funding in this increment with the growing workload demand. Therefore this one time amendment needs to be converted into a base budget increment while still holding the division accountable to meet the goals.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Fire Suppression, Land & Water Resources (continued)

Mining, Land & Water (continued)

FY2013 Improve Efficiency of Land and Water Use Application Process (continued)

ISSUE

The state's land base has increased by 8 million acres over the last five years, and the Division of Mining, Land and Water has not been able to keep up with the increasing number of applications to use this land. The division now has a backlog of over 2,300 applications.

This backlog of applications has been growing in recent years because the division has only been able to process 84% of all incoming applications. This is due to a number of reasons:

- Inefficient internal processes and cumbersome regulatory requirements.

- Land ownership patterns have become more complex, thereby increasing the conflicts that have to be resolved.

- Increasing federal and municipal regulation has increased the processing time for applications.

- Increasing appeals and litigation of our authorizations, which delay and complicate processing.

- An additional 8 million acres of land transferred to state ownership within the last five years, resulting in an increase in the number of applications to use that land.

- Insufficient staff to process the volume of work

Through a combination of restructuring the permitting process, adding staff, and other measures the backlog will be significantly reduced, and eventually eliminated. At the same time efficiencies created through this effort will help to keep the division from slipping back into further backlog as the number of applications is expected to increase in future years.

BACKGROUND

The Division of Mining, Land and Water received a FY2012 one time increment of $1,421.0 to eliminate a backlog of land and water use authorizations. The division worked with the Legislature to create a plan to reduce the backlog, change business processes for efficiency, look at statutes for revisions for efficiencies, and evaluate organizational structure. The funding allowed the division to fill five vacant positions and six new positions. The division has begun the work in earnest to meet all of the goals of this increment. The following efforts have been accomplished in FY2012 by November.

Hiring
Updated and in some cases reclassed 50 positions through Division of Personnel. This was the first step. The division had to first address the closure of DCOM in personnel transfers through bumping rights and then other reviews before initiating other hiring. Many staff devoted considerable time to fill positions, sometimes having to hire a few positions to fill one net position gain as people were promoted leaving other vacancies behind. Since July, the division hired 27 of 36 vacancies.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2013 Improve Efficiency of Land and Water Use Application Process (continued)												

Training
Conducted new employee introductory training for 50 new employees. This lays the foundation information but is followed by more specific training for the new positions. Although new staff begin working on many tasks soon after hire, in many positions it may take up to a year for staff to gain full proficiency. Training comes from specific classes and from on the job training and informal sessions with managers.

Case Work
The scope of the backlog work had to be better identified for staff. DMLW worked with the Information Resource Management to segregate out the backlogged cases and create an efficient way to categorize, prioritize and assign case work. This system is in place and much of the case load has been categorized. During this effort, we have identified several problems in our case management system or in how we were using it that need to be fixed in order to accurately represent the work that needs to be done. We are cleaning up the errors and moving into either completing cases or closing them if appropriate. Staff are reviewing the backlogged files, determining the outstanding issues that need to be resolved or work completed to bring the cases to either issuance or closure. Cases are being assigned to specific adjudicators to work those files.

Work on IT solutions
The department has been working on various IT projects that will support staff in becoming more efficient. Although there is separate funding for the IT projects, it does not cover the business staff time necessary to set requirements, work with developers and programmers, test products, train staff, and institute management change to roll out new products. Business staff is working on all of these efforts to create electronic case files, implement business process modeling, modifying case management system, establishing better reporting for transparency of business activities for staff and managers. Although this work takes staff time away from processing backlogged cases, it is essential to achieve long term goals of eliminating backlog, providing consistency and timely processing, and avoiding the trap of sliding back into the backlog situation. The department is evaluating a new type of business process management software and development methodology that will allow us to create an agile IT system that can be modified more easily to allow for continuous business improvement.

Clean up LAS
At the basis of our management and understanding of the backlog, the database needs to have accurate data. Without accurate data, reporting is incorrect, priority assignment is skewed, errors can be compounded in future work and the work effort will not be as effective. Staff is taking time to correct errors as they are discovered. This in turn may affect the numbers represented in the backlog.

Initiate Evaluation of business processes
The division is working to create a business analyst position that will lead our division through the business process scrub necessary to make the processes consistent, timely, and well coordinated. This work is critical to complete before some of the IT programming can be done. The division is also evaluating what activities that would require existing authorizations could be modified to be issued approval under general permits. This would save review time and allow that time to be devoted to other efforts.

Appeals

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Fire Suppression, Land & Water Resources (continued)

Mining, Land & Water (continued)

FY2013 Improve Efficiency of Land and Water Use Application Process (continued)

The department is evaluating potential changes to revise appeal standards and process in order to reduce the appeals that appear to be either frivolous or used as a tool to block development when the appeal does not have merit.

Identify statutory changes
The division has been evaluating and making suggested changes to statutes that will help create efficiencies, reduce time in process, free up staff time that can be applied to other work and clarify certain changes necessary to prevent further appeals and challenges that can delay projects.

Work with Departmental Permit Efficiency work group
The division is working closely with the Permit Efficiency Task Force established by the Commissioner's Office. In addition to the work listed above, the task force is working on other multi-agency coordination and federal permitting issues.

Contracting to create an expandable workforce
The division is reviewing the process used by DEC to develop a contract workforce that is available to work by task order assignment. The contractors essentially act like short term state employees, working under established protocols and conducting research and drafting decisions that would need to be approved by division employees. This would allow the department to have an applicant pay for extra staff work done through these contractors when the workload increases beyond our ability to issue authorizations within expected timelines. This effort looks promising but will take substantial work to institute and manage and may need revision of fee regulations and potentially statutes. The Division will continue the feasibility analysis.

At the beginning of FY2011, there was a backlog of approximately 2,300 applications that had not been issued. This included applications for permits (314), leases (297), easements (658), material sales (181), water rights (600), and instream flow reservation applications (330). At the end of FY2011 the backlog increased to 2,516 applications. The current backlog as of November 1, 2011 is 2,378 with a breakdown of permits (297), leases (292), easements (596), material sales (189), water rights (662), and instream flow reservation applications (342).

Even with the hiring efforts and other necessary work, the division was able to process 253 authorizations and close 93 cases within FY2012 up to November 1. This is more than were received in the same time period (208).

This work needs to continue in future years.

The backlog of applications range in complexity from very basic authorizations such as a commercial recreation permit that can be issued within a day, to large projects requiring multiple interrelated authorizations, multi-agency coordination, required studies and review that may take a few years to complete the authorizations. Each specific application may present an assortment of obstacles that can vary the processing times such as land ownership disputes, multiple use conflicts, business transaction delays, unresponsive applicant, encumbrance removal, project revisions, appeals and litigation.

The pdf document displayed through the following link contains the tables which show the applications received,

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2013 Improve Efficiency of Land and Water Use Application Process (continued)												

quantity issued, and the backlog for each of these types of authorizations in FY2010, FY2011, and the first 1/3 of FY2012:

http://dnr.alaska.gov/mlw/elim/FY13-backlog-elim-tables-for-budget-increment-narrative.pdf

WORKPLAN

Goal: To timely process all incoming land and water use applications, and to eliminate the backlog.

Strategies:

- With the increased staffing, process 100% of all incoming applications (currently we can only process 84% of all incoming applications).

- The increased staffing, coupled with increased permitting efficiencies, will allow processing of at least 250 backlogged applications annually, with anticipated subsequent dramatic improvements through additional increased permitting efficiencies.

- The division will focus first on applications that foster economic and community development and improvement of state infrastructure, and provide opportunities for energy cost reduction, jobs, and contracts. Applications will be prioritized to work on projects that provide the most benefit to the highest number of Alaskans.

- The division will conduct a comprehensive review of the division's permitting processes, and we will find and implement changes that will increase efficiency. Areas that the division will evaluate include:
Organizational changes (e.g. formation of permitting teams) within the division.
Applicable statutes and regulations.
The regulatory relationship between the state, and federal and local governments.
Appeals process.
Contracting with the private sector.

- Develop computerized systems to automate and speed up the permitting process. The Department is developing a unified permitting system which will significantly increase permitting productivity by automating the permit processing, allow applicants to apply on line, and allow staff to better process and

1004 Gen Fund (UGF)	1,421.1											
FY2013 Land Sales and Municipal Entitlements Staff Funding for Southeast Alaska Region	IncM	**105.0**	90.0	10.0	0.0	5.0	0.0	0.0	0.0	0	0	0

REQUEST
This request is to convert the FY2012 one time increment into the FY2013 base budget providing stable funding for the Southeast Regional Office to retain recently hire staff to adjudicate, in a timely manner, current requests for municipal land entitlements and continue the legislative mandate to offer land for sale to Alaskans under the land Disposal program.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2013 Land Sales and Municipal Entitlements Staff Funding for Southeast Alaska Region (continued)												

BACKGROUND

This increment provides funds to maintain an existing previously unfunded position to perform essential work related to general land grant entitlements and implementation of the land disposal program within southeast Alaska.

One of the essential functions of the Southeast Regional Office is the adjudication of general land grant entitlements of the boroughs and unified municipalities in southeast Alaska and the implementation of the state land disposal program for the region. The southeast regional office is tasked with the responsibility of processing the municipal entitlements of the Haines and Wrangell Boroughs. Timely conveyance of these requests is crucial to sustaining the economic vitality of these communities and triggers economic growth and ultimately provides additional employment opportunities.

Previous budget shortfalls had caused the southeast region to leave vacant staff positions used to adjudicate municipal entitlements. Under circumstances existing in FY2011, municipal entitlement requests would have to wait on existing staff already charged with the: i) processing of leases, permits, and easements applications, and ii) monitoring activities on state owned land in southeast Alaska. This heavy workload did not allow for the timely conveyance of municipal entitlements. It is essential for the southeast regional office to maintain the individual currently on staff that is dedicated to adjudicating municipal entitlement requests that are far from routine and have a unique set of issues that must be resolved before coming up with an acceptable end product. With existing entitlement requests coming from Haines and the City and Borough of Wrangell and the pending application from the Petersburg area, it is imperative that the one time increment provided to fill this entitlement position be converted to the base budget so that these entitlement requests may be adjudicated consistent with statutorily mandated timeframes.

In addition to adjudicating Municipal Entitlement requests this position works in conjunction with the Lands Sales section to fulfill the legislative mandate to provide land for sale to Alaskan for settlement. Due to the special circumstances prevalent in SE Alaska this manages the program for the SE region.

PROGRESS

DMLW has filled the previously vacant Natural Resource Specialist position responsible for preparing Land Sales offerings in southeast Alaska and adjudicating Municipal Entitlement requests. This individual has been assigned currently active projects and has begun the immersion process of preparing Preliminary and Final Findings and the public process involved in preparing both. Retention of this position is critical to timely adjudication of Municipal entitlements and continuation of the lands sales program in southeastern Alaska.

1153 State Land (DGF)	105.0											
FY2013 Oversight of Federal Land Transfers including Native Allotments, ANCSA Conveyances, and Survey Reviews	IncM	**671.0**	618.8	10.0	37.2	5.0	0.0	0.0	0.0	0	0	0

REQUEST

This request converts funding from the FY2012 one time increment into a FY2013 base budget to fund continued work related to oversight of federal land transfers. This includes:
- continue adjudication of 1906 Native Allotment reconveyances previously halted when federal funding was discontinued. This work was reinstated after receiving the FY2012 one time increment;
- allow DNR to continue to review of Alaska Native Claims Settlement Act (ANCSA) conveyances to protect

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Fire Suppression, Land & Water Resources (continued)

Mining, Land & Water (continued)

FY2013 Oversight of Federal Land Transfers including Native Allotments, ANCSA Conveyances, and Survey Reviews (continued)

public access and state ownership interests (including navigability)and 17(b) access
- review survey instructions issued by BLM for adherence to standards set forth in the MOU between the state and BLM regarding monumetation
- properly analyze state selection priorities to ensure best lands are selected to complete entitlement .

Conversion of this increment from a one-time increment into the division's base budget is critical to protecting public access to public lands, protection of state title conveyed to the state at statehood, completing the task of reconveying Native Allotments on land erroneously conveyed to the state and reviewing remaining state selected lands to ensure the best economic development opportunities from the state's remaining entitlement.

BACKGROUND

The FY2012 one time increment provided DMLW with sufficient funding to fill 5 previously vacant positions within the Realty Services Section that handle land conveyance issues and avoid eliminating 4 additional positions. Among the issues adjudicated by the group is the completion of the various land entitlements, review of land selection priorities and the reconveyance of lands subject to valid Native Allotment applications.
Regarding Native Allotments, the state is obligated to adjudicate for reconveyance of 270 parcels of state land to the federal Bureau of Land Management (BLM) that were erroneously conveyed to the state. The state had suspended work on these reconveyances in FY2011 because of funding shortfalls. Each Native Allotment requires review for 3rd party interests that have been entered into during the time the state owned the land. Adjudication is also required to protect historic public access and title interests transferred to the state at statehood.
In addition to reconveyance of valid Native Allotment parcels, Realty Services handles the review of all ANCSA land conveyance documents to ensure public access is protected and sufficient survey monumentation is set to adequately delineate ANCSA land from adjacent state land.

PROGRESS

- Native Allotments - the Division has recently reconstituted the staff necessary to adjudicate these application files. We are aggressively identifying Native Allotment application where reconveyance is possible and developing an alternative parcel program with BLM and the BIA.
- Access - the Division has reviewed over hundred conveyances to ANCSA Corporations to ensure that public access is maintained to public lands. In many cases 17(b) access has not been secured in the original conveyance document to the ANCSA corporations and these required modification prior to final conveyance. Lack of continued review of these ANCSA conveyance documents will increase the probability that access to public lands will be forfeited. Currently 10 documents a month are received from BLM that require review; 8 of those 10 documents require correction.
- Survey Instruction Review - The MLW Survey Section determines whether land surveys are adequate under the requirement of AS 38.04.045 for land conveyances made by DNR. Where surveys are required, the Unit issues instructions to private sector land surveyors. The Unit serves as the watchdog for BLM surveys to insure that they meet required standards, and protect state's interests in areas such as navigable waters and existing easements.
- Land Entitlement Priorities - this increment will continue the work on setting the state's priorities for land conveyances and relinquishments. In the past 5 years, the state has received an additional 8 million acres from the federal government. An additional 5 million acres are owed the state, but the state has far more selections

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2013 Oversight of Federal Land Transfers including Native Allotments, ANCSA Conveyances, and Survey Reviews (continued)												
remaining. Under federal law the state is allowed a 25% over-selection. This increment will allow the state to continue to identify lands for conveyance and relinquishment. If the state fails to do this work, decisions about relinquishment will be made by the federal government, rather than the state. During FY2011 the BLM was preparing to reject all prioritized selected lands that were in excess of the 125% of remaining entitlement with no input from the state. The affects of such an action by the BLM would have precluded the state from accepting title to the TAPS corridor or large portions of ANILCA withdrawn lands if and when their withdrawal was lifted. Areas important to the state that could be impacted include Fort Richardson and Fort Greeley.												
Continued funding for positions to do this work reduces various inquiries from constituents, applicants, and other governmental agencies to legislators, the governor and commissioner by allowing the Division of Mining, Land and Water (MLW) to continue processing the Bureau of Land Management's native allotment reconveyance requests, ANCSA corporation conveyances and requests for the state to relinquishment selection of those areas affected by valid native allotment applications. Federal funding cuts for the BLM 2009 program effectively eliminated the ability to continue this work.												
1004 Gen Fund (UGF) 671.0												
FY2013 Public Land Stewardship including Mine Permitting, Compliance and Assessment	IncM	**802.0**	600.0	30.0	157.0	15.0	0.0	0.0	0.0	0	0	0
REQUEST												
With the FY2012 one time increment of $802.0 the division has begun work on the deliverables promised to the Legislature. The division has filled positions with this funding and has increased inspections and is fulfilling the other land stewardship responsibilities. To continue meeting the stated goals, this work and the funded staff positions must be continued in FY2013 and beyond. Therefore this one time amendment needs to be converted into a base budget increment while still holding the division accountable to meet the goals.												
BACKGROUND												
The FY2012 increment funded existing vacant, unfunded positions responsible for managing and permitting public use and private development on state lands and to fulfill more of the stewardship responsibilities given to this division. There has been an increase in economic activities on state lands due in part to the 8 million acre increase of state land received as our Statehood entitlement through the Accelerated land Transfer Act over the last five years. There has also been increased activity on all state land as a result of increased mineral exploration, new alternative energy projects, new telecommunications projects and an increase is public use of state lands.												
One of the significant impacts from this increase of acreage under state management and increased economic development proposals on state land is the increase in lease and permit applications for use of state lands, both for economic development and recreational use. Many forms of economic development are controversial and require meticulous adjudication to address public, environmental and legal concerns. Rushed, non-comprehensive, adjudication leaves the state unable to adequately defend its decisions against legal challenges.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Fire Suppression, Land & Water Resources (continued)

Mining, Land & Water (continued)

FY2013 Public Land Stewardship including Mine Permitting, Compliance and Assessment (continued)

MLW has also seen a need for more rigorous permitting and oversight of mining activities. In the last five years there has been a dramatic rise in the number of placer mining operations, large scale metal mines, and large scale exploration programs. At the same time, public interest and concern about these activities has increased. DNR is defending more lawsuits regarding permits for mineral exploration. Increased on-site inspections at large mine projects are necessary to ensure permit compliance. The high volume of mining activities in 2011 resulted in permitting time for placer mining and mineral exploration activities of up to 6 weeks, far above the expected and desired time of 2-3 weeks. Timely and accurate processing and auditing is required to maximize mining revenues to the state. Increased travel costs have resulted in limited field inspections and technical assistance for miners.

Along with the increase in activities on state land the division has a constitutional and statutory responsibility to provide stewardship of these lands. Stewardship of state lands ranges from ensuring access for oil and gas development; to providing materials for infrastructure construction; to providing site- specific inspections of mineral development projects; and to interacting with the public where state lands are used for recreational purposes. Interaction with the public in areas of high recreational use consists of trash removal, providing public information (such as signage, web sites, maps), clearing timber and brush, or resolving damage and unauthorized use of state land. In areas of high use, such as the Rex trail in the interior, these funds could be used by the division to contract experts to develop prescriptive analysis to aid in trail rehabilitation.

Without continuing this increment, the Division of Mining, Land and Water (MLW) will continue to fall behind with the land stewardship responsibilities and will have the is workload conflict with the processing of applications from industry and individuals to use and develop state land. In FY2011, 84% of new applications were processed, but the backlog of unprocessed applications continues to increase and was 2,516 at the end of FY2011. The increased pressure of the backlogged applications competes with the effort to address the many stewardship responsibilities of maintaining the land in a state ready for use and development. Both efforts are necessary.

PROGRESS

Much of the beginning of FY2012 was spent on hiring and training new staff along with many other efforts as part of the Improve Efficiency of Land and Water Use Application Process increment. In the midst of this effort, the division was able accomplish the following with this funding:

- Recruited and trained staff to fill the vacant positions.
- The division has increased its inspections of placer and hardrock permits
- The division has also increased frequency of inspections of large mines.
- Combined funding from this increment with a grant to do a trail rehabilitation prescription assessment and report for the Rex Trail.
- Held a successful Nome offshore mineral lease auction. Eighty-four lease tracts covering 23,793 acres were offered for sale, and all tracts were sold. High bids for all lease tracts totaled $9.3 million. Increased oversight of the area during the summer was necessary to prepare for the lease.
- Finalized the Kasilof River Special Use Area and provided increased field inspections in the area during the summer fishery
- Continued work to develop the Guide Services Concession Program
- Conducted inspections of many land and water authorizations
- Worked with businesses proposing use of new technologies on state land such as with the various hydrokinetic

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2013 Public Land Stewardship including Mine Permitting, Compliance and Assessment (continued)												

projects.

Along with the increase in activities on state land the division has a constitutional and statutory responsibility to provide stewardship of these lands. Stewardship of state lands ranges from ensuring access for oil and gas development; to providing materials for infrastructure construction; to providing site- specific inspections of mineral development projects; and to interacting with the public where state lands are used for recreational purposes. Interaction with the public in areas of high recreational use consists of trash removal, providing public information (such as signage, web sites, maps), clearing timber and brush, or resolving damage and unauthorized use of state land. In areas of high use, such as the Rex trail in the interior, these funds could be used by the division to contract experts to develop prescriptive analysis to aid in trail rehabilitation.

Five existing positions that were filled in FY2012 will continue to be funded by this base budget increment and used to provide the ongoing management and permitting responsibilities for public use and private development on state lands. In addition to personal services costs, this increment covers the travel (site-specific mining inspections and recreational use area management), services (such as contracts for trail rehabilitation) and commodities costs associated with managing the public and private uses of state land.

1004 Gen Fund (UGF)	802.0											
FY2013 Maintain Staffing for Permitting Initiative	IncM	**950.0**	950.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

This request increases GFPR authority to allow the division of Mining, Land & Water to absorb increased personal benefit costs (primarily step increases) and reduce vacancy factor to a manageable level to maintain adequate staffing for permitting initiative. This request funds the majority of positions within the Division leaving a manageable vacancy rate. The Division's ability to maintain a low vacancy rate is directly linked to the Division's ability to fulfill its commitments to improve permit and authorization efficiencies and reduce the current backlog. During previous budget cycles merit increase, core costs and contractual wage increases were absorbed by the division through increasing vacancy rates. Increases in these contractual obligations required that the Division keep 9 positions vacant during FY2011 to balance the division's personal services budget and continued absorption would require 4 more positions be kept vacant in FY2012. This would result in a total of 14 positions being left vacant and the division's ability to effectively process incoming land use authorizations would be severely hampered and the opportunity to aggressively work the backlog lost. Under this scenario FY2013 would see additional vacancies necessary and the division's ability to meet its obligations to the legislature foregone.

The division historically collects $5 Million to $6 Million more in lease/permit fees than what it has been authorized to expend.

1005 GF/Prgm (DGF)	950.0											
FY2013 Non-Federal Dams Safety	Inc	**53.4**	0.0	0.0	53.4	0.0	0.0	0.0	0.0	0	0	0

The Federal Emergency Management Agency (FEMA) awards grants to increase the efficiency and effectiveness of state dam safety programs. The Department of Natural Resources, Dam Safety and Construction Unit applied for and was awarded a FEMA grant for FY2012, and is estimated to spend $53.4 in FY 13.

The Unit will utilize the funds to conduct field inspections, update hazard potential classifications, perform jurisdictional reviews and assign condition assessments to dams in Alaska. In addition, the Unit will attend emergency action plan exercises and technical training opportunities and purchase engineering analysis software to improve the performance of the Alaska Dam Safety Program.

1002 Fed Rcpts (Fed)	53.4											

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2013 Offshore Lease Sales at Nome (Gold Dredging)	Inc	**50.5**	0.0	0.0	50.5	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF) 50.5												
FY2013 Sanitation Facilities for Kasilof River Special Use Area	Inc	**45.0**	0.0	0.0	45.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 45.0												
FY2013 CC: Guide Concession Area Program Development	IncOTI	**125.0**	125.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

REQUEST
This increment will allow the department to offer and monitor state tide lands and submerged lands, primarily offshore, for mineral leasing in the Nome area. This increment will allow the Division of Mining, Land and Water (DMLW) to provide seasonal oversight of dredging activities scheduled to begin in the summer of 2012 resulting from the recent lease offerings.

BACKGROUND
The recent lease sales generated in excess of $9,000,000 in Bonus bids. Additional revenue in retnal income, production royalties and the mining license tax will also be realized. Additionally, more recreational gold mining will be created in the West Beach area which will bring additional recreational miners to the area and benefit the local economy. The requested funding will be to support onsite monitoring by a local mining expert hired under contract by the Division.

PROGRESS
The live auction has been held in Nome and bidders are being notiifed of their success. This summer dredging activities will begin as will monitoring activities. DMLW plans to contract with a local Nome resident familiar with dredging activities to monitor the successful bidders during their operations. Large offerings similar to the auction recently completed are anticipated every 10 years.

This increment combined with the existing $120.0 (total of $270.0) provides funds for the completion of the development of the Guide Concession Area Program. The guiding industry has asked that the department consider implementing a concession program to authorize commercial hunting guides to work within specific areas of the state to reduce the overall hunting pressure throughout the state of Alaska. For over three years, the Division of Mining, Land and Water (ML&W) has been working with existing staff members to initiate the development of this program, with funds provided by the legislature specifically for this project.

This program will offer big game guides the ability to competitively apply for and be awarded authorizations to run a business on state land if selected, but will limit the number of guides running businesses on state land. The program is anticipated to provide a net return to the state, will not affect any other users of state land (private or commercial) and has been discussed and reviewed by the public and agencies.

The Division will complete the following actions:
- Complete the regulation process necessary for the program
- Create all forms, procedures, instructions and templates for all stages of process
- Set up the evaluation panel for the review of prospectus submissions
- Set evaluation criteria for evaluating prospectus submissions
- Mapping work

ML&W will use both existing staff and contractual resources to complete the final steps in the development of this program. Although this program development will be completed in FY13, the program will not be implemented during FY13. The program requires 6 full time staff dedicated to working the program during implementation and on an ongoing basis. This request provides general funds for these new positions for the first two to three years

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2013 CC: Guide Concession Area Program Development (continued)												
required to start the program, and then the program would be self funding by the fees collected through the authorizations (general fund program receipts) after the initial start up.												
1004 Gen Fund (UGF) 125.0												
FY2013 (HB 360) INTERSTATE MINING COMPACT & COMMISSION	FisNot	**40.0**	0.0	0.0	40.0	0.0	0.0	0.0	0.0	0	0	0
The House Finance Committee reduced the travel costs to zero.												
1004 Gen Fund (UGF) 40.0												
FY2013 DID NOT PASS: (HB 360) INTERSTATE MINING COMPACT & COMMISSION	FisNot	**-40.0**	0.0	0.0	-40.0	0.0	0.0	0.0	0.0	0	0	0
The House Finance Committee reduced the travel costs to zero.												
1004 Gen Fund (UGF) -40.0												
L FY2014 Reverse CH3 FSSLA2011 18(b)-(c) General Reclamation Bond Claims	OTI	**-75.0**	0.0	0.0	-75.0	0.0	0.0	0.0	0.0	0	0	0
Section 18(b) - $50.0												
Section 18(c) - $25.0												
Reverse language section appropriation estimates for the Division of Mining, Land and Water. This authority is used for reclamation of state land by utilizing bonding funds if necessary.												
1108 Stat Desig (Other) -25.0												
1192 Mine Trust (Other) -50.0												
L FY2014 From Mine Reclamation Trust to Mining, Land and Water allocation (Sec 20b, HB 65)	IncM	**50.0**	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
1192 Mine Trust (Other) 50.0												
L FY2014 Settlement of claims against reclamation bonds (Sec 20c, HB 65)	IncM	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
50.0 total in language; remaining 25.0 goes to forest management												
1108 Stat Desig (Other) 25.0												
FY2014 Navigable and Public Waters Research and Assertion of State's Access Rights	Inc	**350.0**	64.0	0.0	286.0	0.0	0.0	0.0	0.0	0	0	0

The Division of Mining, Land and Water (DMLW) requests funding for the Navigability/Recordable Disclaimers of Interest (RDI) program which was primarily funded through federal grants that have now dried up with budget reductions at the Bureau of Land Management (BLM). This federal authorization was included in a language section of the budget as Sec19(b) CH41 SLA2010 -- and lapsed on June 30, 2012. No additional federal grant funding is available, and there is no-ongoing federal receipts in our operating budget to remove or "replace" with general Fund as a fund source change.

The continuation of the Navigability/RDI program is essential to defend state ownership of the submerged land under the navigable waters the state received at statehood.

The Recordable Disclaimers of Interest (RDI) program has successfully cleared clouds on the state's title to numerous navigable waters in Alaska. Currently, the State's RDI program is the only successful RDI program in the United States. It was implemented by DMLW's Public Access Assertion and Defense Unit (PAAD) and the BLM starting around 2006, with the help of a $1,000.0 federal grant to support navigability research conducted

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2014 Navigable and Public Waters Research and Assertion of State's Access Rights (continued)												
initially by BLM researchers, but later delegated to DNR's Office of History and Archaeology (OHA) Section.												
The funding has produced a volume of navigability reports issued upon agreed parameters which are sufficient for justifying applying for RDI's as well as a number of other inter-agency and inter-governmental management and policy decision uses. The focus to date of most of the navigability research has been in the Kuskokwim Basin because of the many systems of rivers and lakes used for transportation.												
When the BLM and the State agree on navigability for travel, trade and commerce, the BLM will issue an RDI for that water body. When there is disagreement, a quiet title action must be filed.												
The federal funding has been depleted to the point that only state support will keep the program viable. OHA staff attention and funding is now shifted away from preparing navigability reports to support RDI actions to supporting quiet title action litigation initiatives and title defense with RS 2477s and navigable waters with the funding received in FY2013.												
Additional funding is needed to keep the RDI program viable as a much less expensive alternative to filing quiet title actions against the federal government. Successful navigable water litigation is expected to result in an increased interest in settling these cases without expensive litigation. Extensive title and historical research must be conducted on each water body to prove sufficient use and proper ownership before a RDI can be issued. Replacement of federal funding for the program will help retain the necessary research on existing and planned actions asserting and defending state title to its navigable waters.												
1004 Gen Fund (UGF) 350.0												
FY2014 Regulation Packages and Amendments to Support Permit Efficiency and Reform	Inc	**125.0**	0.0	0.0	125.0	0.0	0.0	0.0	0.0	0	0	0
Regulation packages and amendments to existing regulations in support of DNR's permitting efficiency and reform initiatives are greatly increasing the workload in the division, and can no longer be handled with existing resources. Current staff historically managed the regulation workload in addition to managing the appeals on state land and water resource use decisions. Appeals are also increasing exponentially.												
This funding will be used to contract for ongoing support in developing regulation packages and amendments, to ensure that both the regulation and appeals workload is adequately covered.												
1004 Gen Fund (UGF) 125.0												
FY2014 Oversight and Community Liaison for the Offshore Gold Dredging Lease Sales at Nome	Inc	**20.0**	7.0	3.0	5.0	5.0	0.0	0.0	0.0	0	0	0
During the summer of 2012 the department provided oversight of offshore dredging activities near Nome. As learned during the first year of providing this type of field monitoring oversight, the department needs to provide services during a longer period of time and to cover the entire mining season. The work needs to be done to maintain an appropriate level of oversight of offshore suction dredge activities next field season in Nome.												
A steady influx of miners with varying amounts of experience is anticipated again next year and several state and local agencies rely on the DNR field technician for information and assistance. The work was accomplished last field season with a short-term non-permanent position, but there have been several agency requests for more field presence for a longer period of time. Additionally, increased interest in conducting winter under ice mining is anticipated which will further extend the need for oversight for a longer duration than previously provided.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2014 Oversight and Community Liaison for the Offshore Gold Dredging Lease Sales at Nome (continued)												
The FY2013 budget included $50.5, intended to provide for a short-term non-perm position or contractor, and including the necessary boat rental, fuel, facilities rental and lodging costs. These costs were higher in Nome than originally anticipated, and the non-perm position was for 120 days, which did not adequately cover the entire time period that dredging activity occurred. The additional $20.0 request will ensure that the department can provide the on-site presence and help manage potential conflicts and issues in the community associated with this state leasing activity. Not receiving this request may increase the potential for noncompliance with mining laws, regulations, and permit stipulations pertaining to offshore mining in the Nome area.												
1005 GF/Prgm (DGF) 20.0												
FY2014 Information Systems Coordinator (10-N12082) and Land Surveyor (10-N13006) for Capital Projects Support	Inc	**172.6**	172.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Authority from existing capital projects will be used to fund two positions approved in the FY2013 Management Plan.												
$93,338 PCN 10-N13006 Land Surveyor I This position supports Coastal Boundary Project												
$79,268 PCN 10-N12082 Information System Coordinator This existing position supports the Unified Permit Project.												
1061 CIP Rcpts (Other) 172.6												
FY2014 Anticipated Federal Grants	Inc	**153.3**	0.0	4.4	142.1	6.8	0.0	0.0	0.0	0	0	0
New federal grant activity is anticipated in FY2014:												
U.S. Geological Services / Mining, Land and Water - GIS Section $73.6 (Federal Receipts) This work will support the federal Alaska Mapping Initiative for providing updated 1:24,000 topographic quads in Alaska and will focus on improving the accuracy of the National Hydrologic Dataset where new elevation data and imagery has been collected. The grant will provide funding for four interns, travel and equipment to review and edit digital information provided by the USGS Geospatial Liaison for Alaska between July 1, 2013 and June 30, 2014. Interns will be reviewing and editing the information provided for approximately 20 hours/wk. The portions of the state to be reviewed will include NW Alaska, the Seward Peninsula, Copper River Basin, Cook Inlet, and the Yukon-Charley Rivers south to Chicken. The primary purpose of this project will be to verify location of water bodies are within standard acceptable variation.												
Office of Surface Mining / Mining, Land and Water - Coal Regulatory Program: $4.7 (Federal Receipts) This increase matches the expected level of this grant in FY2014.												
Bureau of Land Management / Mining, Land and Water - Navigability: $75.0 (Federal Receipts) This is the end of the available funding from the Bureau of Land Management to be used to support the Recordable Disclaimers of Interest program related to Navigability determinations.												
1002 Fed Rcpts (Fed) 153.3												
FY2014 Department of Administration Core Services Rates	Inc	**66.2**	66.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel,												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2014 Department of Administration Core Services Rates (continued)												
Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 66.2												
FY2014 Eliminate Base Funding for Guide Concession Area Development	Dec	**-120.0**	0.0	0.0	-120.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -120.0												
FY2014 Ch. 7, SLA 2013 (SB 2) INTERSTATE MINING COMPACT & COMMISSION	FisNot	**55.0**	0.0	15.0	40.0	0.0	0.0	0.0	0.0	0	0	0
Revised Fiscal Note. The House Finance Committee decreased the travel budget by $5.0												
1004 Gen Fund (UGF) 55.0												
L FY2015 Sec 20b, HB266 - Restore Mine Reclamation Trust Fund Bond Authority	IncM	**50.0**	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
Restore estimate appropriated from the mine reclamation trust fund operating account (AS37.4.800(a)) to the Mining, Land, and Water component. This authority is used for reclamation of state land by utilizing bond funds as necessary.												
Language The amount necessary for the purposes specified in AS 37.14.820 for the fiscal year ending June 30, 2015, estimated to be $50,000, is appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Department of Natural Resources for those purposes for the fiscal year ending June 30, 2015.												
1192 Mine Trust (Other) 50.0												
L FY2015 Sec 20c, HB266 - Restore Settlement of Claims Against Reclamation Bonds	IncM	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
Restore amount in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $25.0 for the Mining, Land and Water component.												
Language The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $50,000, is appropriated to the agency secured by the bond for the fiscal year ending June 30, 2015, for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond.												
1108 Stat Desig (Other) 25.0												
L FY2016 Sec 18(c), HB72 - Restore Settlement of Claims Against Reclamation Bonds	IncM	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
Restore amount in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $25.0 for the Mining, Land and Water component.												
Language The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2016 Sec 18(c), HB72 - Restore Settlement of Claims Against Reclamation Bonds (continued)												
private land, including the plugging or repair of a well, estimated to be $50,000, is appropriated to the agency secured by the bond for the fiscal year ending June 30, 2016, for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond.												
Note: The Division of Forestry utilizes the same language section, also with an estimated amount of $25.0, for a total of $50.0 referenced in the language.												
1108 Stat Desig (Other) 25.0												
L FY2016 Sec 18(b), HB72 - Restore Mine Reclamation Trust Fund Bond Authority	IncM	**50.0**	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
Restore estimate appropriated from the mine reclamation trust fund operating account (AS37.4.800(a)) to the Mining, Land, and Water component. This authority is used for reclamation of state land by utilizing bond funds as necessary.												
Language The amount necessary for the purposes specified in AS 37.14.820 for the fiscal year ending June 30, 2016, estimated to be $50,000, is appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Department of Natural Resources for those purposes for the fiscal year ending June 30, 2016.												
1192 Mine Trust (Other) 50.0												
FY2016 AMD: Eliminate Iditarod Trail Oversight and Management	Dec	**-237.9**	-195.6	0.0	-42.3	0.0	0.0	0.0	0.0	-2	0	0
The Department of Natural Resources would cease oversight and close management of the historic and well-used trail network utilized by many user groups in the state throughout the year in addition to a number of world renowned events. This funding provides for many efforts related to preserving the transportation route, including establishment of legal easements on the route, correcting inaccuracies on existing surveys and land records along the route, and resolution of access disputes. The unit shares a management partnership with the Bureau of Land Management (BLM) on much of this trail network.												
Delete PCNs:												
(10-1874) Permanent, Full-time Natural Resource Specialist III, Anchorage (10-1881) Permanent, Full-time, Natural Resource Specialist II, Anchorage												
1004 Gen Fund (UGF) -100.9												
1061 CIP Rcpts (Other) -137.0												
FY2016 AMD: Eliminate Public Access Assertion and Defense Unit	Dec	**-1,547.8**	-677.8	0.0	-870.0	0.0	0.0	0.0	0.0	-6	0	0
The Public Access Assertion and Defense Unit (PAAD) in Division of Mining, Land and Water is being eliminated. There are certain critical functions performed by this unit that will be preserved elsewhere in the division. Two positions (10-1725 and 10-1770) will be moved from the PAAD to other units within DMLW. This consolidation will substantially reduce cost, but will require many of the functions previously done by the PAAD to be absorbed or assisted by others, causing a somewhat reduced capacity for those other sections. One of the critical functions that will be preserved in a reduced fashion is support to Department of Law (DOL) for existing multi-year lawsuits that are essential for establishing case law on Navigability and RS 2477 issues. Not completing these lawsuits that have been years in the making, will likely lead to erroneous case law precedent that will adversely affect future law suits, diminish state owned rights, and will increase future costs to the state and the												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2016 AMD: Eliminate Public Access Assertion and Defense Unit (continued)												

public .

In eliminating the majority of the PAAD budget, the division will not be able to afford a $255.0 RSA to Department of Law which has been provided each year for the purpose of funding an attorney dedicated to supporting RS2477 and other access issues. This will require the Department of Law to adjust and determine what they can complete within their given budget. There will also be a reduction of RSAs to Office of History and Archaeology, which funded three staff working on the litigation efforts.

Another preserved critical function is making navigability determinations that are essential for municipal entitlements, land sales, oil and gas leasing, pipelines, leases, and material sales to name a few. One of the positions (PCN 10-1725) that will be moved will carry this responsibility.

Functions such as reviewing all incoming federal conveyances and those to Native Corporations for ANCSA 17(b) and RS 2477 issues will have to be absorbed by others in Realty Services Section. The PAAD had a very effective track record of winning cases filed with the Interior Board of Land Appeals regarding ANCSA 17(b) decisions. Not commenting and taking action at the appropriate time during the conveyance process will lead to the state missing one time opportunities to preserve public access.

The division will not be able to support efforts to obtain Recordable Disclaimers of Interest (RDIs) from BLM to clear cloud of title on navigable waters. That leaves only Quite Title Action to resolve these clouds of title, which are far more expensive than RDIs. There will be no research and application submissions, thus leaving the dispute of ownership of the beds to most water bodies in Alaska to some future effort. Without resolve, many property ownership disputes will continue to arise with mining, federal regulations, oil and gas leasing, or material extraction.

The Regional Land sections will have to absorb any of the RS 2477 and ANCSA 17(b) disputes and management efforts that will come up in the future.

Defense on any new lawsuits that are filed against the state regarding RS 2477s, Public Trust, or Navigability will have to be evaluated against available resources in the division and Department of Law. Likewise, consideration of filing any new lawsuits regarding RS 2477s, Public Trust, Navigability or even Federal Overreach will have to evaluate the ability of DOL to be successful with reduced staff support from DMLW.
Entire line item funding for the PAAD has been cut. Any RSAs for expert witnesses, historic research, and field research to support the preserved critical functions will have to be absorbed by the rest of the DMLW GF budget. This may mean less robust support for DOL in litigation as well as reduced travel, stewardship efforts, or case inspections in other sections.

The two positions that DMLW will also eliminate to offset the preservation of the two NRSIIIs from the PAAD come from the Realty Services Section and the IT Services Unit. Some management consolidation occurred in RSS to allow the PCN 10-1845 to be eliminated. GIS programming services have been reduced to eliminate PCN 10-1851.

Delete PCNs:

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2016 AMD: Eliminate Public Access Assertion and Defense Unit (continued)												
(10-1730) Permanent, Full-time Natural Resource Manager II, Anchorage												
(10-1855) Permanent, Full-time Natural Resource Manager I, Anchorage												
(10-1845) Permanent, Full-time Natural Resource Manager II, Anchorage												
(10-1856) Permanent, Full-time Natural Resource Manager I, Anchorage												
(10-1851) Permanent, Full-time GIS Analyst III, Anchorage												
(10-1858) Permanent, Full-time Natural Resource Specialist II, Anchorage												
1004 Gen Fund (UGF) -1,547.8												
FY2016 3/6AMD: Partial Restoration of Public Access Assertion Defense Unit (PAAD)	Inc	**525.7**	212.2	30.0	274.5	9.0	0.0	0.0	0.0	2	0	0
Restore positions to continue work on existing lawsuits, conduct navigability determinations, and address other Revised Statute 2477 (RS2477) items and navigability research necessary to resolve conflicts with the federal government and others. It is expected that other Division of Mining, Land and Water staff may be needed to assist in some of the litigation efforts. The restoration of partial funding will cover some of the necessary costs at a reduced level but will not cover work to continue submissions of additional Recordable Disclaimers of Interest (RDIs) nor costs of defending or asserting new cases, although new cases are anticipated. The existing and imminent lawsuits include Mosquito Fork of the Fortymile River Navigability, Hunz V AK, Stikine River, Kotsina River, Chicken Area RS2477, Klutina RS2477, Dickson V State RS2477, and Chenega Village RS2477.												
1004 Gen Fund (UGF) 525.7												
FY2017 United States Geological Survey Grant for Alaska Statewide Water Use Program	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This request moves authorization from the Land Disposal Income Fund to federal receipts. We anticipate an increase in federal receipts due to a new grant received from United States Geological Survey (USGS) as well as additional federal funding from Office of Surface Mining Reclamation and Enforcement through the Abandoned Mine Lands program. This request will also allow the division the ability to receive additional federal grants in future years.												
The Water Section within Division of Mining, Land and Water has received a new grant from USGS for the Alaska Statewide Water Use program. This project will develop the four-year work plan outlining the State of Alaska's water use data improvement priorities with the ultimate goal of providing to the USGS withdrawal data and ancillary information for each major category of water use according to the USGS baseline standards (Tiers 1 through 3) described in the USGS Water Use Data and Research Financial Assistance Guidance.												
1002 Fed Rcpts (Fed) 125.0												
1153 State Land (DGF) -125.0												
FY2017 Fund Source Switch from UGF to DGF Using Existing Program Receipts	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Mining, Land and Water is a revenue producing division, generating approximately $19,700.0 in revenues in FY2015. With the statewide budget challenges, the division is seeking to transition some of its work to be supported more directly by those using the division's services. The division currently has $4,737.9 in designated program receipt authority.												
In order to be responsive to those seeking to commercially use state land which benefits the economy in the state, the division wants to shift more of its expenses to the revenue earned to better show the correlation between costs and revenue that actually exists. With the existing level of work demand and revenues collected the division can												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2017 Fund Source Switch from UGF to DGF Using Existing Program Receipts (continued)												
safely increase its dependence on revenues earned by $2,000.0 in FY2017 and another $3,000.0 in FY2018. Assuming revenue collection continues to be stable at these levels, additional changes could be considered in FY2019.												
1004 Gen Fund (UGF) -2,000.0												
1005 GF/Prgm (DGF) 2,000.0												
FY2017 Reduce Public Land Stewardship	Dec	**-363.2**	-247.0	-6.2	-107.5	-2.5	0.0	0.0	0.0	-2	0	0
A reduction in the public land stewardship budget decreases the division's ability to do inspections, maintain compliance of authorized users, and conduct stewardship activities on the ever increasing amount of state land under division management.												
Much travel is done with contracted air services such as charter planes and helicopters because of the remote areas of state lands. The division may need to increase charges to the authorized users in order to cover some of the remote travel costs associated with inspections and stewardship activities.												
New and replacement equipment purchases will be postponed. This equipment includes safety gear (satellite phones, GPS, life vests) and replacement of unreliable equipment (GIS units, rafts, ATVs etc.) Inspections could be postponed or canceled if equipment is not available.												
Contracts for portable toilets or dumpsters used to reduce adverse impacts on state land (such as the Kasilof or Knik Public Use Areas) will not be renewed.												
Eliminating a Natural Resource Manager I in the Realty Services Section will require a reorganization of the section, and the management duties will be transferred to other staff, ultimately reducing time spent providing core service functions such as permitting.												
Eliminating an Analyst Programmer III will result in a reduction in web-based services. The one remaining division Information Technology position will be less responsive to staff requesting new web services to help with business efficiencies.												
Due to staff reductions, the Division of Mining, Land & Water's lease space in the Atwood Building will be reduced on the 7th floor with staff consolidated onto the 9th floor. This frees up about $54.5 worth of billed space, which will be evaluated for other additional reorganizations within Department of Natural Resources. Excess space will be returned to Department of Administration to be leased to another tenant to ensure savings to the division.												
Delete (10-1818) Natural Resource Manager I, range 18, Anchorage, Full-Time												
Delete (10-1633) Analyst Programmer III, range 18, Anchorage, Full-Time												
1004 Gen Fund (UGF) -363.2												
FY2017 AMD: Fund Source Change in Division of Mining, Land and Water	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Mining, Land and Water is a revenue producing division, generating more than $21 million in revenues in FY2015. With the statewide budget challenges, the division is seeking to transition some of its work to be supported more directly by those using the division's services. The division currently has $4,737.9 in designated program receipt authority.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2017 AMD: Fund Source Change in Division of Mining, Land and Water (continued)												
In order to be responsive to those who seek commercial use of state land which benefits the economy in the state, shifting more of its expenses to the revenue earned better represents the correlation between costs and revenue that actually exists. With the existing level of work demand and revenues collected the division can safely increase its dependence on revenues earned by $335.2.												
FY2017 December Budget: $26,458.6												
FY2017 Total Amendments: $0.00												
FY2017 Total: $26,458.6												
1004 Gen Fund (UGF) -335.2												
1005 GF/Prgm (DGF) 335.2												
FY2017 Fund Source Change from UGF to DGF Using Existing Program Receipts	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -2,664.8												
1005 GF/Prgm (DGF) 2,664.8												
FY2017 Add $157.0 and 2 PCNs to Accelerate Land Claims	IncOTI	**157.0**	157.0	0.0	0.0	0.0	0.0	0.0	0.0	2	0	0
1004 Gen Fund (UGF) 157.0												
FY2017 CC: Reduce Funding to Accelerate Land Claims by $78.5 and One PCN	Dec	**-78.5**	-78.5	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1004 Gen Fund (UGF) -78.5												
FY2017 VETO: Reduce Funding to Accelerate Land Claims	Veto	**-78.5**	-78.5	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1004 Gen Fund (UGF) -78.5												
FY2018 Delete uncollectible Capital Improvement Project Receipts No Longer Available for Mining, Land & Water	Dec	**-150.0**	0.0	-150.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The division anticipates that $150.0 of Capital Improvement Project Receipts will be uncollectable in FY2018. This change brings budgeted authority in line with anticipated revenue collections.												
1061 CIP Rcpts (Other) -150.0												
FY2018 Denali Block Program Reduction	Dec	**-76.0**	0.0	0.0	-76.0	0.0	0.0	0.0	0.0	0	0	0

The Denali Block is a large area of state and federal public lands located along the Denali Highway between Paxson and Cantwell. This area is heavily used by many Alaskans for a variety of public outdoor recreational activities such as camping, sport hunting and subsistence. This area also contains lands that were actively used for platinum mineral exploration. An increment was received in FY2003 to allow the Division of Mining, Land & Water (DMLW) to actively manage approximately 235,000 acres of land that were brought into state ownership within the Denali Block. This increment allowed DMLW to contract with Division of Parks & Outdoor Recreation for the engineering and design work necessary for the construction of new trails, trailhead parking lots, information kiosks and the expansion of existing facilities within the Denali Block. The increment also allowed DMLW to do general inspections on an active and routine basis, maintain compliance of authorized users, help to minimize conflict between surface and subsurface users, and conduct a variety of land stewardship activities.

With this reduction the division will not develop new trails, parking and infrastructure, and as public use increases this may result in inferior conditions on existing trails and general lack of access to areas used for recreational activities. The program will retain $98.0 to provide a reduced level of stewardship, management and protection of the natural resources in this area.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2018 Denali Block Program Reduction (continued)												
1004 Gen Fund (UGF) -76.0												
FY2018 Consolidate Facility Lease	Dec	**-39.0**	0.0	0.0	-39.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Mining, Land & Water will combine the Public Access Assertion and Defense section into the Realty Services section. Both sections work with and defend the state's title to uplands and submerged lands. Savings will be realized via reduced lease costs from the consolidation of space in the Anchorage Atwood building. There will be no impact to the public or decrease in capacity.												
1004 Gen Fund (UGF) -39.0												
FY2018 Mapping and Project Solutions (MAPS) Program Reorganization	Dec	**-342.0**	-342.0	0.0	0.0	0.0	0.0	0.0	0.0	-3	0	0
The Mapping and Project Solutions (MAPS) unit of the Division of Mining, Land & Water's (DMLW), Information Technology Services section will be eliminated, and the duties absorbed by other staff in the department.												
The MAPS unit currently provides support to the division by conducting GIS training, creating GIS mapping tools and products for the Land Sales auction program, interactive maps for the Northern Region North Slope team's tundra travel, and the development of bathymetric maps for the Water Section, important to the issuance of water use on the North Slope.												
The department is leading the Alaska Geospatial Council, a statewide effort to build partnerships and align infrastructure and policy to acquire, maintain and distribute current and accurate geospatial data for Alaska. Internally, the department is evaluating ways to deliver GIS services in a more consolidated manner, which is aligned with statewide information technology consolidation efforts currently under way.												
Delete (10-1709) GIS Analyst III, range 19, Anchorage, Full-Time Delete (10-1853) GIS Analyst II, range 17, Anchorage, Full-Time Delete (10-1101) GIS Analyst IV, range 21, Anchorage, Full-Time												
1004 Gen Fund (UGF) -342.0												
FY2018 Reduce Land Disposal Income Fund Authority	Dec	**-75.0**	-75.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Mining, Land & Water has decreased costs associated with the Land Sales Program. The number of projects completed each fiscal year has been reduced along with expenses associated with those projects. Those reductions have resulted in excess authorization that is not being utilized, and this reduction will help maintain the long-term stability of the fund.												
1153 State Land (DGF) -75.0												
FY2018 Municipal Entitlements Reduction	Dec	**-78.0**	-78.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
The Municipal Entitlement section is responsible for working with statewide municipalities to review and certify their municipal entitlements as identified under AS 29.65. This section is also responsible for adjudicating the list of nominated lands, identifying lands proper for conveyance, and issuing approval of specific lands to fulfill the municipal entitlement once approved management authority is transferred to the municipality.												
In addition to municipal entitlements, this section processes preference rights, non-competitive land sales, and Public and Charitable land purchase applications. The loss of one position, 25% of the section, will reduce their ability to process non-competitive lands sales such as Public and Charitable sales to municipalities or preference rights sales; actions required to process land exchanges will be prolonged.												
Delete (10-1838) Natural Resource Specialist I, range 14, Anchorage, Full-Time												
1004 Gen Fund (UGF) -78.0												

Numbers and Language

Agency: Department of Natural Resources

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2018 Unified Permit Program	Inc	**1,385.0**	750.0	0.0	632.0	3.0	0.0	0.0	0.0	0	0	0

The Unified Permit (UP) Project is an automated business information management system for Department of Natural Resources (DNR) permitting. The target audiences are DNR managers and staff who authorize the use of state land and resources, and the public who apply for the use of these resources. The project automates easements, land use permits, material sales, leases, and water rights. Once we have this capacity we can expand to other permit types, depending on resource availability.

The overall project goals are:
- shorten and make consistent cycle times and processes for authorizations;
- improve the permit application process for our customers by delivering interactive applications for authorizations that guide customers to the correct questions and help them to supply content;
- build internal systems that support and improve DNR productivity allowing staff to increase time spent on critical land stewardship work; and
- scan active case files in order to provide structured access to all content within the DNR case management environment.

This operating increment will fund the final phase of the UP project, the build-out of the Water Rights processes, and completion of the legacy scanning, and then transition into on-going operations and maintenance of the system. The Division of Mining, Land & Water (DMLW) generates revenue in excess of authorization from fees for the use of state land and resources. These fees will fund this effort, as they are directly linked to the project.

In FY2018 the remaining build out of the electronic business process management system will utilize three Program Coordinators (business process analysts) who work between end users and programmers to define and document the business processes and oversee the scan center, three Analyst/Programmers who implement the business processes in Microsoft .NET, and two Microfilm/Imaging Operators who will complete the scanning of legacy documents.

The remaining programming support will be supplied by outside contractors. Contractual services funding is also needed for licensing and support of the Content Management System (CMS), and the legacy scanning software and licenses.

DMLW now fully depends on the electronic case file systems for issuance of Land Use Permits and Easements. These systems have allowed DMLW to achieve high levels of consistency and accuracy in applying various stipulations across cases, as well as ensure the use of correct document templates. Individuals and businesses applying for Land Use Permits in different regions of the state can now expect the same process, while in the past there were many differences in how three land regional offices completed adjudication. By having an electronic system, less time is spent on the adjudication and more is spent on land stewardship.

Without funding to continue the project, adjudication of key DMLW authorizations will revert to or continue on paper, which will be less transparent and more difficult to manage, resulting in an increase of the adjudication backlog. Customers who have inconsistent guidance will submit incomplete paper applications for authorizations, delaying processing and issuance. Due to increased backlogs, revenue generation from uses of state land and water could be delayed and diminished, revenue recovery efforts will be manual and time-consuming, and economic activity in the state could be slowed due to permitting delays.

In FY2018 and FY2019 seven positions are funded from this project.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2018 Unified Permit Program (continued)												
In FY2019 the budget will be reduced to $1,139.7 by eliminating certain services.												
Maintain (10-0285) Analyst/Programmer III, range 18, Full-Time												
Maintain (10-0344) Analyst/Programmer III, range 18, Full-Time												
Maintain (10-0406) Analyst/Programmer III, range 18, Full-Time												
Maintain (10-N14011) Program Coordinator I, range 18, Non-Permanent												
Maintain (10-1860) Program Coordinator I, range 18, Full-Time												
Maintain (10-1707) Program Coordinator II, range 20, Full-Time												
Maintain (10-N09143) Microfilm/Imaging Operator II, range 12, Non-Permanent												
In FY2020 the budget will be reduced to $819.3												
Maintain (10-0285) Analyst/Programmer III, range 18, Full-Time												
Maintain (10-0406) Analyst/Programmer III, range 18, Full-Time												
Maintain (10-N14011) Program Coordinator I, range 18, Non-Permanent												
Maintain (10-1707) Program Coordinator II, range 20, Full-Time												
In FY2021 and beyond, the budget will be reduced to $469.3												
Maintain (10-0406) Analyst/Programmer III, range 18, Full-Time												
Maintain (10-1707) Program Coordinator II, range 20, Full-Time												
1005 GF/Prgm (DGF) 1,385.0												
FY2018 New Water Related Federal Grant Awards	Inc	**50.0**	12.6	0.0	37.4	0.0	0.0	0.0	0.0	0	0	0
The Division of Mining, Land & Water, Water Section anticipates a need for additional federal authority in order to accept new federal grant awards.												
Anticipated Federal Grants include:												
National Ground Water Program - Phase II												
Alaska Water Use Development Services - Phase II												
National Ground Water Monitoring Program - Phase III												
1002 Fed Rcpts (Fed) 50.0												
FY2018 Federal Receipt authority for the Hunting Guide Concession Program (FY18-FY19)	IncT	**1,000.0**	1,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) 1,000.0												
FY2018 Dec for misused fund	Dec	**-19.2**	0.0	0.0	0.0	0.0	0.0	0.0	-19.2	0	0	0
1105 PF Gross (Other) -19.2												
FY2018 Inc for misused fund	Inc	**19.2**	0.0	0.0	0.0	0.0	0.0	0.0	19.2	0	0	0
1105 PF Gross (Other) 19.2												
L FY2019 Reverse Mine Reclamation Trust Bond Authority Sec33b Ch1 SSSLA2017 P104 L26 (HB57)	OTI	**-50.0**	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0	0	0
Reverse estimate appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Division of Mining, Land & Water. This authority is used for reclamation of state land by utilizing bond funds as necessary.												
Language												
The amount necessary for the purposes specified in AS 37.14.820 for the fiscal year ending June 30, 2018,												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2019 Reverse Mine Reclamation Trust Bond Authority Sec33b Ch1 SSSLA2017 P104 L26 (HB57) (continued)												
estimated to be $50,000, is appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Department of Natural Resources for those purposes for the fiscal year ending June 30, 2018.												
1192 Mine Trust (Other) -50.0												
L FY2019 Restore Mine Reclamation Activities	IncM	**30.0**	0.0	0.0	30.0	0.0	0.0	0.0	0.0	0	0	0
Restore estimate appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Division of Mining, Land & Water. This authority is used for reclamation of state land by utilizing bond funds as necessary.												
Language												
The amount necessary for the purposes specified in AS 37.14.820 for the fiscal year ending June 30, 2019, estimated to be $30,000, is appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Department of Natural Resources for those purposes for the fiscal year ending June 30, 2019.												
1192 Mine Trust (Other) 30.0												
L FY2019 Reverse Settlement of Claims Against Reclamation Bonds Sec33c Ch1 SSSLA2017 P104 L30 (HB57)	OTI	**-25.0**	0.0	0.0	-25.0	0.0	0.0	0.0	0.0	0	0	0
Reverse amount in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $25.0 for the Division of Mining, Land & Water.												
Language												
The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $50,000, is appropriated to the Department of Natural Resources for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond for the fiscal year ending June 30, 2018.												
Note: The Division of Forestry utilizes the same language section, also with an estimated amount of $25.0, for a total of $50.0 referenced in the language.												
1108 Stat Desig (Other) -25.0												
L FY2019 Restore Bond for Land Reclamation	IncM	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
Restore amount in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $25.0 for the Division of Mining, Land & Water.												
Language												
The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $50,000, is appropriated to the Department of Natural Resources for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond for the fiscal year ending June 30, 2019.												
Note: The Division of Forestry utilizes the same language section, also with an estimated amount of $25.0, for a total of $50.0 referenced in the language.												
1108 Stat Desig (Other) 25.0												
FY2019 Increase Inter-Agency Receipt Authority to Match Anticipated Expenditures	Inc	**100.0**	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
These decrements and increments of Inter-Agency Receipts listed below by component better aligns the budget with actual spending.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2019 Increase Inter-Agency Receipt Authority to Match Anticipated Expenditures (continued)												
Commissioner's Office: ($120.0) Interdepartmental Chargeback: ($205.0) Public Information Center: $30.0 Mining, Land & Water: $100.0 Forest Management: $100.0 Agricultural Development $65.0 Parks Management: ($250.0) Office of History & Archeology: ($200.0) DNR Total: ($480.0)												
These are technical adjustments and have no impact on services to the public.												
1007 I/A Rcpts (Other) 100.0												
FY2019 Replace General Fund with Program Receipt Authority Using New Revenue	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Mining, Land and Water is a revenue producing division, generating approximately $14.3M in general fund program receipts and a total of $29.7M in total revenue in FY2017. With the statewide budget challenges, the division is seeking to transition more of its work to be supported more directly by those using the division's services.												
In order to be responsive to those seeking to commercially use state land which benefits the economy in the state, the division will shift more of its expenses to the revenue earned to better show the correlation between costs and revenue generated. With the existing level of work demand and anticipated new revenues the division can safely increase its dependence on revenues earned by $1,000.0 in FY2019.												
1004 Gen Fund (UGF) -1,000.0												
1005 GF/Prgm (DGF) 1,000.0												
FY2019 Replace UGF for Native Allotment Program with Federal Receipts	Dec	**-100.0**	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	1
The federal Native Allotment program, located in the Realty Services Section of Division of Mining, Land & Water, is currently comprised of three positions, and has been solely funded by unrestricted general funds. One position has been vacant since October 2016 because of funding uncertainty.												
The division recently received a $100.0 grant from the Federal government which will be used to fund a long-term non-permanent (LTNP) position to process native allotment reconveyance requests. The division requested that the federal grant be modified to allow for funding of this full time position, but that request was denied. With the loss of this position additional Native Allotment reconveyance case file work may be constrained until further or expanded federal funding is received. The division has adequate federal authority to accept this grant.												
Delete (10-1880) Natural Resource Specialist III, range 18, Anchorage, Full-Time Add (10-N180007) Natural Resource Specialist III, range 18, Anchorage, Non-Perm												
1004 Gen Fund (UGF) -100.0												
FY2019 Administrative Support Reduction Due to Shared Services of Alaska	Dec	**-80.0**	-80.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
With the implementation of Shared Services of Alaska, an overall reduction in workload is anticipated, allowing the												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Mining, Land & Water (continued)												
FY2019 Administrative Support Reduction Due to Shared Services of Alaska (continued)												
division to realize cost savings. With the loss of this position, the division may not be able to respond timely to staff needs during peak times.												
Delete (10-1290) Administrative Assistant II, range 14, Anchorage, Full-Time												
1004 Gen Fund (UGF) -80.0												
FY2019 Northern Region Permits and Easements Reduction	Dec	**-107.0**	-107.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
This position was staffed via a telework agreement which was not renewed in March of 2017. It remained vacant until the division could determine how to fill the position. With the loss of this position, processing and adjudication of northern region permits and easements may take longer and may add to the backlog.												
Delete (10-1829) Natural Resource Specialist III, range 18, Fairbanks, Full-Time												
1004 Gen Fund (UGF) -107.0												
FY2019 Unified Permit Program Reduction	Dec	**-245.0**	0.0	0.0	-245.0	0.0	0.0	0.0	0.0	0	0	0
The reduction in contractual services for the Unified Permit Program is consistent with the increment received in FY2018. This is a planned scaling down of the project with no impact.												
The Unified Permit (UP) Project is an automated business information management system for Department of Natural Resources (DNR) permitting. The target audiences are DNR managers and staff who authorize the use of state land and resources, and the public who apply for the use of these resources. The project automates easements, land use permits, material sales, leases, and water rights. Once we have this capacity we can expand to other permit types, depending on resource availability.												
The overall project goals are:												
Shorten and make consistent cycle times and processes for authorizations;												
Improve the permit application process for our customers by delivering interactive applications for authorizations that guide customers to the correct questions and help them to supply content;												
Build internal systems that support and improve DNR productivity allowing staff to increase time spent on critical land stewardship work; and												
Scan active case files in order to provide structured access to all content within the DNR case management environment.												
In FY2018 the budget is $1,385.0 and seven positions. In FY2019 the budget will be reduced by ($245.0) to $1,140.0 by eliminating certain services. Seven positions will be funded. In FY2020 the budget will be reduced by ($321.0) to $819.0. Four positions will be funded. In FY2021 the budget will be reduced by ($350.0) to $469.0. Two positions will be funded, and this will be the base cost of maintaining operations.												
1004 Gen Fund (UGF) -245.0												
*** Allocation Total ***		**4,946.4**	3,997.6	-28.8	819.8	157.8	0.0	0.0	0.0	-9	0	1

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**7.6**	7.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 7.6												
FY2007 Statewide Forestry Inventory Program	IncOTI	**120.0**	78.8	5.0	30.0	6.2	0.0	0.0	0.0	0	0	0

The DNR Division of Forestry (DOF), at the request of the Governor, is working to simultaneously sustain local mills in southeast Alaska, help support chipping operations and local mills in southcentral, and increase timber processing in interior Alaska. Success of these efforts requires quality statewide forest inventory information to provide the industry with sufficient information on timber quality and quantity to support financial analyses, and to assure Alaskans that state timber is managed sustainably. Existing inventory information is limited throughout the state, and nonexistent in some areas. The best information is available in the Tanana and Haines state forests, but even in these areas, inventory data has been acquired through sporadic special projects that become dated over time. Timber industry development and sound forest management require an ongoing timber inventory program to collect, analyze, and disseminate timber supply data.

As the amount of harvesting increases, the importance of accurately determining the annual allowable cut on a sustained yield basis increases. In southern southeast Alaska and the Mat-Su valley, the state now has markets for the full allowable cut of state timber. In interior Alaska, increasing interest in state timber is coinciding with decreases in available timber due to land status changes and wildfire. Inaccurate or out-of-date inventory information risks over-harvesting of state timber, which would violate our Constitutional and statutory mandates to manage for sustained yield. In the absence of accurate information, DNR must make conservative estimates of the allowable cut to minimize this risk.

DOF manages timber on approximately 20 million acres of forest land across the state. State forest resources are in a continual state of change due to harvesting, changes in land ownership, fire, and forest insects and diseases. Private investors require accurate information on public timber supply before making commitments to develop processing facilities in Alaska. Lack of accurate inventory is a roadblock to the Governor's initiatives to encourage private sector investment in timber processing in Alaska. A potential project in the interior is being hampered by a lack of inventory data.

Establishment of an inventory program will benefit
- o Existing and potential timber processors who depend on this information to make investment decisions, develop new products, and design new facilities. Loggers, truckers, and other support services associated with timber processors also benefit as the timber industry grows.
- o State and other land managers who rely on inventory to ensure that forest resources are managed sustainably, and to identify opportunities for cooperative management initiatives among landowners.
- o Wildlife managers who can use this information to assess habitat value and identify opportunities for habitat enhancement.
- o The general public who depend on the DNR to manage state forests sustainably.

This increment directly supports the Governor's initiatives to increase timber processing in interior Alaska (the "New Growth") initiative; support mills in southeast Alaska in the face of dips in federal timber supply (the "timber bridge" initiative), and support expansion of timber processing in southcentral Alaska, including chipping operations.

This initiative affects state-owned forested areas statewide, from southern southeast to interior Alaska.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
FY2007 Statewide Forestry Inventory Program (continued)												
1053 Invst Loss (UGF) 120.0												
FY2008 Replace Legislative One-time-item Funding for Forest Inventory	Inc	**120.0**	78.8	5.0	30.0	6.2	0.0	0.0	0.0	0	0	0

This change record replaces the Investment Loss Trust Fund (ILTF) one-time funding source with General Fund money to ensure the continuation of the statewide forest inventory program. The program was initially funded with one-time funds from the Investment Loss Trust Fund (ILTF). However, this is an ongoing need for a fundamental part of the forest management program.

The DNR Division of Forestry (DOF) is working to simultaneously sustain local mills in southeast Alaska, help support chipping operations and local mills in southcentral, and increase timber processing in the interior. Success of these efforts requires credible statewide forest inventory information to provide the industry with sufficient information on timber quality and quantity to support financial analyses, and to assure Alaskans that state timber is managed sustainably. Existing inventory information is limited throughout the state and nonexistent in some areas. The best information is available in the Tanana and Haines state forests, but even in these areas, inventory data has been acquired only periodically through special projects that become dated over time. Timber industry development and sound forest management require an ongoing timber inventory program to collect, analyze, and disseminate timber supply data.

As the amount of harvesting increases, the importance of accurately determining the annual allowable cut on a sustained yield basis increases. In southern southeast Alaska and the Mat-Su valley, the state now has markets for the full allowable cut of state timber. In interior Alaska, increasing interest in state timber is coinciding with decreases in available timber due to land status changes and wildfire. Inaccurate or out-of-date inventory information creates a risk of over-harvesting state timber, which would violate the Constitutional mandate to manage for sustained yield. In the absence of accurate information, DNR must make conservative estimates of the allowable cut to minimize this risk.

DOF manages timber on approximately 20 million acres of forest land across the state. State forest resources are in a continual state of change due to harvesting, changes in land ownership, fire, and tree growth and mortality. Private investors require accurate information on public timber supply before making commitments to develop processing facilities in Alaska. Lack of accurate inventory is a roadblock to private sector investment in timber processing in Alaska. A potential project in the interior is currently being hampered by a lack of inventory data.

Establishment of an inventory program will benefit:
- Existing and potential timber processors who depend on this information to make investment decisions, develop new products, and design new facilities. Loggers, truckers, and other support services associated with timber processors also benefit as the timber industry grows.
- State and other land managers who rely on inventory to ensure that forest resources are managed sustainably, and to identify opportunities for cooperative management initiatives among landowners.
- Wildlife managers who can use this information to assess habitat value and identify opportunities for habitat enhancement.
- The general public who depend on the DNR to manage state forests sustainably.

This increment directly supports the New Growth initiative to increase timber processing in interior Alaska, and the "Bridge Timber" initiative to support mills in southeast Alaska in the face of shortages in federal timber. It also

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
FY2008 Replace Legislative One-time-item Funding for Forest Inventory (continued)												
supports expansion of timber processing in southcentral Alaska, including hardwood fiber operations.												
This initiative affects state-owned forested areas statewide, from southern southeast to interior Alaska.												
1004 Gen Fund (UGF) 120.0												
FY2008 Economic Timber MOU with US Forest Service for Tongass Timber Sales	Inc	**100.0**	71.0	18.0	8.0	3.0	0.0	0.0	0.0	1	-1	0

In FY06, the state and US Forest Service (USFS) signed a Memorandum of Understanding (MOU) for DNR to help improve the economic feasibility of USFS timber sales. In FY06, implementation of the MOU began, and it was extended through July 1, 2012. This change provides ongoing funding for continued implementation of the Economic Timber MOU.

The southeast timber industry is on the verge of collapse due to the shortage of timber from the Tongass National Forest. The Tongass National Forest comprises the vast majority of SE timber land. Federal timber sales have dwindled to a fraction of the level in previous decades. Even when federal timber sales survive public review processes and legal challenges, they are often designed in ways that are uneconomical to harvest, and many sales go unpurchased even when mills are in desperate need of timber. Economic alternatives are not fully incorporated into the early stages of the sale design and review.

In contrast, the DNR Division of Forestry (DOF) has an excellent track record of designing and offering economically feasible timber sales on state land. This is due primarily to the expertise and experience of the SE DOF forestry staff regarding the specific terrain, vegetation types, industry infrastructure, and transportation systems of southeast Alaska. To improve the feasibility of federal sales, the State of Alaska and USFS mutually agreed to involve the DOF in the USFS sale review process. DOF was charged with reviewing proposed sales, taking operating costs and constraints into consideration, and recommending economically feasible alternative designs for inclusion in the remainder of the planning process.

In FY06, DOF did a pilot test of the process, recommending alternatives for the Navy and Iyouktug timber sales in the Tongass National Forest. Both of these timber sales were considered to be uneconomic (deficit sales) during the initial review. DOF designed economic alternatives to be added to the planning process. The economic alternatives were accepted for both timber sales and were incorporated into the sale plans. Based on results from the pilot, the state and USFS endorsed continuation of this process, asking DOF to provide recommendations on all proposed timber sales on the Tongass. The parties also extended the MOU for another five years. The USFS projects a large increase in the number of sales submitted to the state for review, beginning in FY07. They estimate that it will take at least one full time DOF forester to review their upcoming sales each year. The pilot test for the two sales was accomplished with existing DOF staff. However, DOF forest management staff are already committed to the design, layout, and administration of state sales on state land in southeast that supplement the USFS timber supply. Given the anticipated increase in federal sale proposals, continued state participation in the MOU depends on funding a position dedicated to the review and analysis of USFS timber sales in the initial planning process. PCN 10-9625, a vacant, 8-month seasonal position will be changed to full-time status and assigned to this project.

Continuation of this program will benefit
- Southeast timber processors, loggers, road construction companies, truckers, and other support services who depend on survival of the local timber industry.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
FY2008 Economic Timber MOU with US Forest Service for Tongass Timber Sales (continued)												
- Southern southeast Alaska, including Ketchikan, Wrangell, and Prince of Wales Island communities that are home to processing facilities.												
This increment directly supports the "Bridge Timber" initiative to support mills in southeast Alaska that face shortages in federal timber.												
1004 Gen Fund (UGF) 100.0												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-213.2**	-213.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -89.1												
1053 Invst Loss (UGF) -10.9												
1061 CIP Rcpts (Other) -46.9												
1155 Timber Rcp (DGF) -66.3												
FY2008 Funding for Forester and Forest Technician job classification study results and implementation	Inc	**34.2**	34.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Senate Finance Adopted amendment Huggins #1												
1004 Gen Fund (UGF) 31.7												
1061 CIP Rcpts (Other) 2.5												
FY2009 Delete Excess CIP Authorization	Dec	**-40.0**	0.0	0.0	-40.0	0.0	0.0	0.0	0.0	0	0	0
Excess CIP receipt authorization is deleted.												
1061 CIP Rcpts (Other) -40.0												
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Federal Funding mechanisms are changing from support of long-term programs to short-term projects focused on national goals funded through national or regional competitions. Alaska is at a disadvantage in competing for these funds because many national priorities are focused on more urban states. The US Forest Service has funded services (partially or almost wholly, depending on the projects) in Alaska since 1992 including forest stewardship planning, community forestry, natural resource education, and state fire readiness. Since federal fiscal year 07, Alaska's receipts have decreased for non-competitive grants and for grants that are not short-term project-specific projects. The decreases have been made to meet the US Forest Service goal of 15% less for service support grants. While Alaska continues to submit applications for competitive grants to replace losses to program funding, federal funding is dropping due to the new priorities that favor densely populated areas in the nation.												
1002 Fed Rcpts (Fed) -15.4												
1004 Gen Fund (UGF) 21.8												
1061 CIP Rcpts (Other) -6.4												
FY2010 Indirect Federal Collections for Accountant PCN 10-9821	Inc	**58.0**	58.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This FY10 change increments interagency receipt authority for the Forestry Director's Office to collect federal and other-government agency indirect for grants, fire suppression support to the Lower 48 and Canada, and intergovernmental agreements. Accounting support PCN 10-9821 is paid by these indirect collections from multiple forestry and fire projects. The position is funded by sustainable collections. This increment now budgets for the indirect collections, whereas indirect was formerly collected via unbudgeted receipts.												
1007 I/A Rcpts (Other) 58.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
L FY2010 Authorization from Development Special Projects Component for Reclamation Bonds Projects, Sec 19, Ch 12, SLA09, P76,L26	Lang	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
Transferring authorization into Forest Management and Development to reflect where reclamation bond expenditures take place. The Development Special Projects component will no longer be utilized.												
1108 Stat Desig (Other) 25.0												
L FY2010 Cap to Op: Develop statewide assessment and response plan for forestry technical assistance program (FY10 to FY11)	MultiYr	**250.0**	124.7	9.0	106.8	9.5	0.0	0.0	0.0	0	0	0
Sec 14(c), Ch 12, SLA09, P72, L30												
1004 Gen Fund (UGF) 250.0												
FY2011 Incorporate $15 million of fuel trigger in FY11 base. Trigger start point moves from $36 to $51.	Inc	**1.9**	0.0	0.0	1.9	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 1.9												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-16.0**	0.0	-16.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -12.7												
1155 Timber Rcp (DGF) -3.3												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**3.0**	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $3.0												
1004 Gen Fund (UGF) 3.0												
L FY2012 General Reclamation Bond Claims	Lang	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
Sec 18, Gov Original Bill												
1108 Stat Desig (Other) 25.0												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

This request shifts unrealizable 1) Federal , and 2) Interagency Receipt fund sources to General Funds for the Forest Management and Development Component to fund bargaining unit cost increases.

Federal Fund Shift - In FY12, the Division of Forestry will be spending from grant awards defined prior to the state's negotiation of salary cost increases. Grant awards specified deliverables for Forest Health, Forest Stewardship, and Urban & Community Forestry Assistance Programs based on negotiated salary rates that were in place under the 2007 - 2010 bargaining unit agreements. The FY12 collective bargaining rates are not covered under the grant presently acquired. Activities impacted include national resource education to schools, universities, and youth groups; forest pest monitoring and advice to land owners; and forest planning with Native corporations, local governments, and private landowners.

Inter/Agency Fund Shift -- DNR will not receive increased inter-agency receipt funding from DEC for FY12 salary cost increases to perform inspections, monitoring, and forest plan reviews of industry and landowners for compliance with the Forest Practices Act and the Clean Water Act.

1002 Fed Rcpts (Fed) -30.1
1004 Gen Fund (UGF) 38.9
1007 I/A Rcpts (Other) -8.8

Numbers and Language

Agency: Department of Natural Resources

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
FY2012 Forest Management and Best Practices	Inc	**400.0**	113.1	40.9	243.0	3.0	0.0	0.0	0.0	0	0	0

This request supports private sector employment by providing a stable regulatory structure for the timber industry; ensuring continued access via existing forest roads; and through contracting for management of forest stand treatments and forest road maintenance. The increment has three emphasis areas, all contributing to these goals as follows:

1. State Forest Road Maintenance. The Division of Forestry (DOF) manages approximately 400 miles of all season forest roads. This valuable road network supports forest management and was constructed incrementally over time, in most part through the sale of state timber, with road construction being an obligation of the timber purchaser. This increment supports a regular maintenance program to ensure these road assets meet statutory and regulatory standards and continue to be open to provide access to forest resources. Forest roads are required by Alaska statute and regulation to meet certain best management practices (BMPs) and there has been a noted decline in BMP compliance in recent years particularly in the Northern Region where increased public use adds to maintenance requirements. While the primary purpose of these roads are in support of forest management, many of these forest roads are also used by the public for firewood gathering, hunting, fishing, camping, hiking and other recreational pursuits. Some roads may require closure to public access if not adequately maintained to required standards.

2. Ongoing reforestation and pre-commercial thinning. Alaska law requires minimum reforestation requirements on state lands following harvest. This is in keeping with the mandate of the Alaska constitution to manage renewable resources in perpetuity. Reforestation backlog has been largely addressed in the past through occasional capital funding. This increment will support a regular program to plant trees and scarify to prepare seedbeds for natural regeneration following harvest to minimize further reforestation backlog. Reforestation is most successful and less costly when completed promptly following timber harvest, before grass and brush vegetation becomes established. As with road maintenance, the bulk of reforestation requirements are embodied in timber sale contractual requirements, however personal use harvest and some commercially harvested or burned areas require supplemental scarification and/or planting.

In Southeast Alaska pre-commercial thinning can significantly enhance forest productivity. Close to 4,000 acres of State land have been harvested in Southern Southeast since 1997, and additional state forest lands were previously harvested under federal management prior to conveyance to the State. About 8,000 acres, or 25% of the state forest lands available for harvest in Southern Southeast, are in reproduction stage. Pre-commercial thinning can reduce the time it takes to produce merchantable saw timber by 20 years or more. This treatment also can improve habitat for Sitka blacktail deer by encouraging browse species on the forest floor. Once forest stands get older than 30 years pre-commercial thinning is no longer feasible. Pre-commercial thinning cannot be indefinitely deferred or this opportunity to enhance forest productivity will be lost.

3. Forest Resources and Practices Act (FRPA) implementation. The Alaska Forest Resources and Practices Act (FRPA) is designed to protect fish habitat and water quality while supporting economically feasible timber operations. The Board of Forestry emphasizes that effective implementation of the Act is an essential part of the State's efforts to ensure the survival of the timber industry in SE Alaska, and support growth of the timber sector in other parts of the state. Implementation maintains public confidence that public resources are adequately protected. This increment supporting FRPA work includes timely reviews of mandatory plans of operation for timber activities, field inspections, training for timber operators, enforcement actions, and compliance monitoring.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Fire Suppression, Land & Water Resources (continued)

Forest Management & Development (continued)

FY2012 Forest Management and Best Practices (continued)

For the first three quarters of 2010, FRPA workload for private land harvest plan review is more than twice that of the entire 2009. This increase in activity is welcome news to the timber industry; however it presents challenges for DOF as funding for FRPA work is declining. FRPA has always been a state program, funded fully by state general funds until 1999, when some federal Clean Water Act section 319 funds became available to help pay a portion of the program. In years of declining GF budgets the federal funds kept the program operational. Interagency receipts from the Department of Environmental Conservation (DEC) of $115.0 for FRPA implementation will be eliminated in FY12 due to federal Clean Water Act 319 funding reductions. This funding supports DOF field presence including travel costs and personnel services. $85.0 from the Clean Water 319 funds have also supported state Fish and Game (ADFG) Habitat biologists in FRPA implementation, an important partner in FRPA program delivery, and these funds are also eliminated in FY12. General funds are required to maintain this state program and to maintain a strong field presence, which is critical to maintain best management practices on state and private forest lands in Alaska.

What is the impact of not approving this increment?
The inability to maintain forest roads may force some road closures in the Tanana Valley State Forest and Haines State Forest to avoid detrimental water quality impacts and violation of state Forest Practices statutes and regulations. Roads that are not currently active for commercial timber sales will be considered for closure, limiting access for Alaskans for personal use fuel wood and other recreational pursuits. The State's credibility as a regulator of forestry Best Management Practices will be compromised.

The reforestation backlog that in the past has been reduced through CIP funding will continue to grow, and reforestation costs on a per acre basis will be higher as competing vegetation takes hold with a less regular and timely funding mechanism. The DOF credibility as a regulator of forestry Best Management Practices on private lands will be compromised by its inability to meet reforestation standards on state lands.

Fewer acres in the Southeast and Haines State Forests will be thinned, reducing benefits of increased annual allowable cut associated with shortened rotation period. The window of opportunity to complete pre-commercial thinning on backlog acres logged under Federal management will narrow, limiting forest productivity through the end of the next rotation. It will take longer for second generation timber stands to mature to a size acceptable to a retooled timber industry that can process smaller second growth timber

There will be a significant impact on program delivery as FRPA workload is increasing in a time of declining federal receipts. The public and commercial and sport fishing group's confidence that timber harvest can coexist with other forest-dependant resources will be compromised. The FRPA may no longer be viewed by stakeholders or Federal regulators as effective in meeting its stated intent to protect public water and habitat resources.

Program, services, and recipients affected by this funding:
- Public and commercial users of state forest lands in Tanana Valley, Matsu, Haines, Copper River, Kenai Peninsula and Southeast
- Contractors providing road maintenance, tree planting and pre-commercial thinning services.
- Private landowners (primarily ANCSA Corporations)
- Road construction and logging companies accustomed to a preventative FRPA program with field presence vs. a more punitive program
- Businesses depending on timber supply from State and private lands
- ADFG Habitat Division and DEC as partners in FRPA implementation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
FY2012 Forest Management and Best Practices (continued)												
- Commercial, sport and subsistence fisheries that depend on appropriate habitat protections.												
1004 Gen Fund (UGF) 400.0												
FY2012 Incorporate partial FY11 distribution of fuel trigger in FY12 base. Trigger start point moves from $51 to $65.	Inc	**1.7**	0.0	0.0	1.7	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 1.7												
L FY2013 Sec 18(c), Ch 15, SLA 2012 (HB 284) - General Reclamation Bond Claims Estimate	IncM	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig (Other) 25.0												
FY2013 Long-Term Vacant Position Deletion for Intra-agency Funding Redistribution	Dec	**-82.6**	-82.6	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0

In the Governor's agency-wide effort to limit the growth of state government (for both positions and funding), some vacant positions were deleted, with the intent to utilize savings generated from the deleted positions to fund personal services funding shortfalls or other priority projects within the department.

DNR deleted 20 vacant positions across multiple components. General fund savings from the deleted positions is reallocated between components to cover personal services funding shortfalls or other department priority initiatives.

Prior to these funding transfers, personal services funding shortfalls existed in many components at a level that was not manageable without either a general fund increment, or a reduction of positions (most of which are filled) and a loss of service. Shortfalls are primarily a result of when employees receive merit increases, the cost is reflected in the personal services budget need, but the budget is not increased to cover the cost. The general expectation is that departments are responsible to cover merit increases through turnover and vacancies in a component, assuming that will generate savings to offset the merit increases. When components experience little turnover or have few vacant positions, there is no cost savings to cover the increases. The Governor's budget recognizes the need to cover these shortfalls by allowing for the transfer of savings between allocations.

General fund was reallocated as follows:
Commissioner's Office $100.0
Administrative Services $125.0
Information Resource Management $269.2
Citizens' Advisory Commission on Federal Areas $13.0
Parks Management & Access $80.0
Gas Pipeline Project Office ($223.4)
Petroleum Systems Integrity Office ($281.2)
Forest Management & Development ($82.6)

1004 Gen Fund (UGF) -82.6

FY2013 Decrement Uncollectable Revenue-Dependent Authorizations and Long-Term Vacant Positions	Dec	**-200.0**	-200.0	0.0	0.0	0.0	0.0	0.0	0.0	-2	-1	0

This decrement will remove some federal, CIP receipt, and timber receipt authority for which there is no known revenue stream.

1002 Fed Rcpts (Fed) -100.0
1061 CIP Rcpts (Other) -50.0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
FY2013 Decrement Uncollectable Revenue-Dependent Authorizations and Long-Term Vacant Positions (continued)												
1155 Timber Rcp (DGF) -50.0												
L FY2014 Reverse CH3 FSSLA2011 Sec 18(c) General Reclamation Bond Claims	OTI	**-25.0**	0.0	0.0	-25.0	0.0	0.0	0.0	0.0	0	0	0
Section 18(c) - $25.0												
Reverse language section appropriation estimate for the Division of Forestry. This authority is used for reclamation of State land by utilizing bonding funds if necessary.												
1108 Stat Desig (Other) -25.0												
L FY2014 General Reclamation Bond Claims Estimate (Sec 20c, HB 65)	IncM	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
This authority is used for reclamation of state land by utilizing bonding funds if necessary.												
Section 18 (c) of Governor's December 15th bill.												
1108 Stat Desig (Other) 25.0												
FY2014 Department of Administration Core Services Rates	Inc	**15.3**	15.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 15.3												
FY2015 Delete Long-Term Vacant Position (10-9422)	Dec	**-200.8**	-200.8	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Delete vacant full-time Forester II (10-9422), range 16, located in Fairbanks												
1004 Gen Fund (UGF) -163.8												
1061 CIP Rcpts (Other) -37.0												
L FY2015 Sec 20c, HB266 - Restore Settlement of Claims Against Reclamation Bonds	IncM	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
Restore amount in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $25.0 for the Forest Management and Development component.												
Language The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $50,000, is appropriated to the agency secured by the bond for the fiscal year ending June 30, 2015, for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond.												
1108 Stat Desig (Other) 25.0												
L FY2016 Sec 18(c), HB72 - Restore Settlement of Claims Against Reclamation Bonds	IncM	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
Restore amount in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
FY2016 Sec 18(c), HB72 - Restore Settlement of Claims Against Reclamation Bonds (continued)												
land, including the plugging or repair of a well, estimated to be $25.0 for the Forest Management and Development component.												
Language The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $50,000, is appropriated to the agency secured by the bond for the fiscal year ending June 30, 2016, for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond.												
Note: The Division of Mining, Land and Water utilizes the same language section, also with an estimated amount of $25.0, for a total of $50.0 referenced in the language.												
1108 Stat Desig (Other) 25.0												
FY2016 AMD: Consolidation of Regional Management in Area Offices	Dec	**-28.1**	-28.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
As part of a restructuring of the Division of Forestry organization to identify administrative efficiencies and cost savings, one Regional Administrative Officer I position (PCN 10-9161) will be deleted from the Palmer regional office. The majority of the large and long-duration wildland fires occur in the Northern Region; administrative support for regional fire activities will be consolidated into one administrative position located in Fairbanks. This position is split funded with and counted in the Fire Preparedness component. The actual reduction of the PCN is included in the change record in Fire Preparedness.												
1004 Gen Fund (UGF) -28.1												
FY2016 AMD: Eliminate Coordination of Agency Input to Forest Service Tongass Planning and Timber Sale Projects	Dec	**-127.1**	-111.0	0.0	-16.1	0.0	0.0	0.0	0.0	-1	0	0
State coordination of agency input to Forest Service Tongass planning and timber sale projects would be reduced or eliminated. Despite significant efforts on behalf of the state to encourage more timber sales in the Tongass, there has been a continuous decrease in the amount of federal timber sold by the Forest Service.												
Delete (10-9676) Permanent, Full-time Forester III, Ketchikan												
1004 Gen Fund (UGF) -111.0												
1061 CIP Rcpts (Other) -16.1												
FY2016 Reduce Timber Sale Program, Eliminate HS Natural Resources Intern Program	Dec	**-1,692.9**	-1,227.7	-39.0	-298.2	-115.0	-13.0	0.0	0.0	-11	0	-10
1004 Gen Fund (UGF) -1,292.9												
1155 Timber Rcp (DGF) -400.0												
FY2016 Restore 4 positions (3 Ketchikan, 1 Juneau) to Allow for Continuation of Accelerated Timber Sales	Inc	**645.2**	404.6	27.7	162.6	50.3	0.0	0.0	0.0	4	0	0
1004 Gen Fund (UGF) 245.2												
1155 Timber Rcp (DGF) 400.0												
FY2017 Reduce Annual Forest Road Maintenance and Administrative Support	Dec	**-66.5**	-66.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	-1
Annual forest road maintenance such as grading, ditching, brushing and snow plowing will be accomplished on a more periodic (e.g., every second or third year) basis. This will impact the public's ability to access our state forests for commercial and personal use timber sales and firewood cutting. The division will make every effort to												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
FY2017 Reduce Annual Forest Road Maintenance and Administrative Support (continued)												
keep the critical roads maintained with available resources.												
The elimination of this administrative position will impact the division's ability to provide timely and accurate financial and programmatic analysis to division leadership. The division will reassign duties to other staff in an effort to maintain current levels of service.												
Delete (10-N14139) Administrative Operations Manager I, range 22, Anchorage, Non-Permanent												
1004 Gen Fund (UGF) -66.5												
FY2017 Fund Source Change to Support Southeast Forester Position with Timber Receipts	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -136.7												
1155 Timber Rcp (DGF) 136.7												
FY2018 Maintain Forest Inventory and Analysis Projects	Inc	**1,100.0**	0.0	0.0	1,100.0	0.0	0.0	0.0	0.0	0	0	0
This program received a one-time increment of federal authority through a Revised Program Legislative (RPL) in FY2017. Since the FY2017 request the United States Forest Service (USFS) has agreed to provide this grant annually.												
For FY2017 the Division of Forestry (DOF) entered into a $1,147.0 Joint Venture Agreement with the USFS to install permanent Forest Inventory and Analysis (FIA) plots in interior Alaska. In calendar year 2016, 188 plots were installed in the Nenana and Manley Hot Springs areas. DOF provided six state crew members to work on this effort, and the USFS and University of Alaska Fairbanks provided additional crewmembers.												
For FY2017 into FY2018, DOF plans an expanded effort of 230-250 sample plots in the Fairbanks and Delta Junction areas, using temporary state employees. An additional $1,100.0 will be added by amendment to the original 2016 Joint Venture Agreement. The Interior FIA project has been approved by Congress and will be an ongoing operating project.												
1002 Fed Rcpts (Fed) 1,100.0												
FY2018 Tongass Young Growth Challenge Cost Share Agreement Extension	Inc	**1,100.0**	375.0	0.0	725.0	0.0	0.0	0.0	0.0	0	0	0
The United States Forest Service (USFS) is involved in collaborative work with the State of Alaska to aid in implementation of young growth transition for Southeast Alaska. The USFS young growth transition plan includes continuing to support and sustain the current industry with a supply of old growth timber while transitioning to a predominantly young growth supply. This will provide the industry and rural communities in Southeast Alaska the opportunity to develop emerging markets, learn new skills, and acquire new equipment while the forest supports a sustainable harvest level sufficient to meet the needs of a viable industry.												
The FY2016 Revised Program Legislative was set up as a multi-year $4,000.0 appropriation with a term year of FY2018,and the authorization balance was reversed in the FY2018 budget. The federal grant has been extended through FY2022.												
1002 Fed Rcpts (Fed) 1,100.0												
FY2018 CC: Haines State Forest, Timber & Mining Access (OTI)	IncOTI	**102.0**	102.0	0.0	0.0	0.0	0.0	0.0	0.0	0	1	0
The part-time Forester II position in Haines supports timber sales, firefighting, and all other activities in and near												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
FY2018 CC: Haines State Forest, Timber & Mining Access (OTI) (continued)												
the Haines State Forest (HSF). The HSF is the longest established state forest in Southeast Alaska, and Southeast Alaska timber sales make up 75% of statewide timber sales. It is important to note that while supporting timber related activities, the same activities support other valuable industries such as providing road access to the developing Constantine-Palmer mine.												
Funding the position ensures that recent timber sales have sufficient on-site oversight, maintains the area's firefighting posture, and ensures there is a position to deal with forest road issues as the Constantine-Palmer mine moves from exploration toward production.												
1004 Gen Fund (UGF) 102.0												
L FY2019 Reverse Settlement of Claims Against Reclamation Bonds Sec33c Ch1 SSSLA2017 P104 L30 (HB57)	OTI	**-25.0**	0.0	0.0	-25.0	0.0	0.0	0.0	0.0	0	0	0
Reverse amount in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $25.0 for the Division of Forestry.												
Language The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $50,000, is appropriated to the Department of Natural Resources for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond for the fiscal year ending June 30, 2018.												
Note: The Division of Mining, Land & Water utilizes the same language section, also with an estimated amount of $25.0, for a total of $50.0 referenced in the language.												
1108 Stat Desig (Other) -25.0												
L FY2019 Restore Settlement of Claims Against Reclamation Bonds	IncM	**25.0**	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
Restore amount in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $25.0 for the Division of Forestry.												
Language The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $50,000, is appropriated to the Department of Natural Resources for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond for the fiscal year ending June 30, 2018.												
Note: The Division of Mining, Land & Water utilizes the same language section, also with an estimated amount of $25.0, for a total of $50.0 referenced in the language.												
1108 Stat Desig (Other) 25.0												
FY2019 Restore Forester in Haines	IncM	**102.0**	82.0	3.5	15.0	1.5	0.0	0.0	0.0	0	1	0
A one-time increment was appropriated by the legislature in the FY2018 budget. This increment would return this funding to the base budget.												
Funding would support a seasonal Forester II in the Haines State Forest office, which is facing closure due to previous funding reductions. This position has duties associated with the timber sale program, personal use												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
FY2019 Restore Forester in Haines (continued)												

firewood permits, road maintenance, and provides oversight for a variety of commercial and public uses in the state forest.

The state forest contributes to the Haines economy by providing access for numerous multiple use activities that are a mix of commercial and personal use. An active timber sale program encourages and supports jobs in the forest products sector, produces revenue and provides access to the state forest by maintaining and keeping the road system open. The roads provide access for the personal use firewood program, which is utilized by residents and businesses as a primary or supplemental heating source. Other key points for consideration:

- Businesses that depend on state timber sales in the Haines State Forest will be able to obtain a consistent wood supply. Timber sales will be offered on a regular basis consistent with the allowable cut level. Last year there were six separate businesses that purchased timber sales in Haines.
- The twenty million board foot timber sale (Baby Brown) will be re-offered for sale this winter and will need contract administration and oversight. This position also completes timber sale work on behalf of the Mental Health and University Trust Land Management Programs, which generates revenue for their respective trust programs and is an efficient use of staff to meet forest management needs for different agencies.
- Forty-six miles of state forest roads will be reviewed and maintained in compliance with 11 AAC 95.320 of the state forest practices regulations. Timber sale revenue and timber sale purchasers have provided road maintenance as part of their ongoing operations and these methods would continue as the primary way for road maintenance to be accomplished.
- The road system provides critical access for the Palmer Mine project which is accessed via the Porcupine Road in the state forest.
- Access for the proposed Walker Lake Hydroelectric Project utilizes roads in the state forest.
- Recreational activities of all types, both motorized and non-motorized, will occur on state forest lands. The community depends on these roads for personal use, berry picking, hunting, fishing, and other subsistence activities.
- The state's forests are a renewable resource and Alaska's future will depend on the development of natural resources. Forestry has been a major driver in access development in many regions of the state and our road systems have facilitated other natural resource development projects.

If funding is not approved, the division will continue the orderly shutdown of the office once the issue of the 46-mile road system in the Haines State Forest is addressed. Many roads will need to be closed or put into long-term storage until they are needed for a timber sale to be compliant with the State's Forest Resources and Practices Act (FRPA). The Act and our state forest Management Plan require active maintenance of the road system to protect water quality and fish habitat and without on-site personnel, this will be difficult to achieve. Only primary roads will be kept open unless the responsibilities can be transferred to another state agency or the Haines Borough.

Timber sales and management of the Haines State Forest will continue, but from offices in Ketchikan and Juneau. Slower response times for both public and commercial users should be expected.

1004 Gen Fund (UGF)	102.0											
FY2019 Increase Inter-Agency Receipt Authority to Match Anticipated Expenditures	Inc	**100.0**	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

The Forest Management and Develop component has historically had insufficient interagency receipt authority to

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Forest Management & Development (continued)												
FY2019 Increase Inter-Agency Receipt Authority to Match Anticipated Expenditures (continued)												
reflect all reimbursable services agreements (RSA). Increasing interagency receipt authority will allow the division to avoid unbudgeted RSAs in FY2019.												
1007 I/A Rcpts (Other) 100.0												
*** Allocation Total ***		**1,718.7**	-481.8	54.1	2,194.7	-35.3	-13.0	0.0	0.0	-11	0	-11
Geological & Geophysical Surveys												
FY2006 Increase general funds for Geological Materials Center Operations	Inc	**100.0**	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 100.0												
FY2006 Reduce Inter-agency receipts for Geological Materials Center Operations	Dec	**-100.0**	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) -100.0												
FY2006 Geologic Data for Frontier Hydrocarbon Basins	Inc	**300.0**	89.0	5.0	196.0	10.0	0.0	0.0	0.0	1	0	0
The frontier hydrocarbon basins in Alaska are those without active development or production but have significant resource potential. Bristol Bay basin is the frontier basin of current focus for oil & gas exploration. Past experience has shown that when the state provides regional geologic mapping and exploration data to the public and energy industry, the likelihood of competitive exploration by a variety of players is substantially increased. Alaska's other frontier areas include central and western North Slope (NPRA), Minchumina, Holitna, Copper River, Nenana (Middle Tanana), Susitna, and Kandik basins. One or more of these basins will become the focus of future investigation based on the direction of the Governor, the Commissioner of Natural Resources, and the Directors of AK DOG and AK DGGS.												
This program will provide for creation of a publicly available database for frontier basins that includes geologic mapping, surface, subsurface, and other pertinent geologic and hydrocarbon information. This information is necessary to help attract companies to bid on lease sales and engage in exploration licensing. The program involves conducting field work to prepare geologic maps and acquire new geologic data with modern analyses that are vital to industry and the state's best interests. Funding will provide for the addition of one senior-level geologist position, one student intern, field work, sample analyses, and data synthesis.												
1004 Gen Fund (UGF) 300.0												
FY2006 Increase Federal and CIP Receipt Authority for additional Federal Grants	Inc	**369.0**	89.8	18.5	188.3	72.4	0.0	0.0	0.0	0	0	0
Increased authorization is needed for additional federal grants. Over the last few years DGGS has had increases to the Alaska Volcano Observatory federal grants. In addition to these increases we are also funding personnel working on the Minerals Data Information Rescue federal grants, which are federally funded capital projects, resulting in the need to increase CIP receipts authorizations.												
1002 Fed Rcpts (Fed) 279.2												
1061 CIP Rcpts (Other) 89.8												
FY2006 Reduce Uncollectable I/A receipt authority	Dec	**-135.6**	-18.0	-15.0	-86.1	-16.5	0.0	0.0	0.0	0	0	0
Decrease I/A authority due to uncollectable receipts.												
1007 I/A Rcpts (Other) -135.6												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**9.1**	9.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) 4.3												
1004 Gen Fund (UGF) 0.6												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit (continued)												
1007 I/A Rcpts (Other) 1.4												
1061 CIP Rcpts (Other) 1.7												
1108 Stat Desig (Other) 1.1												
FY2007 Increase federal authorization for anticipated increases in existing federal grants	Inc	**218.0**	0.0	43.0	156.5	18.5	0.0	0.0	0.0	0	0	0
This increase in federal authority is for anticipated increases to the Alaska Volcano Observatory (AVO) federal grants and new amendments to existing federal grants.												
1002 Fed Rcpts (Fed) 218.0												
FY2007 Geologic Materials Center Operations-maintain and safeguard sample collection	Inc	**50.0**	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0

The Geologic Materials Center (GMC) is an important repository of unique geologic information collected over the last 60 years from throughout the state. There are over eleven million feet of rock, drill-cuttings and core represented in the sample inventory that provides industry, government, and academia with information necessary to identify new areas of resource potential and maximize extraction in areas already under development. The facility is critically undersized, in poor condition, and in constant need of repair.

Valuable geologic material is continually being received at the facility and is currently being archived in donated metal shipping containers that have been retrofit to handle the necessary shelving. These portable trailers are unheated, have no internal or natural lighting, and put the rock core samples at risk of freeze-thaw cycles that could destroy their integrity. In addition, any exploration company that does not have its own archived core facility (currently only one company does), is forced to take large sample requests off-site in order to interpret and analyze the samples to help identify possible exploration targets. This puts the samples at great risk of damage and/or loss.

Because of the deteriorating facility condition and increased sample handling, the operating budget for the GMC has slowly increased to $250,000 over the last few years. For the FY07 fiscal year, we project that GMC's operational costs will be approximately $45,000 higher than budgeted in FY06. Although facing significant increases in sample acquisition/ processing, and maintenance of an aging and sorely inadequate facility, DGGS has managed to keep operating budget cost increases to a minimum through a number of innovative methods. Some of these methods include volunteerism, deferred building maintenance, purchase of used equipment, and minimal grounds maintenance.

The Alaska Oil & Gas Conservation Commission (AOGCC) is a constant source of new rock samples that the state requires from any exploration well drilled on state land. In FY04, AOGCC agreed to provide $200,000 operational funding for GMC through industry receipts which allowed DGGS to continue operation without impacting the Fairbanks operating budget. In FY05, the AOGCC reduced that contribution to $50,000 because of protests raised by the industry producers group, Alaska Oil and Gas Assocation.(AOGA). DGGS was successful in restoring $100,000 GF monies in FY06, which allowed for continued full-time operation and limited maintenance, however, continues to defer much needed work and upgrade. This request of a $50,000 GF increment will keep the total budgeted operating capital at $250,000 and maintain the sample collection at a minimal state of repair.

The importance of safeguarding this collection for the future economic well being of the State of Alaska, and

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2007 Geologic Materials Center Operations-maintain and safeguard sample collection (continued)												
providing reasonable access to the unique data for resource explorationists, cannot be overstated. Failing to fund this facility at this minimal level will result in further disintegration of the facility, and the important collection it maintains. There are numerous examples of how modern analytical measurements made on single core have led to discovery of millions of barrels of oil. Further reducing access to this data set has the clear potential of costing the state millions of dollars in un-realized revenue, both directly through production revenues, and indirectly through unrealized economic growth.												
1004 Gen Fund (UGF) 50.0												
FY2007 Reduce authorizations to reflect anticipated receipts	Dec	**-72.8**	0.0	0.0	-72.8	0.0	0.0	0.0	0.0	0	0	0
Reductions in IA, CIP and SDPR authorizations are being made to reflect what the division is anticipating in FY07.												
1007 I/A Rcpts (Other) -11.6												
1061 CIP Rcpts (Other) -34.0												
1108 Stat Desig (Other) -27.2												
FY2008 Funding source change to continue resource assessment at existing levels	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Over the last 5 years the Division of Geological & Geophysical Surveys (DGGS) has seen a dramatic increase in inquiries for information concerning the availability of developable geologic resources. For example, a new exploration company entrant in the Cook Inlet Basin spent $1.214 million at the 2006 areawide sale as a partial result of new geologic information and marketing by DGGS personnel (see Petroleum News, Vol 11, No. 43, Pg. 9). A major challenge for Alaska is that, of the 156,000 square miles of state owned land, only about 10,000 square miles have been geologically mapped at a scale conducive to assessing the natural resources or geohazard risk. Even if half of the total state land area is ignored because of access issues, the state has detailed geologic knowledge on only about 13% of its prospective land allotment. Currently the rate of new mapping is about 1,000 square miles per year from all projects, both collaborative and solely DGGS. Clearly, a reduction in this acquisition rate would put Alaska further behind in its attempt to fully inventory its resource base.

It is essential for an owner of any naturally occurring resource to know the location and probable magnitude of any commodity they plan to use for future revenue. Only then can the owner make reasonable development decisions. For example, an uninformed owner relying on the developer of a poorly constrained resource to assess what is available for purchase is very poor business practice; potential purchasers will always present estimates to their own benefit, typically to the disadvantage of the uninformed owner. Additionally, a highly competitive international resource marketplace requires modern data, assessment, and promotion to attract investment.

To address this huge challenge, many collaborative projects have been developed to leverage state funds and accomplish DGGS's statutory mission of determining the resource potential of state land. Many of these collaborative programs are being dramatically reduced, or phased out completely due to federal budget deficits. Examples of this are the zeroing of the fossil fuels budget in the Department of Energy, alleviation of the solid minerals program at the Bureau of Land Management, and the 50% proposed budget cut for the U.S. Geological Survey minerals program, all of which have provided collaborative support for DGGS programs.

This loss of multiple funding sources puts DGGS in danger of significantly reducing the amount of product from core collaborative projects. It is important to note that complete loss of any core programs in DGGS would have significant affect on the state's ability to provide new high-resolution data in areas where it is needed.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Fire Suppression, Land & Water Resources (continued)

Geological & Geophysical Surveys (continued)

FY2008 Funding source change to continue resource assessment at existing levels (continued)

An additional, largely unpredictable effect, results from the bumping rights employees have within the Geologist classification series. Because the Geologist series encompasses a wide range of vastly different expertise, many personnel are uniquely qualified to perform the duties of their position. However, because of bumping rights, a layoff in one programmatic area will result in employees "bumping" into positions for which they do not have the required expertise. Consequently, even the programs that remain fully funded will suffer from loss of critical personnel.

This request is for a fund change of $605,800 of uncollectable IA and CIP receipts (from federally funded programs through the University and our capital projects) to general funds, to enable the Geological Development component to fully meet its statutory mission of determining the potential of Alaskan land for production of metals, minerals, fuels, and geothermal resources and the potential geologic hazards to buildings, roads, bridges, and other structures (AS 41.08.020).

The following bullets outline the significant changes in results that DGGS would incur if this fund source change to general funds is not approved, and assuming no additional federal, nor other outside funding is identified nor secured for FY08 (which has been a reality for the last two federal fiscal years). DGGS is working with its federal partners and the Alaska congressional delegation to try and identify new funding for these federal programs.

The federal funding losses, in concert with increased field operation costs, would necessitate a reduction in force of at least three Project Managers (Geologist IV), one Advanced Professional Geologist (Geologist III), one Journey level geologist (Geologist II), and one Analyst Programmer. These reductions would have a significant effect on established missions and targets and would include:

Action-- Reduction in new published geologic maps from 1005 sq. mi. per year to 565 sq. mi.

Result- Potential loss of state income due to decrease in available data in lease sale areas and new exploration areas. Example: the State received $1.268 million in bonus bids from 2005 Alaska Peninsula areawide lease sale following release of new geologic information from DGGS. Mapping project is federally funded and will lose funding in 2008

Action-- Reduction in new published geophysical mapping from 750 sq. mi. to 560 sq. mi.

Result- New high-resolution mapping will not be available for assessment of mineral resources on much state land open to mineral entry. The recent Pogo mine is being developed in one of the recently acquired geophysical areas and new claim activity in all program areas can be directly linked to new data.

Action-- Reduction in peer-reviewed scientific reports on resources from 6 to 4 peer-reviewed publications

Result- Interpretation of new data critical to resource assessment and hazards mitigation would not be available for regulators, planners and for attracting new industry.

Action-- Reduction in technical presentations on resource potential and geohazards risk from 10 to 5

Result- Significant loss of public exposure for attracting new industry (see Cook Inlet example above) and

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2008 Funding source change to continue resource assessment at existing levels (continued)												
disseminating important new findings on state geology.												
DNR is working hard to identify outside funding opportunities, however the Iraq war, changes in congressional leadership, and recent natural disasters have had a significant negative affect on our ability to secure funds. An fund source change in the DGGS general fund budget of $605,800 would alleviate the need for reduction in force and allow DGGS to maintain its statutory mission at a minimum critical level. Any additional outside funding that may be secured would only enhance the ability to provide pertinent geologic information for continued economic growth and prudent land-use management in the state.												
1004 Gen Fund (UGF) 605.8												
1007 I/A Rcpts (Other) -275.0												
1061 CIP Rcpts (Other) -330.8												
FY2008 Additional authorization for anticipated increased agreements for Cook Inlet Basin projects	Inc	**100.0**	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
The increase in SPDR is due to the anticipation of increased support from industry for field work in the Cook Inlet Basin.												
1108 Stat Desig (Other) 100.0												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-171.4**	-171.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -59.9												
1007 I/A Rcpts (Other) -30.3												
1061 CIP Rcpts (Other) -78.6												
1108 Stat Desig (Other) -2.6												
FY2009 Increment for Geophysical/Geological Mineral Inventory project	Inc	**1,200.0**	0.0	0.0	1,200.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 850.0												
1108 Stat Desig (Other) 350.0												
FY2009 CC: Reduce funding for Geophysical/Geological Mineral Inventory project	Dec	**-400.0**	0.0	0.0	-400.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -400.0												
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The federal funding programs have fixed ceilings that are likely to decrease. The SDPR sources are voluntary industry contributions over which DGGS has no control. The CIP funding sources are temporary and short-term and should not be relied upon for funding ongoing personal services.												
1002 Fed Rcpts (Fed) -13.9												
1004 Gen Fund (UGF) 14.4												
1108 Stat Desig (Other) -0.5												
FY2010 Continue Mineral Survey Operations	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
A fund change of $350,000 is needed to keep the Alaska Geophysical and Geological Mineral Inventory program viable and operating. In the FY09 operating budget, an amount of $800,000 was appropriated for this ongoing work, made up of $450,000 from the general fund and $350,000 from authorization to receive funding from industry (SDPR). Although we were successful in receiving industry funds in FY08 for work done in the Rainy Pass area, subsequent efforts to solicit industry funds have not been successful. In order to fund the program at												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2010 Continue Mineral Survey Operations (continued)												
the amount necessary to procure inventory contracts, it is necessary to replace the $350,000 SDPR with general funds.												
The program has been exceedingly productive to date, with over 6.0 million acres of state land surveyed since 1992. There are over 34.0 million acres with high minerals potential left to map. The mineral inventory program results in increased industry activity and associated rural jobs, local and state taxes, and royalties.												
Full funding will allow DGGS to provide pertinent geologic information on the mineral resources contained on state lands that are open to mineral entry, and to do geophysical and geological mapping in more expensive remote areas as needed.												
1004 Gen Fund (UGF) 350.0												
1108 Stat Desig (Other) -350.0												
FY2010 Coastal Geology and Hazards work funded by Division of Coastal and Ocean Management	Inc	**180.0**	101.0	5.0	70.0	4.0	0.0	0.0	0.0	0	0	0
This authorization will allow DGGS to receive federal funds via RSA from the Division of Coastal & Ocean Management as part of the Coastal Impact Assistance Program (CIAP). With this funding, DGGS will initiate a coastal community geohazards evaluation and geologic mapping program in support of community and district planning. DGGS will collect the necessary field data to produce and publish surficial and engineering-geologic/hazards maps of Alaskan coastal communities, prioritized in consultation with the affected coastal districts and all stakeholder agencies. The maps will identify local natural hazards that must be considered in the siting, design, construction, and operation of development projects to ensure protection of the coastal area. Maps will also include proposed community relocation sites in response to the severe coastal erosion problems now facing various Alaskan communities. Such projects have been recommended by the Climate Change Subcabinet's Immediate Action Workgroup as an essential component of the relocation feasibility studies.												
Without this authorization, DGGS will not be able to receive via RSA the necessary federal funds, which have already been approved, and will consequently not be able to conduct the proposed coastal hazards assessments and geologic mapping necessary for the evaluation of potential relocation sites.												
This authorization funds a Geologist IV (PCN 10-1875) - Project Manager specializing in coastal geology and hazards, to lead in the Division of Geological & Geophysical Surveys (DGGS) Coastal Impact Assistance Program (CIAP) project to evaluate coastal community geohazards and carry out geologic mapping in support of community and district planning. This full time position will be funded by CIAP, via RSA from Division of Coastal and Ocean Management (DCOM).												
1007 I/A Rcpts (Other) 180.0												
FY2010 Personal Service Support for Ongoing and Proposed CIP Projects	Inc	**100.0**	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This CIP increment is necessary to provide sufficient personal services support for ongoing and proposed CIP projects. Several of these projects are in wind-down mode and require extra staff time to complete final data analysis and report writing. Without this support, it will not be possible to complete the final products by the required deadlines.												
1061 CIP Rcpts (Other) 100.0												
FY2011 Coastal Impact Assistance Program	Inc	**802.0**	178.0	26.0	537.0	61.0	0.0	0.0	0.0	0	0	0
This project will expand our program of coastal community geohazards evaluation and geologic mapping in												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2011 Coastal Impact Assistance Program (continued)												
support of community and district planning. The Division of Geological & Geophysical Surveys (DGGS) will collect the necessary field data to produce and publish surficial and engineering-geologic/hazards maps of Alaskan coastal communities, prioritized in consultation with the Alaska Division of Community and Regional Affairs, Alaska Coastal Management Program staff, the U.S. Army Corps of Engineers, and affected coastal districts. The maps will identify local natural hazards that must be considered in the siting, design, construction, and operations of development projects to ensure protection of the coastal area. Maps may include proposed community relocation sites in response to the severe coastal erosion problems now facing various Alaskan communities. Mapping will be completed at local and/or regional scales as needed to address specific local problems and to understand and evaluate the larger geologic context of the area. The engineering-geologic/hazards maps will be published in geographic information system (GIS) format, and will delineate areas where natural hazards such as erosion, slope instability, active faults, flooding, and earthquake effects should be considered at a more detailed level to fully evaluate construction risk and to ensure that coastal areas are not damaged by planned and proposed development.												
1007 I/A Rcpts (Other) 802.0												
FY2011 Incorporate $15 million of fuel trigger in FY11 base. Trigger start point moves from $36 to $51.	Inc	**6.3**	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 6.3												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-6.1**	0.0	-6.1	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -6.1												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**3.1**	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $3.1												
1002 Fed Rcpts (Fed) 0.7												
1004 Gen Fund (UGF) 0.3												
1061 CIP Rcpts (Other) 1.6												
1108 Stat Desig (Other) 0.5												
FY2012 Staff Support for Existing Capital Projects	IncM	**200.0**	200.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Geological Development component requests an increase in CIP authorization to accommodate staff support for two existing CIP projects: (1) Assessment of In-State Gas Energy Potential (SLA2010), and (2) Architecture and Engineering for a New Geologic Materials Center (SLA2008). The personal services funds will provide partial support to existing full-time permanent employees and a non-permanent employee working on these projects. No new positions are being requested.												
1061 CIP Rcpts (Other) 200.0												
FY2012 Staff Support for Interagency-Funded Projects	IncM	**100.0**	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Geological Development component requests an increase in personal services authorization in Interagency Receipts (IA Receipts), to accommodate staff support for two major projects recently acquired that are being funded through RSAs: (1) Geohazard Evaluation and Geologic Mapping for Coastal Communities, funded by the Division of Coastal and Ocean Management, and (2) Foothills Oil and Gas Development Infrastructure, a project funded by the Division of Oil and Gas. The personal services funds will provide partial support to existing full-time permanent employees and a non-permanent employee working on these projects. No new positions are being requested.												
1007 I/A Rcpts (Other) 100.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2012 Incorporate partial FY11 distribution of fuel trigger in FY12 base. Trigger start point moves from $51 to $65.	Inc	**5.8**	0.0	0.0	5.8	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 5.8												
FY2013 Accelerated Geologic Map and Report Production	Inc	**80.0**	38.0	7.0	35.0	0.0	0.0	0.0	0.0	0	0	0
The higher paid professional geologist staff are doing both the professional scientific work and the technical non-scientific tasks related to completion and publication of the final products. With this funding the division will increase the output of geologic maps and reports in a timely manner -- this information is used by industry, government and the public. The division is currently behind schedule releasing 15 major geologic maps and reports.												
1004 Gen Fund (UGF) 80.0												
FY2013 Geologic Staff for Strategic and Critical Minerals Assessment	Inc	**95.6**	95.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	1
This funds one new long-term non-perm position to support the statewide geologic data for assessing strategic and critical mineral resources, include rare earth elements. The FY2012 project focused on compiling and evaluating existing REE-related data and obtaining limited new data. The FY2013 request allows the division to obtain essential new geologic, geochemical and geophysical data throughout Alaska. The State may benefit from expanded mineral-industry investment in exploration and development and associated employment, be more knowledgeable for land-management purposes, and contribute to the nation's need for domestic supplies of these critically important minerals. This project provides funding for a professional position with the specific expertise needed to implement this program.												
1061 CIP Rcpts (Other) 95.6												
FY2013 Geohydrology Program, Aquifer Baseline Mapping	Inc	**120.0**	15.0	5.0	100.0	0.0	0.0	0.0	0.0	0	0	0
The state lacks geologic information on aquifers to reliably extrapolate these data in the subsurface to model groundwater supply and flow. The need for this capability is critical for expediting permit review, and is becoming more critical as water supplies face potential shortages and urban or infrastructure development creates increased risks of groundwater depletion, contamination, and groundwater-related hazards such as earthquake-induced liquefaction. This funds one existing long term non-perm staff and contract personnel to work with the Division of Mining, Land & Water to create one to two geohydrology maps/reports annually.												
1004 Gen Fund (UGF) 120.0												
FY2014 Two New Geologists (10-#036, 10-#037) and Existing Staff to Support Strategic and Critical Minerals Assessment	Inc	**634.4**	634.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	2
Provides long-term nonpermanent geologic staff required to implement this capital improvement project (CIP) funded initiative. This statewide project began in FY2013 to evaluate Alaska's potential for contributing to the domestic supply of minerals required to meet the nation's needs for military and civilian high-tech equipment and electronics. The primary goal is to acquire and publish essential new geologic, geochemical, and geophysical data throughout the state on rare-earth elements (REE) and other strategic and critical minerals (SCM). Skilled, professional geologists are necessary to successfully acquire the required data and information, and to produce that data in usable form to support the future resource development. If this request is not funded, insufficient geologic staff will be available to conduct the large CIP-funded project the governor and legislature are asking DGGS to do. This funding will allow for two positions, and to help cover other staff working on the project. Geological Scientist I - (10-2046) Geological Scientist I - (10-2083)												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2014 Two New Geologists (10-#036, 10-#037) and Existing Staff to Support Strategic and Critical Minerals Assessment (continued)												
Geologist IV - (10-2122)												
Geologist III - (10-2008)												
Geologist III - (10-2064)												
Geologist V - (10-2224)												
LTNP Geologist I - (10-N12001)												
LTNP Geologist I - (10-N11030)												
LTNP Geologist IV - (10-?014)												
LTNP Geologist III - (10-#036)												
LTNP Geologist III - (10-#037)												
1061 CIP Rcpts (Other) 634.4												
FY2014 Department of Administration Core Services Rates	Inc	**18.5**	18.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 18.5												
FY2014 Delete Inter-Agency Authorization No Longer Needed	Dec	**-597.0**	-100.0	0.0	-497.0	0.0	0.0	0.0	0.0	0	0	0
A decrement of $597.0 is requested to properly reflect the revenue source of an Reimbursable Services Agreement (RSA) from the Office of Project Management and Permitting to the Division of Geological and Geophysical Surveys. The RSA is for the Geohazard Evaluation and Geologic Mapping for Coastal Communities and is recorded under our CIP authorization.												
1007 I/A Rcpts (Other) -597.0												
FY2015 Decrease Excess Authorization to Match Anticipated Revenue Collection	Dec	**-800.0**	0.0	0.0	-800.0	0.0	0.0	0.0	0.0	0	0	0
The reduction in federal authorization is from a combination of net changes in federal grants over the last few years, including completion of the federally funded MDIRA project grant (Minerals Date Information Rescue in Alaska), a reduction in the Alaska Volcano Observatory's Aleutian Initiative project, and federally funded mapping projects.												
The reduction in statutory designated program receipts (SDPR) authorization is due to completion of a three-year project with the Arizona Geological Survey-Geothermal Technologies, and a reduction in industry-funded projects in the Cook Inlet Basin and the North Slope.												
The reduction in interagency receipts authorization is due to the completion of the division's participation and work on the Coastal Impact Assistance Program (CIAP) projects funded through reimbursable service agreements.												
1002 Fed Rcpts (Fed) -500.0												
1007 I/A Rcpts (Other) -150.0												
1108 Stat Desig (Other) -150.0												
FY2015 Geologic Materials Center Annual Occupancy/Rent Payment	Inc	**350.0**	0.0	0.0	350.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2015 Geologic Materials Center Annual Occupancy/Rent Payment (continued)												
The Department of Administration has provided an annual operating rental cost estimate for occupancy of the new Geologic Materials Center (GMC) of $565.6. The Division of Geological and Geophysical Surveys (DGGS) has $40.0 in their budget currently allocated to pay for utilities and snow removal at the existing facility. This $40.0 can be applied towards the annual rental charge for the new facility, leaving a need for additional authorization of $525.6. The remaining GMC operating costs will be covered with this $350.0 increment, the $103.1 general fund transfer requested in a corresponding change record, and an estimated $72.5 in rent to be collected from the State Pipeline Coordinator's Office (SPCO). The SPCO can be relocated into the GMC if the appropriation for that purpose is approved as requested in the FY2015 Governor's capital budget. Annual operating costs include items such as utilities (electrical power, water, sewer, water, natural gas and waste disposal), janitorial contract, snow removal, landscaping, heating and air handling systems operations and maintenance, roof maintenance, fire sprinkler system maintenance, building management, building security and insurance.												
1004 Gen Fund (UGF) 350.0												
FY2016 AMD: Eliminate Airborne Geophysical Surveys and Support for Geothermal and Coal Resources	Dec	**-1,000.0**	-393.7	0.0	-606.3	0.0	0.0	0.0	0.0	-4	0	0
These reductions eliminate our ability to provide new airborne geophysical surveys, which will greatly impact our ability to provide new geological maps. Both of these are products highly valued by the minerals industry, which stimulate mineral development and are credited with aiding mineral resource discoveries. The reductions will retard the rate at which mineral exploration occurs and the rate of future mine development, job creation and economic diversification. Additionally, the reductions eliminate the division's capabilities in geothermal energy and coal resources. DGGS will not be able to advise on, or support development of those resource types, or the potential use of these resources to reduce the costs of energy in rural communities. As these are some of the most likely sources of energy for rural communities, loss of these capabilities will reduce the state's ability to aid rural communities develop lower costs energy solutions. Delete PCN's: (10-2011) Permanent, Full-time Micro/Network Tech I, Fairbanks (10-2055) Permanent, Full-time Geological Scientist I, Fairbanks (10-2083) Permanent, Full-time Geological Scientist I, Fairbanks (10-2233) Permanent, Full-time Office Assistant II, Fairbanks												
1004 Gen Fund (UGF) -1,000.0												
FY2016 Eliminate Publications Specialist I and Division Operations Manager Positions	Dec	**-293.0**	-293.0	0.0	0.0	0.0	0.0	0.0	0.0	-2	0	0
PCN 10-2175, PCN 10-2040												
1004 Gen Fund (UGF) -271.5												
1007 I/A Rcpts (Other) -21.5												
FY2016 Restore Publications Specialist I Position	Inc	**107.5**	107.5	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF) 86.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2016 Restore Publications Specialist I Position (continued)												
1007 I/A Rcpts (Other) 21.5												
FY2016 Restore Division Operations Manager Position	Inc	**185.5**	185.5	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF) 185.5												
FY2017 New Geologic Materials Center Fees	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This fund source change from general fund to program receipts gives the division program receipt authority to collect and spend the anticipated revenue generated by the implementation of a new fee schedule at the Geologic Materials Center (GMC). The new fees include: space rental (core viewing and confidential viewing rooms), equipment (use of microscopes and presentation monitors), services (staff support to pull samples, cut core), and computer services (printing maps and reports, core and thin section photography, and acquiring large data sets). These fees align the state with other core repositories across the country. The revenue will be used to help offset increased operational costs resulting from the relocation from Eagle River to a larger, more modern, Anchorage warehouse. While the division anticipates collecting enough fees, a short fall may result in the inability to pay for necessary upgrades, repairs, and contractual obligations.												
1004 Gen Fund (UGF) -85.0												
1005 GF/Prgm (DGF) 85.0												
FY2017 Reduce Production and Content of Annual Minerals Report	Dec	**-25.0**	0.0	0.0	-25.0	0.0	0.0	0.0	0.0	0	0	0
The Department of Natural Resources has an annual statutory obligation to provide the Annual Minerals Report to the Governor. The Division of Geological & Geophysical Surveys will continue to produce the report but in an abridged and more succinct format by highlighting only the most important aspects of the mining industry and reducing the contractual components of the report's production expenses.												
1004 Gen Fund (UGF) -25.0												
FY2017 Reduce Alaska's Presence at Mineral and Energy Trade Shows	Dec	**-20.4**	0.0	-6.0	-14.4	0.0	0.0	0.0	0.0	0	0	0
The Division of Geological and Geophysical Surveys will eliminate booths at mineral and energy conferences and trade shows. While these trade shows provide awareness about Alaska's mineral and energy investment opportunities which can lead to increased investment in Alaska, these costs can no longer be supported given the significant budget reductions the department faces.												
1004 Gen Fund (UGF) -20.4												
FY2017 Reduce Software Licensing Cost	Dec	**-7.5**	0.0	0.0	-7.5	0.0	0.0	0.0	0.0	0	0	0
Division of Geological & Geophysical Surveys currently uses an Oracle enterprise-level database to provide structured data to a number of the surveys online and internal applications, including publication and map distribution, online geochemical data, metadata authoring tools, and other geologic data compilations. Migrating from Oracle to PostGres, a free and open source object-relational database system, will save the division annually in licensing fees without the loss of features, functionality, or performance.												
1004 Gen Fund (UGF) -7.5												
FY2018 Generate New Program Receipts from Geologic Materials Center Fees	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Geologic Materials Center (GMC) is the central repository in which geologic materials collected from Alaska are cataloged, stored, and studied. The center is permanently maintained and managed by the State of Alaska. The ability to provide baseline geologic data and access to samples from prior exploration efforts is a critical part of investing in the future of our state and crucial for researchers to improve on existing data and obtain a better												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2018 Generate New Program Receipts from Geologic Materials Center Fees (continued)												
understanding of our natural resources.												
The cores and samples stored at the GMC are critical for exploration and resource management in the state, as the information they provide will likely help discover new or additional oil and gas reserves, regions of viable geothermal energy, or new mineral prospects, as they have in the past.												
Similar to most other geologic centers in the world, the GMC will begin charging fees for the use of the facility in FY2018, revenues will support GMC operations, and reduce reliance on general funds. The fee structure is in the regulatory process; fees currently under consideration include:												
Room and space rental (viewing room, sampling room, confidential room, warehouse space)												
Equipment rental (petrographic microscope, stereoscope, rock saws)												
Services (staff time for delivery of core samples, drill cuttings, core slabbing & plugging, research support)												
Computer Services (core box photography, thin section photomicrograph, seismic data, DVDs)												
1004 Gen Fund (UGF) -234.0												
1005 GF/Prgm (DGF) 234.0												
FY2018 Expand Federal Receipt Authority for Additional Grant Opportunities	Inc	**250.0**	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
The division has applied for and been awarded $2,700.0 in federal grants in FY2017, some which carry over to FY2018. With the anticipated federal awards in FY2018, the division will have a shortfall of $250.0 in federal receipts.												
Without this additional authorization, the division will be unable to conduct geological hazards projects beneficial to Alaskan communities, could default on received federal grants including those which are partially spent, and be unable to complete project deliverables. The anticipated funding and resulting project work meets long-term plans, missions, measures and statutory responsibility.												
Anticipated Federal Grants include:												
National Geologic and Geophysical Data Preservation Program												
National Coal Resources Data System												
Alaska Volcano Monitoring												
Aleutian Volcano Hazards												
Snow RADAR Survey												
Alaska Ocean Observing System												
Western Alaska Landscape Conservation Cooperative												
Alaska Resource Data Files												
Bureau of Land Management NPR-A Gravel Study												
Federal Emergency Management Agency Risk Map												
1002 Fed Rcpts (Fed) 250.0												
FY2018 Reduce Geologic Publications and Data Distribution Capacity	Dec	**-226.0**	-132.0	0.0	-40.0	-54.0	0.0	0.0	0.0	-1	0	0
The Geologic Communications section is charged with producing, archiving, and distributing Division of Geological & Geophysical Surveys (DGGS) publications, management of the state's archive of geologic data, databases, map and report repository, and maintaining the division's web site, email list serves and social media accounts.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2018 Reduce Geologic Publications and Data Distribution Capacity (continued)												
The deletion of this Publication Specialist III could reduce DGGS's capacity to deliver services in these mission-critical, statutorily mandated areas, and reduce development of innovative data release products. The reduction in contractual and supplies lines will reduce the replacement of aging network servers and computers for data storage and distribution, contractual assistance for network maintenance, programming, publication printing, plotters, and equipment maintenance.												
This reduces the Geologic Communication section staff by one position and -226.5, leaving eight positions and $862.3.												
Delete (10-2102) Publication Specialist III, range 19, Fairbanks, Full-Time												
1004 Gen Fund (UGF) -226.0												
FY2018 Reduce Travel to Industry Meetings and for Inter-Agency Coordination	Dec	**-50.0**	0.0	-50.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This reduction will eliminate staff travel to meetings and conferences, and includes the elimination of presentations intended to attract mineral and energy companies to Alaska. This could impact the division's ability to coordinate with federal and other state agencies to attract external funding.												
This will reduce the division's travel budget by 35 percent overall, but maintain the division's capacity to conduct the most critical field travel.												
1004 Gen Fund (UGF) -50.0												
FY2018 Delete Geologist III (10-2236) at the Geologic Materials Center	Dec	**-120.0**	-120.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Deletion of this position will reduce services to the public and potentially the availability of the Geologic Materials Center (GMC) for use by natural resource development companies and others conducting research into Alaska's oil and gas and mineral endowment. Loss of this position will slow the development of new products and services offered by the facility. At the current low-level of mineral and energy exploration in Alaska, this will not unduly affect the facility. On resumption of more normal levels of activity, re-instatement of this position will be requested. The division will manage staff to minimize potential impact on facility users.												
Delete (10-2236) Geologist III, range 19, Anchorage, Full-Time												
1004 Gen Fund (UGF) -120.0												
FY2018 Reduce Mineral Resources Section Field Analyses and Equipment	Dec	**-90.0**	0.0	0.0	-70.0	-20.0	0.0	0.0	0.0	0	0	0
The Mineral Resources section is charged with assessing Alaska lands for their ability to produce metals and minerals (AS 41.08.020). This will reduce funding by 50 percent for sample analyses and sampling supplies, helicopter contracts to access field areas, and field and communications equipment. Since the priority will continue to be safety-related equipment we will significantly reduce sample analyses (the geochemical analyses of rock samples, mineral occurrences and stream sediment samples, as well as age dates), reducing the amount of data that can be published for use by industry used for exploration.												
This reduces the Mineral Resources section budget to $765.8 general funds.												
1004 Gen Fund (UGF) -90.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Geological & Geophysical Surveys (continued)												
FY2019 Replace General Fund with Program Receipt Authority Utilizing New Revenue from Seismic Data	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This fund source change will utilize new revenue generated by fees for services, products and data at the Geologic Material Center in Anchorage.												
The Lt. Governor signed new fee regulations into place on October 9, 2017 and the division will begin collecting fees from these new regulations in November, 2017. Revenue from the sale of seismic data is difficult to estimate at this time but it is possible an additional fund source change in FY2020 could be supported.												
This fund source change uses revenue from the natural resource industries to fund activities that support increased natural resource development.												
1004 Gen Fund (UGF) -200.0												
1005 GF/Prgm (DGF) 200.0												
*** Allocation Total ***		**1,470.0**	736.4	32.4	625.8	75.4	0.0	0.0	0.0	-5	0	3
Alaska Coastal and Ocean Management												
FY2006 Increase general fund match allowing ACMP work to continue. This replaces uncollectible CIP receipts.	Inc	**50.0**	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF) 50.0												
FY2006 Decrease uncollectable Capital Improvement Project (CIP) receipts allowing ACMP work to continue.	Dec	**-50.0**	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts (Other) -50.0												
FY2006 Oceans Policy Council estab to coordinate state's position on ocean/coastal research/resource management in Alaska	Inc	**50.0**	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Governor has identified the Alaska Ocean Policy Cabinet as a priority in the state. The charge of the Cabinet is to coordinate the state's position for ocean and coastal research and resource management in Alaska. The funding will support OPMP and DNR's participation and role in the Cabinet and on ocean policy initiatives. Portions of three positions will work on this project. This portion of their funding was previously budgeted with federal funds which will be reallocated.												
1003 G/F Match (UGF) 50.0												
FY2006 Move ACMP federally-funded Grants to FY06 Capital Budget as pass-through grants to be tracked over several fiscal years	Dec	**-1,360.0**	0.0	0.0	-300.0	0.0	0.0	-1,060.0	0.0	0	0	0
AMCP federally-funded grants have traditionally been included in the operating budget. In FY06 we are decrementing the authorization in the operating budget and establishing a capital project for pass-through grants. This allows for better accounting of grants that can continue over several fiscal years.												
1002 Fed Rcpts (Fed) -1,360.0												
FY2006 Reduce uncollectable CIP and I/A authorization	Dec	**-47.0**	-47.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
In FY06, the ACMP will not receive funding from a Dept. of Energy (DOE) capital project RSA, reducing the CIP personal services need. In addition, CIP receipts from the Coastal Impact Assistance Program grant (federally-funded CIP) are declining, resulting in reduced CIP receipts authorization.												
IA receipts are reduced in FY06, due to budgeting additional time for PCN 01-901X (Director) in the Large Project Permitting component.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Alaska Coastal and Ocean Management (continued)												
FY2006 Reduce uncollectable CIP and I/A authorization (continued)												
1007 I/A Rcpts (Other) -26.7												
1061 CIP Rcpts (Other) -20.3												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**4.8**	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF) 4.8												
FY2007 Reduction in CIP and Federal Receipts to anticipated receipt levels	Dec	**-190.2**	-170.2	-20.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
The existing Coastal Impact Assistance Program (CIAP) grant, a federally-funded capital project, expires November 30, 2006, resulting in this reduction in CIP receipts authorization. In addition, there is a reduction in federal travel authorization to more accurately reflect our FY07 spending plan.												
A vacant Natural Resource Tech I position (PCN 10-3106) is no longer needed for program work and is deleted in FY07.												
1002 Fed Rcpts (Fed) -20.0												
1061 CIP Rcpts (Other) -170.2												
FY2008 Reduce CIP Receipts and increase I/A to reflect anticipated budget levels	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Reduce CIP receipts because project completed by 11/30/07. Increase I/A receipts to address anticipated project indirect expenses.												
1007 I/A Rcpts (Other) 26.5												
1061 CIP Rcpts (Other) -26.5												
FY2008 Lease Monitoring and Engineering Integrity Coordinator's Office (LMEICO) Liaison Position	Inc	**102.0**	83.0	7.5	7.5	4.0	0.0	0.0	0.0	1	0	0

Establish a new position for the Office of project Management and Permitting (OPMP) LMEICO Liaison, PCN 10-#016 - Natural Resource Specialist IV - Range 21.

DNR is establishing a new office in the Division of Oil and Gas called the Lease Monitoring and Engineering Integrity Coordinater's Office (LMEICO). As part of this new coordination effort, OPMP is required to provide a liaison to work with this office. OPMP is responsible for the consistency reviews related to the exploration and development of oil and gas leases. These include pipeline rights of way, other easements, permits, material sales and other associated leases.

The new liaison position (possibly established under a supplemental request) will coordinate OPMP consistency reviews for oil and gas authorizations statewide but not directly supervise the other OPMP employees. It will be crucial to participate in the first steps of creating this office this fiscal year. Some of the duties include gathering appropriate case files to share with the LMEICO, reviewing and coordinating efforts of existing OPMP staff. The liaison will ensure the required coordination without slowing down existing consistency review procedures; participate on a multidisciplinary team for oil and gas projects requiring participation of experts such as geologists, economists, petroleum geophysicists, commercial analysts, environmental specialists, engineers, hydrologists and assistant attorneys general; resolve multi-agency consistency conflicts or disputes; prepare budgets; represent the department before public, legislature and industry on coastal consistency issues related to oil and gas exploration and commercial development; analyze comments and recommendations made by state, federal and local

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Alaska Coastal and Ocean Management (continued)												
FY2008 Lease Monitoring and Engineering Integrity Coordinator's Office (LMEICO) Liaison Position (continued)												
agencies, user groups, the public, and the oil and gas industry; balance competing coastal uses or resource interests and recommend resolutions; respond to comments on behalf of OPMP; and negotiate coastal consistency alternative measures.												
1007 I/A Rcpts (Other) 102.0												
FY2008 AMD: Delete Funding for Lease Monitoring and Engineering Integrity Coordinator's Office Liaison	Dec	**-102.0**	-83.0	-7.5	-7.5	-4.0	0.0	0.0	0.0	-1	0	0
Under the newly proposed Petroleum Systems Integrity Office (PSIO), participating agencies will appoint a liaison or point of contact for the Office, but the duties will be minimal and will not require establishment of a new position or funding.												
1007 I/A Rcpts (Other) -102.0												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-123.7**	-123.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -115.5												
1007 I/A Rcpts (Other) -8.2												
FY2009 Technical fund source switch to match federal grant program plan	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This component has received transfers of general fund from the department of Administration to fund ETS chargeback. This change record switches the funding to general fund match to line up with their component funding and the federal coastal management grant structure.												
1003 G/F Match (UGF) 6.3												
1004 Gen Fund (UGF) -6.3												
FY2009 Staff Support for the Coastal Impact Assistance Program federally-funded Capital Project	Inc	**90.0**	90.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Additional personal services funding from the existing federally-funded capital projects for Coastal Impact Assistance Programs (CIAP) is budgeted for FY09 to support the ongoing requirements of the capital projects.												
1061 CIP Rcpts (Other) 90.0												
FY2010 Reduce uncollectable interagency receipt authorization	Dec	**-50.0**	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0	0	0
This transaction eliminates uncollectable interagency receipt authorization and matches the anticipated budget expenditure plan.												
1007 I/A Rcpts (Other) -50.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-2.8**	0.0	-2.8	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF) -2.8												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**8.1**	8.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $8.1												
1002 Fed Rcpts (Fed) 2.3												
1003 G/F Match (UGF) 4.0												
1061 CIP Rcpts (Other) 1.8												
FY2011 COASTAL MANAGEMENT PROGRAM (SB 4)	FisNot	**165.0**	0.0	82.0	80.0	3.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 165.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Alaska Coastal and Ocean Management (continued)												
FY2011 DID NOT PASS: COASTAL MANAGEMENT PROGRAM (SB 4)	FisNot	**-165.0**	0.0	-82.0	-80.0	-3.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -165.0												
FY2012 Coastal Impact Assistance Program (CIAP) Staff Support	Inc	**65.2**	65.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Alaska Coastal and Ocean Management is requesting additional CIP receipt authority in personal services for the management of the Coastal Impact Assistance Program grant. This authority will be funding an existing Grants Administrator I and a Project Coordinator.												
1061 CIP Rcpts (Other) 65.2												
FY2012 Division of Coastal & Ocean Management Suset	Dec	**-4,691.7**	-3,150.2	-95.9	-1,404.4	-41.2	0.0	0.0	0.0	-33	0	0
1002 Fed Rcpts (Fed) -2,679.0												
1003 G/F Match (UGF) -1,672.6												
1007 I/A Rcpts (Other) -95.5												
1061 CIP Rcpts (Other) -244.6												
FY2012 (HB 106) COASTAL MANAGEMENT PROGRAM	FisNot	**6,715.8**	3,260.0	251.6	3,144.4	59.8	0.0	0.0	0.0	34	0	0
CC: This fiscal note combines the additional funding requested with FY12 program funding removed by the Senate. Additionally, this fiscal note is updated to reflect changes made in the House Finance committee substitute. This revised fiscal note includes $1.36 million capital authorization (federal) for operating grants to communities so they have the funding necessary for local participation.												
1002 Fed Rcpts (Fed) 4,039.0												
1003 G/F Match (UGF) 1,672.6												
1004 Gen Fund (UGF) 664.1												
1007 I/A Rcpts (Other) 95.5												
1061 CIP Rcpts (Other) 244.6												
FY2012 DID NOT PASS: (HB 106) COASTAL MANAGEMENT PROGRAM	FisNot	**-6,715.8**	-3,260.0	-251.6	-3,144.4	-59.8	0.0	0.0	0.0	-34	0	0
CC: This fiscal note combines the additional funding requested with FY12 program funding removed by the Senate. Additionally, this fiscal note is updated to reflect changes made in the House Finance committee substitute. This revised fiscal note includes $1.36 million capital authorization (federal) for operating grants to communities so they have the funding necessary for local participation.												
1002 Fed Rcpts (Fed) -4,039.0												
1003 G/F Match (UGF) -1,672.6												
1004 Gen Fund (UGF) -664.1												
1007 I/A Rcpts (Other) -95.5												
1061 CIP Rcpts (Other) -244.6												
*** Allocation Total ***		**-6,247.3**	-3,273.0	-118.7	-1,754.4	-41.2	0.0	-1,060.0	0.0	-34	0	0
Fire Suppression Preparedness												
FY2007 Federal Suppression Indirect Recovery for cooperative fire suppression support and to fund nonpermanent position	Inc	**50.0**	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	1
Federal indirect collections, from federal agencies for cooperative fire suppression support, will be used to fund a												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2007 Federal Suppression Indirect Recovery for cooperative fire suppression support and to fund nonpermanent position (continued)												
1007 I/A Rcpts (Other) 50.0												
FY2007 Homer Initial Attack Lease-Lease space to maintain firefighter initial attack presence in Homer	Inc	**50.0**	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0

nonpermanent position.

Fire suppression costs are increasing and fire activity is occurring early in the year and is extending later into the summer. The state must ensure 1) obligations are estimated as fires occur, 2) funding declarations are based on sound information, 3) federal agencies' billing for support are reviewed for appropriateness of charges, and 4) its FEMA-eligible collections are maximized. This position is intended to be used by division and department financial management on an as-needed basis (estimated at half-time) as fire activity demands the requisite support of a position that has fire background, wildland fire logistics experience, and related financial expertise.

Federal indirect, collected as an interagency receipt RSA of federal funds from the Fire Suppression Activity Component, will be used to fund the fire suppression support activities to which the indirect is suited. Such activities include reporting costs of resources used during fire season, interfacing with fire management teams regarding resource utilization, managing the state's recovery for federally declared wildland fires under FEMA's Fire Management Assistance Grant Program, reviewing cooperator billings for resources acquired from them during the fire season, and projecting wildland fire suppression funding needs based on forecasted fire activity.

Forestry has had initial attack personnel and equipment located in Homer space for the past several years for only partial utility expenses paid to DOTPF. Forestry must find new space since DOTPF is demolishing and replacing the present facility. Due to extremely hazardous fuels and extensive bark beetle killed trees, combined with valuable area assets at risk, a firefighter initial attack presence in Homer must be maintained. DOF requires an increment to lease space in Homer.

The Division of Forestry has had a presence in Homer since the State assumed fire suppression responsibility on the Kenai Peninsula in 1977. During this period, the Division resources stationed in Homer have averaged over 30 fire responses annually. In recent years there have been a number of fires that could have been major disasters without prompt and aggressive initial attack response from these local resources. The Mansfield fire in 1999 started in an East End Road subdivision and threatened over 30 homes. Due to quick response by Homer based firefighters, only one out-building was lost. When the Tracy Avenue fire started in April 2005, there were an estimated 150 homes and businesses within a one mile radius of the fire start that were potentially threatened. Although the fire grew to over 5000 acres, fast and aggressive action by the Homer initial attack forces kept the fire from burning any structures and subsequent suppression actions prevented the fire from moving into densely populated subdivisions.

Other factors that contribute to the need for continued presence of fire suppression resources in the Homer area include:

- o A Spruce Bark Beetle epidemic that has claimed large areas of White Spruce. In some areas east of Homer, there are stands of Spruce with 100% mortality. This has had a significant impact to the intensity and severity of fires that occur here.
- o Homer is over 90 road miles from Soldotna, where the next closest fire resources are located. Response times from that distance would lead to much larger fires with the resultant threat to lives, homes, businesses and natural resources.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2007 Homer Initial Attack Lease-Lease space to maintain firefighter initial attack presence in Homer (continued)												
o The Kenai Peninsula, including Homer and surrounding communities, is one of the fastest growing areas in the state. Population increase is projected to continue into the next decade. It is particularly vulnerable during fire season when fishing and tourism are at its height.												
o Fire starts from lightning have increased fourfold in the last 5 years.												
The potential for catastrophic fires combined with a large and growing hazardous fuel problem, growing population, and changing weather patterns all speak to the need for continued presence of firefighting resources in the Homer area.												
This increment will be used to lease space in Homer for initial attack firefighters and equipment.												
1004 Gen Fund (UGF) 50.0												
FY2007 State Fire Assistance Federal Funding-provides various coordinated efforts and activities for fire preparedness	Inc	**160.0**	160.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The US Forest Service provides financial assistance to states to deliver coordinated wildfire response, comply with national safety standards and training, make hazard assessments, and educate the public. Without federal funding and authority, the state's preparedness for wildland fires would be diminished. Prevention and preparedness (especially in the urban interface areas) are integral to keep wildland fires from occurring and to keep wildland fires small when they do occur.												
Presently, capital projects are being used to house some of Division of Forestry's federal grants. Now, with several years of funding history related to US Forest Service grants, the Preparedness Component is able to predict some future stable funding level for certain operating activities identified within the component, resulting in this increment request.												
This increment provides a more accurate portrayal of funding sources to the component and to the positions budgeted in the component. With this incremental authority positions previously funded within allowable vacancy rates, and formerly funded via unbudgeted RSAs, will more appropriately be identified as federally funded. (Although some grant projects are one-time efforts suited to capital projects, recurrent annual funding of some operating positions via grants should be reflected with the requisite federal funding authority in the component's operating budget.)												
1002 Fed Rcpts (Fed) 160.0												
FY2008 Helicopter Contract Cost Increases for Existing Levels of Service	Inc	**226.8**	0.0	0.0	226.8	0.0	0.0	0.0	0.0	0	0	0
The Division of Forestry helicopter fleet consists of four type 2 (medium) and two type 3 (light) helicopters. Along with fire engines, this fleet of rotary wing aircraft provides the backbone of the Division's response capability. Helicopters have been used in wildland fire suppression since they were first introduced into civilian airspace. They can transport firefighters quickly to the scene of a wildland fire, provide a platform for aerial reconnaissance, deploy water bucket to directly suppress the fire, and shuttle additional personnel, equipment and supplies to the fire. They provide these same services on large fires and are often the only feasible means of transportation to the fireline. The current configuration has medium helicopters stationed in Palmer, Fairbanks, Delta Junction and McGrath. The two light helicopters are stationed in Soldotna and Tok. This distribution allows the best default response capability for the Division's area of suppression responsibility, while still allowing movement of aircraft between geographic areas when warranted by either high fire danger or fire activity.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2008 Helicopter Contract Cost Increases for Existing Levels of Service (continued)												

Helicopter costs have been increasing annually. Competition for the services they provide has increased due to increased oil, gas and mineral exploration in Alaska as well as increased off-shore support of the oil and gas industry in the Gulf Coast. The recovery work associated with Hurricanes Katrina and Rita has also contributed to a higher demand for contract helicopter services. Costs that vendors must pay for fuel and aviation insurance have also risen dramatically. All this has led to an increase of what it costs the Division of Forestry to maintain the availability of these vital resources. The Division of Forestry's four medium helicopters are procured under a five-year, annually renewable exclusive use contract. When the contract for the four medium helicopters was re-bid in the winter of 2005-06, the low bid for the contract was $123.0 above what the Division paid for the same service for the 2005 fire season. It is expected that an even more significant increase will be seen in the re-bid of the contract for two light helicopters, which will occur in the second quarter of FY07. Based on similar awards in the Federal sector, an increase of $103.8 above the current yearly contract costs for the two helicopters is expected.

Failure to maintain the fleet of contract helicopter services to at least its current level as a minimum could mean a severe reduction in the Division's ability to respond to and suppress fires. Longer response times and less capability would mean that fires would be larger, endanger lives, homes and businesses, and be much more costly. Helicopters are not only necessary for quick and effective initial attack of wildland fires, they are also vital resources for the containment and control of large, complex fires such as the Boundary Fire of 2004 or the Parks Highway Fire in 2006. The Division of Forestry must sometimes augment its initial attack fleet with helicopters procured under emergency rental authority for the purpose of supporting these large fires. These emergency aircraft rental acquisitions are more costly than exclusive use contacts, and the Division is also faced with moving helicopters long distances, including from the Lower 48, in order to meet this need. Continuation of the Division's helicopter fleet at its current level is critical to the Division's Area Offices which rely on them for primary initial attack..

1004 Gen Fund (UGF) 226.8												
FY2008 Retardant Aircraft Contract Cost Increases for Existing Levels of Service	Inc	**234.4**	0.0	0.0	234.4	0.0	0.0	0.0	0.0	0	0	0

The Division of Forestry contracts for two large air tankers for use in wild land fire suppression. These air tankers can each deliver 3,000 gallons of fire retardant with each drop. The two tankers are normally stationed in Fairbanks and Palmer for quick response to the two largest population wildland/urban interface areas of the state, but also are based in Kenai, Delta, Tanacross, McGrath, or Galena based on fire danger or fire activity.

Air Tankers are one of the most potent tools available to the Division of Forestry for quick and effective suppression of wildland fires. Used early in the initial attack of smaller fires, they can make a difference in keeping the fires small and preventing them from becoming catastrophic project fires. On large fires, they are used to build fireline, support burn out operations, and protect property. While they are most effective when ground forces are available to back up aerially applied retardant with additional suppression actions, air tankers are invaluable in providing "knock down" power on active flames and in slowing down or preventing fire growth.

Currently, the Division of Forestry contracts for two Boeing DC-6 air tankers under a five-year, annually renewable, exclusive use contract. The contract is up for renewal in the second quarter of FY08 and the Division is anticipating a significant increase in contractual costs when the contract is re-bid. The current contract was awarded in 2002 to a Canadian company, Conair Inc. At a minimum, a new bid by this or other Canadian

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2008 Retardant Aircraft Contract Cost Increases for Existing Levels of Service (continued)												
companies will reflect an increase in the Canadian/US exchange rate and will also reflect higher operating costs for fuel and aviation insurance. Due to a number of air tanker accidents in 2002, the federal government cancelled all of their air tanker contracts until a re-evaluation of the air tanker fleet could be completed. Since that time, only a very few aircraft have been approved for use as air tankers and as a result, many of the American air tanker contractors have gone out of business. The few air tankers that are available on the American market are already under contract to one of the federal firefighting agencies. This has significantly reduced the availability of these aircraft and indicates that Canadian companies, like Conair, will most likely be the only bidders on the State of Alaska contract.												
1004 Gen Fund (UGF) 234.4												
FY2008 Fire Season Preparedness	Inc	**970.0**	795.0	15.0	93.0	67.0	0.0	0.0	0.0	0	0	0

Climate changes are having an effect on the length of the wildland fire season in Alaska. The Alaska Legislature recognized this fact in amending State Statutes to change the Fire Season from May 1st - September 30th, to April 1 - August 31st. Although the Division of Forestry has funding authority through the Fire Suppression Activity Component to allow the continuation of fire suppression activities in the fall, this component is primarily targeted at paying actual suppression costs of on-going fires. The Division of Forestry must still be prepared for fire activity throughout the period of time when fires can be expected. Recent years have shown that fire activity has also increased in the late summer and fall beyond the historic norm. The longer fire season requires that initial attack personnel, warehouse workers, dispatchers, and their supervisors be available for a minimum season of five months. This increment funds readiness, response and prevention of wildland fires throughout the fire season.

Extensive scientific documentation and media coverage exists on the impact Alaska is experiencing from climate change. According to one of many researchers with similar results, UAF Professor Terry Chapman has reported that Alaska's climate is warming more in the summer than previously thought. The increased warming is mostly due to an increase in the snow free season. The loss of snow cover leads to warmer soils and a longer growing season allowing for trees and shrubs to advance. Snow reflects solar radiation; trees and shrubs capture the sun's rays and redirect it into the local atmosphere as heat. Chapman's paper predicts a warming increase of two to seven times the current rate if trees and shrubs continue to spread.

Additionally, the Alaska Climate Research Center (ACRC) reports that the average temperature increase over the last 5 decades is 3.4 degrees F. For 2004, the ACRC also reports that locations across the state from the Southeast Panhandle to the Seward Peninsula had departures for the combined June, July, and August mean temperature ranging from 3.4 degrees to 5.0 degrees F above normal. Nome, Fairbanks, Anchorage, King Salmon, Valdez, and Juneau all experienced the warmest summer on record.

Some of the indications that these climatic changes are having a significant effect on the length and intensity of the fire season can be seen in recent fire statistics. Some of the more dramatic indicators include:

- March has averaged 16 fires for the last three years. This is eight times higher than the previous 10 year average.
- April has averaged 32 fires over the last three years.
- 2005 was the driest April in the Interior in 101 years.
- On average, in April, over 1500 acres have burned in the last three years. This is three times the average for the previous five years.
- From 1999 to 2000 the average acres burned in May has been 2,583 acres. The 2001-2006 average was over

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Fire Suppression, Land & Water Resources (continued)

Fire Suppression Preparedness (continued)

FY2008 Fire Season Preparedness (continued)

30,000 acres.

- Although for the 2006 fire season, the number of fires and acres was low compared to 2004 and 2005, Alaskan resources were critical in supporting the unprecedented fire season experienced in the western US and Canada.
- After August 1 in 2005 three million acres burned. Historically, a fire season ending weather event occurs in late July or early August.
- After August 1 in 2004 2.8 million acres burned.
- The Kenai Peninsula experienced a total of 19 lightning caused fires in 2005, where there were only a total of 25 from 1985 through 2004.
- Both the Kenai and Mat-Su valley had a record number of lightning strikes in 2005.
- During the last four fire seasons Alaska burned an area the size of Connecticut, Massachusetts and Rhode Island combined.

Alaska Statute 41.15.050 was amended in the last legislative session to read "the period from April 1 to August 31, inclusive, of each year is designated the fire season". While this change mandated the Division of Forestry to be prepared to respond to fires earlier than it historically has, there was no provision to fully fund the range of fire preparedness activities that must be conducted throughout the period of expected fire activity. Historically, fires outside of the fire season have been suppressed by the permanent full time staff of the Division of Forestry. When the number or complexity of these fires exceed the ability of the permanent full time staff to handle, with increasing frequency as has occurred in recent years, seasonal firefighters must be called from seasonal leave directly to the fireline. 85% of the Division of Forestry's employees are seasonal. These seasonal firefighters comprise the primary workforce of the Division. Most work a four-month season which historically began about April 15. Calling in seasonal employees outside of their normal season creates a number of significant problems for the Division, not the least of which is compromising national training standards for safety and fitness.

The need for safety training and fitness testing have long been a part of the wildland firefighting profession, but it has only been in the last ten years that national standards have been developed and adopted profession-wide. This has been in response to wildland fire fatalities that occurred on such notable incidents as Storm King Mountain (Colorado - 14 fatalities), 30 Mile (Washington - 4 fatalities), and Cramer (Idaho - 2 fatalities). These standards, established by the National Wildland Fire Coordinating Group (NWCG), mandate that all wildland firefighters must complete a safety refresher course and demonstrate their fitness by successfully completing a work capacity test each year prior to responding to wildland fires. In addition, there are other professional mandates that require annual training in hazardous materials awareness, first aid, and blood borne pathogens. These same firefighters who must receive annual training are also the core cadre of instructors for providing the same training plus entry level wildland fire training to local fire department personnel and emergency firefighters, including those in remote villages. In addition to training there are many other duties that must be performed in advance of responding to fires and throughout the period that fires are likely to occur. Because fires are not a year-round activity and due to the seasonal nature of the workforce, each fire season requires considerable start-up. Preparing fire apparatus for fire readiness, preparing warehouse functionality, updating fire equipment inventories, getting dispatch offices and technical systems operational, preparing maps and other documents, ensuring helicopter and fixed wing aircraft contract compliance and fire readiness, and preparing equipment such as pumps and chainsaws for use on fire are just some of the required tasks.

There are other factors in addition to apparent climate change that contribute to the need for longer seasonal time for the Division's firefighters. Alaska is experiencing unprecedented growth into the wildlands, especially in areas along the railbelt. In the Mat-Su Borough for instance, the population has grown 57% since 1990 (Neal, Fried,

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Fire Suppression, Land & Water Resources (continued)

Fire Suppression Preparedness (continued)

FY2008 Fire Season Preparedness (continued)

Alaska Economic Trends), and growth at that rate is expected to the year 2013 (Alaska Dept. of Labor news release). With more homes and businesses being built in wildland areas, there are not only more values to be protected but there is a commensurate increase in the risk of human caused wildland fires. Therefore, fires that are occurring earlier are also more complex than they have been in the past and the potential threat of catastrophic loss is higher than it has ever been.

In Alaska, the fire season can generally be characterized by two sub-seasons. The early or spring season is characterized by dry, cured grass as the primary fuel that carries fire and most of the fire starts are caused by human activities. 84% of wildland fires in Alaska are human caused and 50% of the human caused fires occur prior to June 1. The later season is characterized by mature forest types, such as Black Spruce, being the carrier fuel and lightning being the predominant cause of ignitions. Although more acres are burned by these later fires, they typically don't pose the same degree of risk to human values in the wildland. Along with increased fire risk, earlier spring break-up coincides with an earlier construction season which leads to early land clearing and associated burning. Spring is also the traditional time in Alaska for residential debris burning by home owners. Both of these activities are primary sources of wildland fire starts. With this increased activity comes the need for open burning regulation enforcement and public education in fire prevention and Firewise construction and landscaping principles. It is a part of the same seasonal workforce that is tasked with this public fire prevention, education and enforcement workload.

A further complication of longer fire seasons is the Spruce Bark beetle infestation that has dramatically increased the fire danger in the Anchorage Bowl, on the Kenai Peninsula, Copper River and in other areas of the state. There are 1.1 million acres of dead trees on the Kenai alone and over 3 million acres statewide. This fuel hazard further adds to the complexity of fires occurring at any time during the year, but particularly prior to green-up. The Tracy Avenue fire in the spring of 2005 is a good example of a complex fire in beetle killed spruce that required a large commitment of resources to suppress. This fire, which started from downed power lines near Homer on April 28, burned over 5,400 acres and lasted 7 1/2 weeks. It was the earliest recorded use of an Incident Management Team on a fire in Alaska.

One additional consideration in the need for an earlier start to the seasonal workforce is the fact that the Bureau of Land Management, Alaska Fire Service has experienced a significant reduction in their operational capability due to federal budget reductions. While the Division of Forestry has relied on federal cooperators for support in the past, there is now reduced ability to use federal resources to augment state resources on early season fires. In fact, with the types of extreme fire seasons that are becoming more common in the western US and Canada, State of Alaska firefighters are being called upon more frequently to provide assistance to our federal cooperators.

To summarize, wildland fire activity has significantly increased during a period of the year for which the Division of Forestry is not currently and has not been historically budgeted or staffed. Additional challenges to these early season fires are manifest in increased areas of wildand-urban interface, increased human activity that leads to wildland fires in these same areas, the increasing presence of extremely hazardous fuel due to bark beetle infestations, and reduced access to cooperator resources. There is a need to prevent, prepare for and respond to these fires in a manner that does not pose a safety risk to firefighters and meets statutory mandates for fire protection. This increment would allow the Division of Forestry to bring firefighters, associated support staff, and some contracted suppression aircraft on duty prior to most fires occurring in the spring. This would allow the Division to meet required training needs, complete a large number of other preparatory tasks, and respond more reliably to fires that could lead to significant damage to the homes, businesses and lives of Alaskans.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2008 Fire Season Preparedness (continued)												
1004 Gen Fund (UGF) 970.0												
FY2008 AMD: Deny Increase for Additional Funding for Fire Season Preparedness	Dec	**-970.0**	-795.0	-15.0	-93.0	-67.0	0.0	0.0	0.0	0	0	0

Climate changes are having an effect on the length of the wildland fire season in Alaska. The Alaska Legislature recognized this fact in amending State Statutes to change the Fire Season from May 1st - September 30th, to April 1 - August 31st. The original budget submission included $970.0 to help bring seasonal firefighters back earlier in order to get training up to speed for the season.

As of yet, there has not been a full fire season in order to determine the actual costs of the change in fire season dates. Until we have a better baseline on what kind of increase the change will require, we are eliminating the increment. We should have an better estimate on the need for additional funding at the end of the season.

1004 Gen Fund (UGF) -970.0

FY2008 Upgrade Helicopter Capability	Inc	**50.4**	0.0	0.0	50.4	0.0	0.0	0.0	0.0	0	0	0

The Division of Forestry helicopter fleet currently consists of four type 2 (medium) and two type 3 (light) helicopters.

This increment would fund the increase in cost to contract for two medium helicopters in place of the light helicopters. This change to medium helicopters provides faster, more effective fire response.

On large fires, medium helicopters are the tool of choice for most missions. They can carry a significantly larger sling load, which is the primary method of transporting tools and supplies to the fireline. Their water bucket capacity makes them much more effective in direct fire suppression, and they can carry up to 9 people as compared to a maximum capacity of 4 for the light helicopters. Light helicopters are used primarily for aerial reconnaissance only on large fires.

Along with fire engines, this fleet of rotary wing aircraft provides the backbone of the Division's response capability. Helicopters have been used in wildland fire suppression since they were first introduced into civilian airspace. They can transport firefighters quickly to the scene of a wildland fire, provide a platform for aerial reconnaissance, coordinate communications between other responders such as local fire departments and State Troopers, deploy water buckets to directly suppress the fire, and shuttle additional personnel, equipment and supplies to the fire. They provide these same services on large fires and are often the only feasible means of transportation to the fireline. The current configuration has medium helicopters stationed in Palmer, Fairbanks, Delta Junction and McGrath. The two light helicopters are stationed in Soldotna and Tok. The light helicopter normally stationed in Tok is shared with the Copper River Area. The four medium and two light helicopters are all procured under five-year, annually renewable, exclusive use contracts.

Type 2 or "medium" helicopters are typically Bell model 205 and 212 helicopters. Normally configured for initial attack, they carry 4 firefighters, a 300 gal bucket, a portable pump, fire hose, a chainsaw, firefighting hand tools and enough gear to subsist the firefighters for three days. One standard type 2 helicopter load provides all the firefighting and support capability for the majority of fires they are dispatched to. A typical response might be aerial reconnaissance of the fire scene upon arrival by the firefighter in charge, landing as near as possible to the fire, off-loading personnel and equipment, deploying the water bucket (which is carried internally in the helicopter up to that point), and dropping water on the fire with the bucket while the crew attacks the fire using hand tools and/or pump and hose. The type 3 or "light" helicopters are represented by Bell 206B, 206L, and Aerospatiale A-Star helicopters. A standard load consists of two fire fighters, a 100 gallon bucket, hand tools, and firefighter support

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2008 Upgrade Helicopter Capability (continued)												
gear. Payload does not normally include a pump, hose, or chainsaw. While these helicopters are also often the first unit to arrive on a fire scene, additional trips for more firefighters and gear is often necessary to allow for effective suppression. The additional trips delay deployment of the water bucket, which at 100 gallons has considerably less firefighting effectiveness than the 300 gallon bucket for the medium helicopter.												
The need for upgrading the two light helicopter contracts to medium helicopters is not limited to increasing fire fighting effectiveness during initial attack of wildland fires. When the state experiences large fire seasons such as those in 2004 and 2005, the Division of Forestry must augment its helicopter fleet with additional aircraft. In recent years, competition for helicopters hired through the "Call When Needed" (CWN) process has increased due to increased oil, gas and mineral exploration in Alaska as well as increased off-shore support of the oil and gas industry in the Gulf Coast. The recovery work associated with Hurricanes Katrina and Rita has also contributed to a higher demand for helicopter services nationwide. This means that when the Division of Forestry requires additional helicopter capability, those aircraft are coming from much farther away (often from the Lower 48 states) at a much higher cost. Since 1998 the Division of Forestry has had to hire 43 helicopters through the CWN process. This has translated to an average daily cost for CWN helicopters of $9.6 and the Division has spent an average of $318.3 per year which, in total since 1998, translates to almost $2,000.0 on critical CWN helicopter services. Upgrading the contract for two helicopters from lights to mediums would reduce the need to procure medium helicopters through the CWN process and ultimately result in significant savings.												
Assuming a reduction of CWN helicopters hired each year from 7 to 5 (the current 5-year average), a savings in daily costs from $9.7 (avg. CWN daily cost) to $3.1 (daily availability per the existing Type 2 Exclusive Use Contract) per helicopter would be realized.												
If this daily savings of $13.2 (9.7-3.1 X 2) is extrapolated out to 33 days, which is the 5-year average for the number of days the Division has used CWN helicopters each year, the potential savings to the state could exceed $400.0 per year, reducing costs typically funded through the Disaster Declaration process in the Fire Activity Component.												
Funding an increment to cover the cost of upgrading two light helicopters to medium helicopters would not only provide for more effective initial attack of wildland fires, it would ultimately result in reducing the amount of funding normally obtained through emergency declarations for the Fire Activity Component when additional type 2 helicopters were required to meet the needs of large fire years.												
1004 Gen Fund (UGF) 50.4												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-96.6**	-96.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -50.0												
1061 CIP Rcpts (Other) -46.6												
FY2008 Funding to implement Forester and Forest Technician job classification study results	Inc	**230.3**	230.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Senate Finance Adopted amendment Huggins #1												
1004 Gen Fund (UGF) 225.0												
1061 CIP Rcpts (Other) 5.3												
FY2009 Aviation Contract Cost Increases	Inc	**856.9**	0.0	0.0	856.9	0.0	0.0	0.0	0.0	0	0	0
This increment is critical to meet increases in contracted aviation support for fire fighting. Prior five year contracts are expiring and comparable private sector contract comparisons indicate increases possibly as high as 50% for												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Fire Suppression, Land & Water Resources (continued)

Fire Suppression Preparedness (continued)

FY2009 Aviation Contract Cost Increases (continued)

air tankers - an essential resource for fighting urban-interface fires. The currency exchange rate for Canadian airtankers now puts the US dollar at a disadvantage. Federal airtankers will not be available in-state for support, making initial attack success even more essential. The advantage of five year contracts is locking in lower, longer term rates and was quite successful in the last bidding cycle. However the cumulative impact of increased costs, market conditions, and industry changes realistically creates budget increases that can only be met by an increment.

The Division of Forestry contract aircraft fleet consists of two air tankers, seven helicopters, two air attack airplanes, and a utility fixed wing airplane. The latter three aircraft are on long term lease agreements and are piloted by state employees. The air tankers and helicopters are typically procured through a five year, annually renewable contract in which aircraft and pilots are secured for the exclusive use of the state for a set period of time (90 days, usually). This fleet comprises the backbone of the Division's fire fighting capability and is an essential element in the Division's mission to provide wildland fire management and suppression services. Due to a number of air tanker accidents in 2002, the federal government cancelled all of their air tanker contracts until a re-evaluation of the air tanker fleet could be completed. Since that time, only a few aircraft have been approved for use as air tankers and as a result, many of the air tanker contractors have gone out of business. This has led to a decline in the number of viable air tanker contractors within the US, leaving the State with fewer options for obtaining contractual air tanker services.

For the contract that ended at the end of the 2007 fire season, the state contracted two DC-6 air tankers from the Canadian company Conair, Inc. The federal government has not certified these air tankers for use on fires in areas that are protected by federal agencies and it is unlikely that this particular make and model of aircraft will ever be certified for their use. This has led to the inability to share air tankers between the state and federal cooperators which has significantly impacted the efficiencies of both agencies to respond to fires.

The DOF anticipates a significant increase in contractual costs for air tankers due to increased operating costs for the vendors and changes to the US/Canadian exchange rate. A new 5-year contract for two air tankers will be issued in the first half of FY08. The current contractor has indicated that their bid will be significantly higher for these two aircraft than in previous years. In 2006, Conair contracted with the Yukon Territory to provide two DC-6 aircraft with a daily availability that is nearly double what the state paid for the same aircraft in the just-ended 5 year contract. In 2007, the US Forest Service approved several types of air tankers under contract to British Columbia to be used on USFS Fires in Oregon, Washington, Idaho and Montana. It is expected that if Conair again bids on this contract that they will offer one of these federally approved aircraft as a part of their bid. If the state were successful in contracting for a tanker that was approved for use on federally managed fires it would allow the free exchange of air tankers between the state and federal agencies, allow for much greater fire suppression efficiency and save both the state and federal government fire suppression costs. The types of aircraft that were approved in 2007 for federal use are newer, turbine powered aircraft, which are faster and more reliable than the piston aircraft the state has contracted for in the past. At this time, there are no known U.S. vendors who are likely to bid on a state contract.

The Division also anticipates additional increases in the cost of contract helicopters. In attempting to contract for two helicopters last fall, there were no bids for the type helicopter specified in the original Invitation to Bid (ITB). The specifications were adjusted to allow for helicopters with less capability to compete. The final award for these smaller, less capable helicopters was significantly higher than the cost of fully capable helicopters which was awarded just two years ago. There are a number of reasons for these large cost increases, but it is mostly related

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2009 Aviation Contract Cost Increases (continued)												
to a state and worldwide increase in demand for these services while service providers, especially in Alaska, face increased costs related to parts availability, insurance costs, and a number of other business challenges.												
1004 Gen Fund (UGF) 856.9												
FY2009 AMD: Classification Letter of Grievance Resolution for Wildland Fire Dispatchers	Inc	**61.7**	61.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

This increment funds the personal services cost increases resulting from a Letter of Grievance Resolution between the State and the Alaska State Employees Association (ASEA) related to step placement of employees during implementation of a classification study for Forestry-specific job classes.

The classification study was implemented by the Department of Adminstration (DOA) in February 2007. During the process of making findings and allocations for the study's specific job classes, DOA made a determination that incumbents allocated into the new Wildland Fire Dispatcher series would not be eligible to carry their salary step placements from their prior Forest Technician job class. Forest Technicians allocated to the new Wildland Fire and Resource Technician job classes did carry their step placements per GGU contract Article 21.06 F(4). The cost of the initial implementation of the class study was funded by the Legislature in the FY08 operating budget.

Since the classification study was implemented and as part of the Letter of Grievance Resolution, DOA has determined that the costs resulting from the class study should have included Dispatch incumbents carrying their salary step. The retroactive FY07 and FY08 operating costs resulting from the Letter of Grievance Resolution were addressed via an FY08 Supplemental budget request. This FY09 increment will address the annual personal services cost changes to the Fire Suppression Preparedness Component which should have been identified along with its Forestry class study increments in the prior budget request cycle.

1004 Gen Fund (UGF) 61.7

FY2009 AMD: State Equipment Fleet Rate Increases	Inc	**61.0**	0.0	0.0	61.0	0.0	0.0	0.0	0.0	0	0	0

This increment funds the cost increases for state equipment fleet field vehicles for FY09, resulting from Department of Transportation's (DOT's) new methodology to establish operating and replacement costs. Formerly, DOT vehicle rates were calculated on a regional basis and then averaged to produce statewide department rates. In FY09, DOT is transitioning to individual rates specific to each vehicle. The Department of Natural Resources has substantial percentage increases in costs for its vehicles used by the Division of Forestry, including its emergency response vehicles such as brush rigs and fire engines, field operations vehicles such as those used in timber sale layout and administration, and supply and support vehicles including personnel transport vans and warehouse supply trucks.

Two budget components in the Division of Forestry are affected by the changes to DOT vehicle rate changes. The Forest Management and Development Component is requesting $13.7 (via transfer from other components with savings in their vehicle costs under the new rate structure) and the Fire Suppression Preparedness Component is requesting $61.0. Both amounts are substantiated by the detailed DOT fleet records comparing cost changes from FY08 to FY09. The request was developed by determining the individual vehicle rate increases or decreases, and asking for an increment to cover only the net increase. For the Fire Suppression Preparedness component, there were increases of $80,832 and decreases of $19,843, resulting in this budget request of $61.0 to cover the net increase.

Operating rates and replacement rates are calculated on the basis of individual vehicles, including DOT's use of historic maintenance information to establish the rates. Some vehicles reflect high maintenance costs that translate into the increased rates, although they are vehicles which cannot be replaced because capital funds are

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2009 AMD: State Equipment Fleet Rate Increases (continued)												
not available for vehicle replacement. Without the vehicles, Forestry's ability is compromised to deliver people and supplies to the field and to provide rapid response to wildland fires in areas of wildland/urban interface.												
1004 Gen Fund (UGF) 61.0												
FY2009 AMD: Aviation Contract Cost Increases Known After Original Budget Submittal	Inc	**180.8**	0.0	0.0	180.8	0.0	0.0	0.0	0.0	0	0	0

This increment funds the difference between the estimated and actual bid costs received for aircraft as updated on December 31, 2007 for helicopters and February 5, 2008 for tankers. The aviation fleet consists of two air tankers, six helicopters, two air attack airplanes, and a utility fixed wing airplane. The latter three aircraft are on long-term lease agreements and are piloted by state employees. The air tankers and helicopters are procured through a contract in which aircraft, pilots and mechanics are secured for the exclusive use of the state for a set period of time. This fleet comprises the backbone of the Division of Forestry's fire fighting capability and is an essential element in the Division's mission to provide wildland fire management and suppression services.

The Division of Forestry (DOF) has been attempting to keep up with expected cost increases in the contract portion of the aircraft fleet through annual budget increment requests in each fiscal year in which a contract is up for renewal.

This amendment request is calculated as follows:

$2,784.5 Aviation Fleet Allocation in FY07
+ $ 234.4 FY08 Tanker contracts increment
+ $ 50.4 FY08 Helicopter medium duty increment
+ $ 226.8 FY08 Helicopter contracts increment
= $3,296.1 FY08 Authorization available for Aviation Fleet Contracts

$4,333.8 Total Cost of Aviation Contracts (as of February 2008)
- $3,296.1 FY08 Authorization available
= ($1,037.7) Difference between Authorization Available and Total Cost of Contracts (shortfall)
+ $ 856.9 FY09 Governor's Budget initial increment request
= ($180.8) Shortfall requested now in governor's FY09 Amended budget

Helicopter Detail:
In the fall of 2007, DOF sought bids on three helicopter contracts for three different locations (Tok, McGrath and Soldotna). When the bids were awarded in December 2007, there were five vendors offering a total of six aircraft for the three contracts. Bids ranged from a low of $3,825/day to a high of $6,000/day. Even the lowest bid exceeded our pre-bid estimate of $3,255/day. The three lowest bids were $3,825, $4,100 and $5,500. Although our initial increment requests were based on the best information we had available at the time, the actual costs of the contracts when bids were completed are much higher than our estimates and what was originally requested in the increment.

Tanker Detail:
We were also aware in FY07 that the cost for air tankers would be significantly higher when a new 5-year contract was awarded in the second half of FY08. We requested an increment to cover this expected shortfall for FY08 based, again, on the best information available to us. Anticipating market response to escalating costs within the

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2009 AMD: Aviation Contract Cost Increases Known After Original Budget Submittal (continued)												

aviation industry is difficult at best. When complications such as the federal government's decision to cancel all of their large air tanker contracts and the subsequent decertification of a large portion of their aircraft fleet occur, the determination of what assets are available and what their associated cost are is even more difficult. While preparing the FY09 budget it became apparent that we had underestimated in FY08 the likely contract costs for air tankers. We based our initial increment request on a revised estimate that air tanker contract rates for each aircraft would increase to $8,700/day. When bids were opened on Feb. 5, 2008, there was a single bidder who offered a contract price of $8,995/day. Once again the estimates used to prepare the increment were short of actual contract costs.

Summary:

Since all contracts have been or are in the process of being awarded, the actual cost associated with these contracts is now known. This increment would fully fund contracts for six helicopters and two air tankers for the standard 90-day period during FY09.

1004 Gen Fund (UGF)	180.8											
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Federal Funding mechanisms are changing from support of long-term programs to short-term projects focused on national goals funded through national or regional competitions. Alaska is at a disadvantage in competing for these funds because many national priorities are focused on more urban states. The US Forest Service has funded services (partially or almost wholly, depending on the projects) in Alaska since 1992 including forest stewardship planning, community forestry, natural resource education, and state fire readiness. Since federal fiscal year 07, Alaska's receipts have decreased for non-competitive grants and for grants that are not short-term project-specific projects. The decreases have been made to meet the US Forest Service goal of 15% less for service support grants. While Alaska continues to submit applications for competitive grants to replace losses to program funding, federal funding is dropping due to the new priorities that favor densely populated areas in the nation.

1002 Fed Rcpts (Fed)	-14.5											
1004 Gen Fund (UGF)	20.0											
1061 CIP Rcpts (Other)	-5.5											
FY2010 Federal Collections for Information Officer PCN 10-Z091	Inc	**39.6**	39.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

This FY10 change increments capital receipt authority for the Fire and Aviation Program to collect federal grants which fund an Information Officer PCN 10-Z091. Annual grants from the US Forest Service will fund this position. The PCN is documented in the Fire Suppression Preparedness Component's FY09 Management Plan.

During fire seasons, providing accurate and timely information is essential to the public and ensures firefighters can concentrate on the fire. This position responds to the growing demand for public information. The position is

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2010 Federal Collections for Information Officer PCN 10-Z091 (continued)												
funded by sustainable collections. This increment now budgets for the collection, and budgets for the position's function which was formerly accomplished via the use of a long-term non-perm and emergency workers.												
1061 CIP Rcpts (Other) 39.6												
FY2010 Alaska Interagency Coordination Center (AICC) Support	Inc	**90.0**	0.0	0.0	90.0	0.0	0.0	0.0	0.0	0	0	0

The Alaska Interagency Coordination Center (AICC) provides statewide services in the management and coordination of wildland fires for all federal and state agencies in Alaska. Wildland fire operations, information collection and distribution, and allocation of fire resources are coordinated through individual agency representation at AICC. AICC is located on Ft. Wainwright in a facility owned and operated by the Bureau of Land Management (BLM), Alaska Fire Service (AFS). Through a Cooperative Agreement and Annual Operating Plan, the Division of Forestry contributes both personnel and operating capacity to these interagency activities. The Division of Forestry pays for employee office space and other services that are provided by BLM/AFS through terms provided in these agreements.

The cost billed by BLM/AFS will exceed $200.0. The cost increases are reflective of AFS facility operation cost increases, increase in capacity of the Alaska Lightning Detection System, addition of several Remote Automated Weather Stations (RAWS), increased maintenance of RAWS, and a number of other factors including location of Forestry's communications coordinator at AICC. This is the first increment request that the Division of Forestry has made to cover these increased costs.

BLM Alaska Fire Service bills the State for the following services:

(in thousands)
Office Space (Fire Ops Forester), $7.0
Office Space (Fire Weather Coord.), $3.0
Alaska Lightning Detection System (ALDN), $41.0
Remote Automated Weather Station Support, $83.0
Teletype Support, $5.0
AICC Base Expenses, $7.0
Air Attack Building, $4.0
McGrath Facility Maintenance, $50.0

Value to the citizens of Alaska will be in the efficient and effective provision of wildland fire operational decision making and support on an interagency basis.

This increment supports the targeted 90% success rate of fires suppressed at 10 acres or less, and reduces duplication of services between the federal government and state wildland fire agencies.

1004 Gen Fund (UGF) 90.0

FY2011 Federal and Local Government Funded Forest Resource and Fire Program Projects	Inc	**450.0**	300.0	35.0	20.0	95.0	0.0	0.0	0.0	0	0	0

Portions of this program are being transferred to the operating budget from the capital budget, since they represent ongoing program expenditures. This increment is one of three requests in the operating budget needed to implement this change.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2011 Federal and Local Government Funded Forest Resource and Fire Program Projects (continued)												
Annual consolidated grant funds from the US Forest Service are used for the State Fire Assistance federal cooperative program to enhance firefighting capacity, support community-based hazard mitigation, and expand outreach and education to homeowners and communities concerning fire prevention. The services from federal State Fire Assistance programs contribute to the component's end result to provide wildland fire protection on state, private, and municipal land commensurate with the values at risk.												
1002 Fed Rcpts (Fed) 450.0												
FY2011 Incorporate $15 million of fuel trigger in FY11 base. Trigger start point moves from $36 to $51.	Inc	**21.0**	0.0	0.0	21.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 21.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-23.5**	0.0	-23.5	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -23.5												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This request shifts unrealizable Federal fund sources to General Funds for the Fire Suppression Preparedness Component to fund bargaining unit cost increases.												
In FY12, the Division of Forestry will be spending from grant awards defined prior to the state's negotiation of salary cost increases. Grant awards specified deliverables for the State and Volunteer Fire Assistance programs based on negotiated salary rates that were in place under the 2007 - 2010 bargaining unit agreements. The FY12 collective bargaining rates are not covered under the grant presently acquired. Activities impacted include initial attack and containment of wildland fires; training of firefighters, fire department personnel, and dispatch and logistics support; and prevention, safety, and public education.												
If not funded, end results affected include safe wildland fire management and containment of initial attack fires, and adequate resources for response to wildland fire incidents.												
1002 Fed Rcpts (Fed) -25.4												
1004 Gen Fund (UGF) 25.4												
FY2012 AMD: Wildland Fire Academy	Inc	**390.0**	140.0	70.0	110.0	70.0	0.0	0.0	0.0	0	0	0
The demands of wildland fire fighting in Alaska have changed. Factors such as urbanization, the continued addition of recreation and remote improvements, weather anomalies, liability issues, training requirements are all contributing factors. To meet these demands as well as maintain wildland fire service levels to the public and increase training and job opportunities for Alaskan residents, the Division of Forestry needs to change the approach to fire fighting training with a Wildland Fire Fighting Academy. This approach will give Alaskans an opportunity to establish a foundation for future careers in wildland fire management.												
Wildland Fire Fighting Academies will provide courses in dispatching, helicopter crew member, engine boss, additional introductory and advanced training required for initial and extended attack fire fighting, and fire business management. Courses will meet standards for National Wildfire Coordinating Group (NWCG) designed to provide a curriculum that reflects the complexity and demands of Alaska's fire fighting as well as meeting national interagency standards. Courses would be in cooperation with the University of Alaska and students would receive college credit establishing a foundation and encouragement towards an advanced degree. The Academies would train 80-120 students, depending on the mix of courses offered.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Fire Suppression, Land & Water Resources (continued)

Fire Suppression Preparedness (continued)

FY2012 AMD: Wildland Fire Academy (continued)

It is important to note that the term 'Academy' is not used as a location, but a concept for centralized coursework, administration, and opportunity. The primary focus has been in Tok and McGrath where rural students have best been reached. However, it is the intent of the Academy(s) to be able to move as needed to an area where the environment is most conducive or conditions are such that holding centralized training at that location would serve the greatest need.

Wildland Fire Fighting Academies will provide in-state capacity for single-resource personnel and crews while contributing to maintaining an experienced and qualified work force. It will serve to reduce the Division of Forestry's reliance on Lower 48 agency personnel and crews while providing jobs to Alaskans. Cooperative support, financially and in-kind, has been demonstrated from the Bureau of Indian Affairs, U.S. Fish and Wildlife Service, Doyon Foundation, Tanana Chiefs, Association of Village Council Presidents, and Alaska Fire Service. A majority of this support will be directed towards recruiting, transporting, and outfitting students from rural Alaska.

This increment would have a statewide impact. Academies would be offered in communities such as Tok, McGrath, Fairbanks, and Palmer.

Personal services costs would be used to increase staff months for existing employees. Two Regional Training and Prevention Officers (PCN 10-9810 and 10-9811) are the known, constant PCNs that will be used during each academy year. The use of other PCNs will be dictated by the focus and location of the training which will be determined based on need. This increment also includes travel for student and instructor transportation, training space, and course materials and equipment.

Positive impacts of fire fighting training on individuals, communities, and Alaska

- Individuals: The academy equips Alaskans with the qualifications to take job assignments as single resources or to advance as more experienced crewmembers.

- Villages/Communities: Increased qualifications lead to increased job opportunities which provide positive impact to village/community economies. Each student takes the newly-gained experience and can help mentor rookies and other individuals who are interested in becoming a fire fighter. Fuels reduction strategies can be discussed and that knowledge brought back to the community. One new crew boss can result in 15 other job opportunities for the village.

- Alaska Firefighting Community: Academies will provide the future supervisors on crews, such as a Squad Boss/Assistant Crew Boss/Crew Boss. Their skills sets allow them to be single resources and fill overhead and staffing needs for the agencies and on assignments.

- Sustainability: The success of these two academies and the partnerships developed has laid a strong foundation for future academies. With 9.5% average unemployment in rural Alaska, and some regions at 16%, two thirds of Forestry's current employees eligible for retirement within five years, the academies offer career development opportunities in forestry and management of Alaskan resources to a broader rural group.

Goals and Objectives:

- Reduce the number of fire fighting resources needed from outside of Alaska.
- Increase emergency response preparedness.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2012 AMD: Wildland Fire Academy (continued) - Increase rural Alaskan opportunities for career, educational, and economic advancement. - Provide additional training for Alaskan's in order to fill vacancies/needs within the Alaska firefighting community. - Improves the quality and frequency of use for Alaska Type 2 EFF crews. - Increase advanced training opportunities. - Increase statewide employment potential in economically depressed areas. - Increase recruitment diversity for all fire management organizations. - Increase the number of individuals with higher level firefighting qualifications available from rural Alaska. - Provide better qualified crews for hazard fuels mitigation, fire suppression, and Community Wildland Fire Protection Plan (CWPP) projects If this request is not approved, the Division of Forestry will miss out on the opportunity to reduce costs of fire fighting training while enhancing job and education opportunities to Alaskans. There will be continued reliance on the Lower 48 overhead and crew resources and increased suppression costs due to mobilization and demobilization of those resources. This use of out-of-state resources extends service delivery time and cost due to transportation. 1004 Gen Fund (UGF) 390.0												
FY2012 Incorporate partial FY11 distribution of fuel trigger in FY12 base. Trigger start point moves from $51 to $65. 1004 Gen Fund (UGF) 19.0	Inc	**19.0**	0.0	0.0	19.0	0.0	0.0	0.0	0.0	0	0	0
FY2013 Alaska Interagency Coordination Center Fixed-Cost Increases	IncM	**150.0**	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0	0	0

The Alaska Interagency Coordination Center (AICC) provides services in the coordinated response to wildland fires for all federal and state agencies in Alaska statewide. Wildland fire operations, information collection and distribution, and allocation of fire resources are coordinated through individual agency representation at AICC. AICC is located on Ft. Wainwright in a facility owned and operated by the Bureau of Land Management (BLM), Alaska Fire Service (AFS). Through a Cooperative Agreement and Annual Operating Plan, Forestry contributes both personnel and operating capacity to these interagency activities.

A primary reason for the Interagency Coordination Center is to provide tactical firefighting resources, including smokejumpers and air tankers to fires on a priority basis without regard for agency ownership. The priority is based on current weather conditions, current firefighting resource allocations, and the fire's proximity to human life and property. Forestry must provide current, high quality information for these determinations to be made. This information comes from a variety of sources including: remote weather stations, the lightning detection network, and the mapping of communities and remote properties Geographic Information Systems (GIS). Tactical resource dispatchers are required to make the final determination of which statewide tactical resources respond to which fires in an extremely dynamic situation.

Cost for Calendar Year	2008	2013
Share of AICC Operating Costs	$ 6,450	$6,450
Office Space	$12,048	$29,744
GIS Support	$0	$45,000
Lightning Detection Network	$40,484	$40,484

		Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)													
Fire Suppression Preparedness (continued)													
FY2013 Alaska Interagency Coordination Center Fixed-Cost Increases (continued)													
McGrath Facilities	$50,000		$50,000										
Weather Station Maintenance	$82,600		$107,600										
Radio Maintenance	$0		$50,000										
Teletype	$5,000		$5,000										
Tactical Resource Dispatching	$0		$80,000										
Total	$196,582		$414,278										

Additional costs for Calendar Year 2013 include:
- Additional office space for DNR employees working at AICC and increased costs of existing space. Since 2008, Forestry has added the Communications Specialist, Public Information Specialist, and Strategic Planner positions to the AICC office.
- The interagency Geographic Information Systems (GIS) program.
- The interagency radio communications network in McGrath and other remote, mountain-top repeater areas.
- The Tactical Resource Dispatch function.
- Maintenance of Weather Stations.

The current budget allocation for this agreement with the BLM is $265,000. This increment will allow DNR to fully function in the interagency fire program.

In the last decade the number of fires and acres burned annually across the state has increased exponentially. Fire suppression response has become increasingly critical due to the increased number of fires and the severity at which they burn. As the Alaskan population increases, more people and their property are at risk from wildland fire. These complexities require additional expertise in the form of GIS specialists and dispatchers to make appropriate decisions in the incipient phases for fires. These decisions reduce the likelihood of large fires that damage property or threaten lives.

Residents of Alaska living in the fire prone areas may be adversely affected by an increase in the number of large fires. These areas are predominately in the wildland urban interface of Fairbanks, Mat-Su, and Kenai.
Geographic Regions Affected:
- Northern and Eastern Interior Alaska
- South Central Alaska
- Southwest Alaska

1004 Gen Fund (UGF)	150.0												
FY2013 Engine Fleet and Fire Facility Maintenance Cost Increases for Same Service Level		IncM	**150.0**	40.0	0.0	70.0	40.0	0.0	0.0	0.0	0	0	0

This increment funds the increased costs for fleet vehicles, which includes fire engines and support vehicles and increased cost for facility maintenance. Fire engines are a essential to initial attack along the road system particularly in the high-risk, high-consequence areas. These heavily populated areas require a mobile, effective firefighting resource to protect homes and lives within the wildland urban interface.

In recent years, Forestry has received Capital Improvement Project funds to purchase new fire engines to replace old Federal excess property and SEF engines that had exceeded their programmed service life. These new engines were purchased through the Department of Transportation and Public Facilities (DOT) and the operating and replacement rates are much higher than the older engines. The two primary reasons for these increased

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Fire Suppression, Land & Water Resources (continued)

Fire Suppression Preparedness (continued)

FY2013 Engine Fleet and Fire Facility Maintenance Cost

Increases for Same Service Level (continued)

rates are: 1). Forestry was not paying replacement costs for the Federal excess property vehicles and SEF vehicles that had exceeded their service life and 2) these vehicles are often used in dirty, smoky areas and in rough terrain therefore the service life of the new vehicles was shortened from previous vehicles. Therefore replacement costs need to be accumulated at a faster rate.

One additional reason for increased costs for Forestry vehicles is a change in the Department of Transportation's (DOT) methodology to establish operating and replacement costs and the acquisition of new engines. Formerly, DOT vehicles rates were calculated on a regional basis and then averaged to produce statewide department rates. In FY2009, DOT transitioned to individual rates specific to each vehicle. Operating rates and replacement rates are calculated on the basis of individual vehicles including DOT's use of historic maintenance information to establish the rates. As these vehicles are often used in dirty, smoky, rough areas, vehicle maintenance costs are higher for Forestry vehicles than is typical for other divisions and departments.

Listed below are two examples of changes in monthly operating and replacement costs:

Type 6 small fire engine --
Prior to methodology change: $998/month
After methodology change: $1750/month

Type 4 medium fire engine --
Prior to methodology change: $1400/month
After methodology change: $2400/month

This increment also provides funding to begin regular maintenance programs at each of the eight Area offices to minimize the long-term deterioration of the Division's facilities. Forestry has received multiple capital improvement project (CIP) funds in recent years to repair backlogged deferred maintenance issues. This has allowed the Division to begin to catch-up on major deferred maintenance issues. This increment would allow Forestry to keep up with the maintenance of its facilities and not repeatedly request CIP funds for deferred maintenance. A portion of the increment will be used for additional staff time of seasonal maintenance personnel, whose primary duties are to work in warehouses and at retardant sites, to perform facility and compound maintenance before and after the fire season.

If the increment is not approved, the service life of the vehicles that are primary to the Division of Forestry's mission will not allow for the continued replacement of these engines as necessary. The facilities will not have the necessary maintenance to ensure deferred maintenance issues do not occur and Forestry will continue to request CIPs for deferred maintenance.

Program, Services, Recipients Affected:
- Communities through out fire prone areas of Alaska - reduced fire risk.
- Activity Component - reduced suppression cost by maintaining current state capacity.

Geographic Regions Affected:
The fire prone areas of Alaska that are the responsibility of the Forestry Fire Program are affected by this increment. These areas include the Mat-Su, Kenai-Kodiak, McGrath, Fairbanks, Delta, Tok, and Glennallen.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2013 Engine Fleet and Fire Facility Maintenance Cost Increases for Same Service Level (continued)												
1004 Gen Fund (UGF) 150.0												
FY2013 Contracted Air Tanker Costs for Same Service Level	IncM	**97.1**	0.0	0.0	97.1	0.0	0.0	0.0	0.0	0	0	0

This increment is critical to meet cost increases in contracted aviation support for fire fighting. Air tankers are a primary initial attack tool in Alaska. These aircraft carry large quantities of fire retardant, can travel long distances at high airspeeds, and are extremely successful in slowing fires in and near population centers. Prior five-year contracts are expiring and comparable private sector contract comparisons indicate at a minimum an increase of six percent for air tankers -- an essential resource for fighting urban-interface fires. The advantage of five-year contracts is locking in lower, longer term rates and was quite successful in the last two bidding cycles. However, the cumulative impact of increased costs, market conditions, and industry changes realistically creates budget increases that can only be met by an increment.

The Division of Forestry aircraft fleet consists of two air tankers, six helicopters, two air attack airplanes, and a utility fixed-wing airplane. This fleet comprises the backbone of the Division's fire fighting capability and is an essential element in the Division's mission to provide wildland fire management and suppression services. The Division considers the mix of owned, leased, and contracted aircraft to be a good business model. The air tankers are typically acquired through a five year, annually renewable contract in which aircraft and pilots are secured for the exclusive use of the State for a set period of time (typically 90 days).

These air tankers will now be even more critical to maintain on long-term contract as the Federal air tankers will no longer be available in Alaska, making initial attack success even more challenging. Up until the 2011 fire season, the U.S. Forest Service maintained seven P-3 air tankers on contract, one of which was routinely assigned to the Bureau of Land Management-Alaska Fire Service (BLM-AFS) during the Alaska fire season. This aircraft has been available to respond to Division of Forestry fires. However, these P-3's no longer comply with the federally required maintenance program and the USFS cancelled all seven contracts. It is not anticipated that these contracts will be renewed. The only remaining large national air tankers are the P-2V's which are ex-military aircraft and cannot be cleared to travel through Canadian airspace. These aircraft will be unavailable for use in Alaska. The result of these changes in aircraft status will mean that for the first time ever, Alaska will not have access to federal air tankers.

The Division anticipates an increase in contractual costs for air tankers based on past increases in these contracts. As the federal air tanker fleet diminishes, there are fewer examples of current contract prices but given the status of the federal fleet and increasing competition, it is reasonable that the contract costs will increase. During the last five-year contract cycle (2008-2012) the contractual obligation is currently $1,619,100 for the 2011 90-day contractual window. This is an increase in the cost of contracted tankers from 2007 until 2011 of $650.0. DNR did receive an increment in FY 2008 for $234.4 to partially mitigate this additional cost. The increase for the 2013-2018 contract is not anticipated to be as large as past increases. The Division expects to be able to maintain its current air tanker fleet with the addition of $97,100.

If the Division cannot support two large air tanker contracts, the result will be reduced success in initial attack statewide. As there will be no federal air tankers to respond to wildfires this would mean no air tankers in Alaska. The initial attack success rate will be dramatically reduced both in the areas of the state that the Division provides wildfire protection but also in the areas where the BLM-AFS provides protection services on State lands. This reduced initial attack success will result in larger fires, greater property loss, higher risks to the citizens of Alaska, and increased fire costs.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2013 Contracted Air Tanker Costs for Same Service Level (continued)												
1004 Gen Fund (UGF) 97.1												
FY2013 Helicopter Contract Costs for Same Service Level	IncM	**119.6**	0.0	0.0	119.6	0.0	0.0	0.0	0.0	0	0	0

Recipients Affected:
- Communities through out fire prone areas of Alaska - reduced fire risk.
- Activity Component - reduced suppression cost by maintaining current state capacity.

Geographic Regions Affected:
- Northern and Eastern Interior Alaska
- South Central Alaska
- Southwest Alaska

This increment is critical to meet cost increases in contracted helicopter support for fire fighting. Immediate helicopter response can mean the difference between small fires and large project fires that can cost millions of dollars. The lack of road based access, large distances, and the need to respond quickly to emergent fires in Alaska make helicopters a necessary firefighting tool for successful initial attack. These aircraft move firefighting crews, supplies, and drop water on fires quickly and efficiently. Without these aircraft, response times to fires would be much greater which would result in larger, more expensive fires that would be more likely to effect life and property. Three of the Division's six helicopter contracts are expiring and comparable private sector contract comparisons indicate a 4% increase for helicopters. The advantage of the five year contracts is locking in lower, longer term rates and has been quite successful in the last two bidding cycles. However, the cumulative impact of increased costs, market conditions, and industry changes realistically creates budget increases that can only be met by an increment.

The Division of Forestry contract aircraft fleet consists of two air tankers, six helicopters, two air attack airplanes, and a utility fixed-wing airplane. This fleet comprises the backbone of the Division's fire fighting capability and is an essential element in the Division's mission to provide wildland fire management and suppression services. The Division considers the mix of owned, leased, and contracted aircraft to be a good business model. The helicopters are typically acquired through a five year, annually renewable contract in which aircraft and pilots are secured for the exclusive use of the State for a set period of time (typically 90 days).

The alternative to these long-term contracts is to acquire helicopters under emergency procurement authority for short time spans. This type of procurement, although used to supplement Forestry's helicopter fleet during high fire activity, is not as economically efficient for extended periods of use. The 2011 Emergency Rental Agreement for similar helicopters was $2,995 per hour. The current long-term contracts are less than $1,600 per hour. Also, helicopters are seldom available at short notice during the fire season due to other, more lucrative contracts.

The Division anticipates an increase in contractual costs for helicopters based on past increases in these contracts. There continues to be an increased state and worldwide demand for these helicopter services while service providers, especially in Alaska, face increased costs related to parts availability, insurance costs, and a number of other business challenges. During the last five-year contract cycle 2011-2015, contract solicitations included bids as high as $9,900 per day not including mission flight hours. This increment request reflects an increase of 4% in the three helicopter contracts plus a 3% Consumer Price Index increase for the remaining three helicopters.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2013 Helicopter Contract Costs for Same Service Level (continued)												
The current contractual obligation for six helicopters is $2,203,650 for the 2011 90-day window. The Division expects to be able to maintain its current helicopter fleet with the addition of $119,600.												
If the Division cannot support six firefighting helicopters, the result will be reduced success in initial attack statewide. There are few alternatives in Alaska so similar firefighting resources would need to be acquired from the lower 48 at a greatly increased cost. Helicopters from the lower 48 typically cost $30,000 for the flight time to reach Alaska and another $30,000 to return to their station, this does not include any costs associated with fire work in Alaska. These helicopters also typically take four days to reach Alaska which means they must be prepositioned in Alaska prior to fire activity to be effective in initial attack. This also increases costs. Reduced initial attack success will result in larger fires, greater property loss, higher risks to the citizens of Alaska, and increased fire costs.												
The communities and residents of Alaska who live in fire prone forests will be affected due to the lack of success in initial attack firefighting. In particular, wildland urban interface areas such as Fairbanks, Mat-Su and Kenai would be significantly affected without helicopters stationed in these areas. Geographic Regions Affected: - Northern and Eastern Interior Alaska - South Central Alaska - Southwest Alaska												
1004 Gen Fund (UGF) 119.6												
FY2013 Firefighter Payroll Interagency Authority	Inc	**100.0**	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Increase interagency receipt authority for emergency firefighter payroll services to the Fire Activity Component. Paid by administrative fee charged to the federal government for support on federal fires.												
This request funds Division of Forestry's new responsibility for payroll entry that has historically been performed by the Department of Administration (DOA) Division of Personnel, for 300 to 600 emergency firefighters (EFF) each season.												
No new PCNs are being requested. This increment will fund two vacant PCNs (previously federal grant-funded), that are being transferred from the Forest Management and Development Component to the Fire Suppression Preparedness Component and that are being reclassified as Human Resource Technicians to assume this new workload. With this funding, the two regions (supporting multiple geographically-dispersed offices) will each have a PCN for payrolling, appointment information, data entry, payroll system hierarchy maintenance, and timekeeping functions.												
DOA is discontinuing use of the DNR-developed EFF Firefighter Payroll System with implementation of the statewide timekeeping system (ASSETS). DOA has notified DNR that it does not intend to perform entry of firefighter payroll. Deployment of ASSETS will be staggered, with DNR's migration scheduled for FY13.												
Time entry and recording cannot be performed by emergency firefighters themselves. They are a highly mobile and transitory work force working in remote field conditions, with lack of time and capability to use the state's administrative timekeeping technology being implemented by DOA. The nature of their employment precludes them from entering their own time into the new payroll system being implemented by DOA.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2013 Firefighter Payroll Interagency Authority (continued)												
Although the DOA system is not fully functional, DNR knows that at least the EFF payroll entry will need to be assumed by Forestry and cannot be performed by the employees. Similarly, many permanent personnel need human resource support to enter time when workers are in the field. Activities also include verification and non-standard approvals of time collected from remote locations, required for accuracy and timeliness to meet interface deadlines for payroll.												
Forestry payroll constitutes the most complex and logistically time-critical manual and automated time recording, accuracy of which must meet the tests of federal audit for cost recovery. DOA has established a target to have payroll processed without penalty. Decentralizing Forestry's payroll entry function to DNR now, without the supporting staff to perform the work, would increase the likelihood of costly payroll penalties and jeopardize the payroll goal to implement best practices in human resource activities.												
1007 I/A Rcpts (Other) 100.0												
FY2014 Department of Administration Core Services Rates	Inc	**31.5**	31.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 31.5												
FY2015 Delete Long-Term Vacant Positions	Dec	**-349.6**	-349.6	0.0	0.0	0.0	0.0	0.0	0.0	-3	-1	0
The following vacant positions are being deleted: Full-time Forester IV (10-9112), range 20, located in Wainwright Full-time Maintenance Specialist, Building/Facility/Construction, Journey II/Lead (10-9226), range 51, located in Eagle River Full-time Forester II (10-9427), range 16, located in Fairbanks Seasonal Full-time (PT) Stock and Parts Services, Sub-Journey (10-9444), range 57, located in Palmer												
1002 Fed Rcpts (Fed) -206.1												
1004 Gen Fund (UGF) -78.3												
1061 CIP Rcpts (Other) -65.2												
FY2016 AMD: Reorganize the McGrath Fire Suppression Protection Area and Discontinue the Wildland Fire Academy	Dec	**-1,100.0**	-796.4	-69.0	-162.6	-72.0	0.0	0.0	0.0	0	-16	0
McGrath Reorganization -- the McGrath Area will be downsized to provide facility, logistical and aviation support necessary to perform fire suppression based on high fire danger indices and activity. Sixteen part-time positions will be deleted, leaving a minimal staff of six positions capable of supporting initial fire attack work, including dispatch, operations, aviation, ramp, retardant, helibase and warehouse support. Emergency hires will be made depending on actual fire danger and activity in the McGrath area. This reduction saves $776.4 in the annual operating budget, however during fire seasons that impact the McGrath area actual fire activity suppression costs will be higher due to additional emergency hires.												
The Wildland Fire Academy program and associated internships for Academy graduates to gain experience will be												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Preparedness (continued)												
FY2016 AMD: Reorganize the McGrath Fire Suppression Protection Area and Discontinue the Wildland Fire Academy (continued)												
discontinued, negatively impacting the recruitment pipeline for future wildland fire fighters and managers.												
Delete PCNs:												
(10-9709) Seasonal, Full-time (PT) Administrative Assistant II, Mcgrath												
(10-9700) Seasonal, Full-time (PT) Stock & Parts Svcs Lead, Mcgrath												
(10-9702) Seasonal, Full-time (PT) Maint Gen Sub - Journey II, Mcgrath												
(10-9703) Seasonal, Full-time (PT) Food Service Lead, Mcgrath												
(10-9704) Seasonal, Full-time (PT) Food Service Journey, Mcgrath												
(10-9698) Seasonal, Full-time (PT) Food Service Sub Journey, Mcgrath												
(10-9705) Seasonal, Full-time (PT) Food Service Sub Journey, Mcgrath												
(10-9692) Seasonal, Full-time (PT) Wildland Fire/Resource Tech V, Mcgrath												
(10-9481) Seasonal, Full-time (PT) Wildland Fire/Resource Tech IV, Mcgrath												
(10-9701) Seasonal, Full-time (PT) Wildland Fire/Resource Tech III, Mcgrath												
(10-9746) Seasonal, Full-time (PT) Maint GenSub - Journey I, Mcgrath												
(10-9699) Seasonal, Full-time (PT) Wildland Fire/Resource Tech IV, Mcgrath												
(10-9697) Seasonal, Full-time (PT) Wildland Fire/Resource Tech III, Mcgrath												
(10-9781) Seasonal, Full-time (PT) Wildland Fire/Resource Tech IV, Mcgrath												
(10-9446) Seasonal, Full-time (PT) Wildland Fire/Resource Tech II, Mcgrath												
(10-9706) Seasonal, Full-time (PT) Wildland Fire Dispatcher III, Mcgrath												
1004 Gen Fund (UGF) -1,100.0												
FY2016 AMD: Consolidation of Regional Management in Area Offices	Dec	**-21.9**	-21.9	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
As part of a restructuring of the Division of Forestry organization to identify administrative efficiencies and cost savings, one Regional Administrative Officer I position (PCN 10-9161) will be deleted from the Palmer regional office. The majority of the large and long-duration wildland fires occur in the Northern Region; administrative support for regional fire activities will be consolidated into one administrative position located in Fairbanks. This position is split funded with the Forest Management component.												
1004 Gen Fund (UGF) -21.9												
FY2019 Reduce Uncollectible Capital Improvement Project Receipt Authority	Dec	**-300.0**	-300.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Reduction of uncollectable capital improvement project receipt authority better aligns the budget with actual spending.												
1061 CIP Rcpts (Other) -300.0												
*** Allocation Total ***		**1,928.5**	-411.4	12.5	2,194.4	133.0	0.0	0.0	0.0	-4	-17	1
Fire Suppression Activity												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-49.2**	0.0	-49.2	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -49.2												
L FY2012 Federal Fire Authorization estimate	Lang	**2,000.0**	0.0	0.0	2,000.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) 2,000.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Activity (continued)												
L FY2013 Sec 18(d), Ch 15, SLA 2012 (HB 284) - Federal Fire Authorization estimate	IncM	**8,500.0**	0.0	0.0	5,500.0	3,000.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) 8,500.0												
L FY2014 Reverse CH3 FSSLA2011 Sec 18(a) Federal Estimate	OTI	**-8,500.0**	0.0	0.0	-5,500.0	-3,000.0	0.0	0.0	0.0	0	0	0
Reverse the language section estimate of federal receipt authority necessary to support wildland firefighting activity.												
1002 Fed Rcpts (Fed) -8,500.0												
L FY2014 Restore Federal Fire Authorization Estimate (Sec 20d, HB 65)	IncM	**8,500.0**	0.0	0.0	5,500.0	3,000.0	0.0	0.0	0.0	0	0	0
Restore the language section estimate of federal receipt authority necessary to support wildland firefighting activity.												
1002 Fed Rcpts (Fed) 8,500.0												
L FY2015 Sec 20d, HB266 - Restore Fire Federal Authorization Estimate	IncM	**8,500.0**	0.0	0.0	5,500.0	3,000.0	0.0	0.0	0.0	0	0	0
Restore the language section estimate of federal receipt authority necessary to support wildland firefighting activity.												
Language Federal receipts received for fire suppression during the fiscal year ending June 30, 2015, estimated to be $8,500,000, are appropriated to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2015.												
1002 Fed Rcpts (Fed) 8,500.0												
L FY2016 Sec 18(d), HB72 - Restore Fire Federal Authorization Estimate	IncM	**8,500.0**	0.0	0.0	5,500.0	3,000.0	0.0	0.0	0.0	0	0	0
Restore the language section estimate of federal receipt authority necessary to support wildland firefighting activity.												
Language Federal receipts received for fire suppression during the fiscal year ending June 30, 2016, estimated to be $8,500,000, are appropriated to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2016.												
1002 Fed Rcpts (Fed) 8,500.0												
FY2017 Reduce Base Funding for Fire Suppression Activity	Dec	**-686.1**	0.0	0.0	-686.1	0.0	0.0	0.0	0.0	0	0	0
Fire Suppression Activity funds ensure access to resources required to suppress wildland fires early in the fiscal year. Depending on the fire season and level of activity, this decrease in funds could result in an earlier request for supplemental funds via the emergency declaration process.												
1004 Gen Fund (UGF) -686.1												
L FY2018 Sec 33(e), HB57 Contingent UGF approp if Fed Rcpts for Firefighting Crews is not received (not to exceed $1,125.0)	Cntngt	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 0.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)												
Fire Suppression Activity (continued)												
L FY2019 Reverse Fire Federal Authorization Estimate Sec34d Ch1 SSSLA2017 P105 L4 (HB57)	OTI	**-8,500.0**	0.0	0.0	-5,500.0	-3,000.0	0.0	0.0	0.0	0	0	0
Reverse the language section estimate of federal receipt authority necessary to support wildland firefighting activity.												
Language Federal receipts received for fire suppression during the fiscal year ending June 30, 2018, estimated to be $8,500,000, are appropriated to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2018.												
1002 Fed Rcpts (Fed) -8,500.0												
L FY2019 Restore Fire Federal Authorization Estimate	IncM	**8,500.0**	0.0	0.0	5,500.0	3,000.0	0.0	0.0	0.0	0	0	0
Restore the language section estimate of federal receipt authority necessary to support wildland firefighting activity.												
Language Federal receipts received for fire suppression during the fiscal year ending June 30, 2019, estimated to be $8,500,000, are appropriated to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2019.												
1002 Fed Rcpts (Fed) 8,500.0												
L FY2019 Contingent UGF approp if Fed Rcpts for Firefighting Crews are not received	Cntngt	**1,125.0**	0.0	0.0	1,125.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 1,125.0												
*** Allocation Total ***		**27,889.7**	0.0	-49.2	18,938.9	9,000.0	0.0	0.0	0.0	0	0	0
*** * Appropriation Total * ***		**31,706.0**	567.8	-97.7	23,019.2	9,289.7	-13.0	-1,060.0	0.0	-63	-17	-6
Agriculture												
Agricultural Development												
FY2006 US Dept of Ag Plant Pest Program-preventing the importation and spread of plant pests; asst in export certification	Inc	**120.0**	70.9	8.0	29.8	11.3	0.0	0.0	0.0	1	0	0

Funding for a Plant Health Coordinator will help prevent the importation and spread of plant pests and assist in export certification of Alaska's Natural Resources. This will be accomplished by enforcement of existing state statutes and regulations regarding plant pests and provide plant health certification. Funding is available from USDA to implement this program. We will achieve a successful weed control program in Alaska through the following:

- Implement the Strategic Plan for Noxious and Invasive Plant Management.
- Design, develop and execute a Plant Management AREA (PMA) program.
- Develop a standardized protocol and database for mapping and monitoring problem weed populations on both agricultural and non-agricultural lands.
- Develop Chemical and Integrated Pest Management (IPM) programs to control plant pests.
- Inspect nursery stock at grower and retail establishments, conducting inspections, and certifying plant and plant related products for export.
- Develop a Homeland Security program for the agriculture industry which will include participation in plant disease diagnoses and support of plant quarantine.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
Agricultural Development (continued)												
FY2006 US Dept of Ag Plant Pest Program-preventing the importation and spread of plant pests; asst in export certification (continued)												
- Respond to plant health concerns of countries importing Alaska Natural Resource products.												
New PCN 10-#002 - Natural Resource Specialist III, Range 18, full time located in Palmer. Remaining funding will be used for contracts, travel, and program development and implementation.												
1002 Fed Rcpts (Fed) 120.0												
FY2006 US Dept of Ag Expand Farmers Markets to increase and expand sales and find market opportunities	Inc	**23.0**	0.0	0.0	23.0	0.0	0.0	0.0	0.0	0	0	0
New farmers, and existing farmers attempting to expand sales, are looking for market opportunities. Farmers markets are an attractive option. These markets have been growing as consumers look for local products. Farmers markets in Alaska want additional growth, and more growth is possible if markets can do two things. First, they must properly promote local Alaskan production as the first choice for consumers, and second, they must operate in an efficient business framework.												
The goal of the project is to enhance the growth opportunities for Farmers Markets in Alaska, and through expansion of these markets provide additional outlets for Alaska farmers. This will be accomplished by documenting current financial and organizational structures of farmers markets in Alaska. Analyze these structures to determine if changes would provide greater efficiency and opportunities for market expansion. Assist Farmers Markets with the promotion of locally grown produce through the existing Alaska Grown program												
1002 Fed Rcpts (Fed) 23.0												
FY2006 Fund change to align funding with activities	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -315.6												
1021 Agric RLF (DGF) 315.6												
FY2006 reverse: Fund change to align funding with activities	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 315.6												
1021 Agric RLF (DGF) -315.6												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**6.3**	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 6.3												
FY2007 Reduction to the Marketing / Organics Program	Dec	**-86.4**	0.0	0.0	-86.4	0.0	0.0	0.0	0.0	0	0	0
In an effort to reduce the draw on ARLF funds the director has requested this funding decrement to the Marketing / Organics Program.												
This reduction will limit the Divisions response in developing an Alaska certified organic program. The Division will attempt to maintain agreements with Washington State to provide organic certification of Alaska farms. Funding reductions will restrict Alaska's ability to improve organic farming programs and limit Division staff exposure to national organic certification training programs and will restrict information delivery on USDA organic program grant funding opportunities.												
Funding reductions will reduce the delivery of marketing program services. Through a summer short term non-perm position, the division delivers services to 14 Farmers Markets statewide and monitors Alaska Grown user program compliance with producers, and retail markets. Cooperative Marketing projects are monitored for program compliance and project deliverables are monitored by the non-perm position.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
Agricultural Development (continued)												
FY2007 Reduction to the Marketing / Organics Program (continued)												
1021 Agric RLF (DGF) -86.4												
FY2007 Reduction in SDPR authorization for Vegetable Processing Center agreement with Mat-Su Borough	Dec	-50.0	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0	0	0
The Vegetable Processing Center agreement with the Matanuska Susitna Borough ended in FY06, resulting in the deletion of this authorization.												
1108 Stat Desig (Other) -50.0												
FY2007 Reduce virus-free seed potato funding	Dec	-50.0	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -50.0												
FY2008 Nutrition and Vegetable Processing Center Cooperative Agreement with MatSu Borough	Inc	30.0	0.0	0.0	30.0	0.0	0.0	0.0	0.0	0	0	0
The Matanuska Susitna Borough is progressing towards the construction of this facility. The facility will increase the usage of value added products. Through a Cooperative Agreement the Division of Agriculture is identifying the product and producing marketing information material.												
1108 Stat Desig (Other) 30.0												
FY2008 Specialty Crops Block Grant with USDA Agricultural Marketing Services	Inc	100.5	0.0	2.0	95.0	3.5	0.0	0.0	0.0	0	0	0
A Specialty Crops Block Grant Program from the USDA Agricultural Marketing Service has been made available to the state. These funds allow the State to enhance and provide competitiveness of these crops through promotion, marketing, trade, food safety, and product development.												
1002 Fed Rcpts (Fed) 100.5												
FY2008 PERS adjustment of unrealizable receipts	Dec	-32.7	-32.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -32.7												
FY2008 Replace Agricultural Revolving Loan Fund with GF	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 141.9												
1021 Agric RLF (DGF) -141.9												
FY2009 Delete Excess Statutory Designated Program Receipts	Dec	-30.0	0.0	0.0	-30.0	0.0	0.0	0.0	0.0	0	0	0
This authorization was for a project to assist the Matanuska Susitna Borough with the Nutrition and Vegetable Processing Center. The borough has taken the lead on this project and no Statutory Designated Program Receipt funding is anticipated.												
1108 Stat Desig (Other) -30.0												
FY2009 AMD: United States Department of Agriculture Phytosanitary Certification for Export of Logs and Plant Products	Inc	20.0	6.0	11.0	1.5	1.5	0.0	0.0	0.0	0	0	0

The Alaska Division of Agriculture, through a Memorandum of Understanding and Cooperative Agreement with the United States Department of Agriculture (USDA) provides phytosanitary certification services for Alaska businesses exporting logs and plant products (primarily mushrooms) to foreign countries. Foreign countries require that licensed state or federal Export Certification Officials conduct phytosanitary certification inspections before products can enter their country. Phytosanitary certificates are issued to indicate that consignments of plants, plant products or other regulated articles meet the importing countries specified phytosanitary import requirements and are in conformity with the certifying statement of the appropriate certificate.

The USDA has instituted a $30.00 fee for this certificate and requires states reimburse the fee to them for each

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
Agricultural Development (continued)												
FY2009 AMD: United States Department of Agriculture Phytosanitary Certification for Export of Logs and Plant Products (continued)												
certificate issued under this agreement. This requested statutory designated program receipt authority provides the authorization for the Division to charge businesses for the expense of conducting the inspection, including personal services and travel, and issuing the official certificate and documentation, including reimbursing the $30.00 fee to the USDA.												
The Alaska Division of Agriculture maintains an agreement with USDA to provide this service to Alaska businesses. This agreement requires Division of Agriculture inspection staff be nominated, trained and pass competency examinations on a regular basis by USDA. This service allows and supports over $10 million dollars of export activity annually by Alaskan businesses.												
1108 Stat Desig (Other) 20.0												
FY2009 Aquatic Farm Products/Fisheries Loans (HB 257)	FisNot	**11.5**	0.0	5.0	0.0	6.5	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 11.5												
FY2009 DID NOT PASS: Aquatic Farm Products/Fisheries Loans (HB 257)	FisNot	**-11.5**	0.0	-5.0	0.0	-6.5	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -11.5												
FY2010 Specialty Crop Block Grant	Inc	**60.0**	0.0	15.0	35.0	10.0	0.0	0.0	0.0	0	0	0
These funds allow the State to enhance and provide competitiveness of these crops through promotion, marketing, trade, food safety, and product development.												
1002 Fed Rcpts (Fed) 60.0												
FY2011 Plant Health and Phytosanitary Certification	Inc	**121.5**	81.5	10.0	20.0	10.0	0.0	0.0	0.0	1	0	0
The Division of Agriculture has an agreement with U.S. Department of Agriculture's Animal and Plant Health Inspection Service, Plant Pest Quarantine to meet the needs of the timber and agriculture industries by providing inspection and certification services. This position will provide phytosanitary certification of forest, nursery and agricultural products required for commercial export. The position will also inspect timber, plants and plant products for sale in commercial establishments as required by AS 03.05.030, to reduce the risk of importation and spread of plant pests and diseases.												
1004 Gen Fund (UGF) 121.5												
FY2011 Incorporate $15 million of fuel trigger in FY11 base. Trigger start point moves from $36 to $51.	Inc	**0.4**	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 0.4												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-5.1**	0.0	-5.1	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -3.2												
1153 State Land (DGF) -1.9												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**2.7**	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $2.7												
1004 Gen Fund (UGF) 2.7												
FY2011 Ch. 11, SLA 2010 (HB 70) ALASKA GROWN AGRICULTURAL PRODUCTS	FisNot	**181.1**	126.1	30.0	25.0	0.0	0.0	0.0	0.0	1	1	0
1004 Gen Fund (UGF) 181.1												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
Agricultural Development (continued)												
FY2012 Incorporate partial FY11 distribution of fuel trigger in FY12 base. Trigger start point moves from $51 to $65.	Inc	**0.4**	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 0.4												
FY2013 Delete Excess Authorization	Dec	**-45.8**	-45.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Decrement of excess authorization to maintain a reasonable vacancy factor and reflect savings from position PCN 10-1727 that was transferred out to the Agriculture Revolving Loan Fund component.												
1153 State Land (DGF) -45.8												
FY2013 United States Department of Agriculture Phytosanitary Certification for Export of Logs and Plant Products	Inc	**10.0**	0.0	0.0	10.0	0.0	0.0	0.0	0.0	0	0	0
The Alaska Division of Agriculture, through a Memorandum of Understanding and Cooperative Agreement with the United States Department of Agriculture (USDA) provides phytosanitary certification services for Alaska businesses exporting logs and plant products (primarily mushrooms) to foreign countries. Foreign countries require that licensed state or federal Export Certification Officials conduct phytosanitary certification inspections before products can enter their country. Phytosanitary certificates are issued to indicate that consignments of plants, plant products or other regulated articles meet the importing countries specified phytosanitary import requirements and are in conformity with the certifying statement of the appropriate certificate.												
The USDA has instituted a $104.00 fee for this certificate and requires states reimburse the fee to them for each certificate issued under this agreement. This requested statutory designated program receipt authority provides the authorization for the Division to charge businesses for the expense of conducting the inspection, including personal services and travel, and issuing the official certificate and documentation, including reimbursing the $104.00 fee to the USDA.												
The Alaska Division of Agriculture maintains an agreement with USDA to provide this service to Alaska businesses. This agreement requires Division of Agriculture inspection staff be nominated, trained and pass competency examinations on a regular basis by USDA. This service allows and supports over $10 million dollars of export activity annually by Alaskan businesses.												
1108 Stat Desig (Other) 10.0												
FY2014 Continue Farm to School Program Funding (Effective FY11 and Lapses 6/30/14)	IncOTI	**181.0**	130.3	17.0	22.1	11.6	0.0	0.0	0.0	0	0	0
The Farm to School Program was established via HB70 as CH11 SLA2010, to increase the procurement and use by public schools of food grown in the state. The fiscal note included funding for three years, ending June 30, 2013 (FY2013). The sunset date in the initial version of the bill was June 30, 2013, which matched the fiscal note. The bill was amended in committee in the final week of session and the sunset date was amended to June 30, 2014, however the fiscal note was not changed.												
This funding is requested as a one-time-item in FY2014 to continue the funding to support the program and to complete the intent of the legislation through the sunset date.												
1004 Gen Fund (UGF) 181.0												
FY2014 Department of Administration Core Services Rates	Inc	**6.1**	6.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
Agricultural Development (continued)												
FY2014 Department of Administration Core Services Rates (continued)												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 6.1												
FY2015 Restore Farm to School Program to Base Budget	IncM	**181.0**	130.3	17.0	22.1	11.6	0.0	0.0	0.0	0	0	0
The Farm to School Program, established through Chapter 11 SLA2010 (HB70) to increase the procurement and use by public schools of food grown in the state, is scheduled to sunset on June 30, 2014. Extending the program will increase the purchase of local foods in schools, continue to connect students with the source of their food, and further the work with schools regarding safe school gardening practices. The establishment of the Nutritional Alaskan Foods in Schools (NAFS) program administered by the Department of Commerce, Community and Economic Development increased the need for a direct link between producers and school food staff. The Farm to School Program fosters that important communication between the buyer, seller, and consumer.												
When this program sunsets as scheduled on June 30, 2014, the critical link between the buyer, seller and consumer of Alaska Grown Products will be lost. This program fosters communication between the producer and the school food service staff and educates Alaska's youth on the importance of local food production. This program has also become the face of the Nutritional Alaskan Foods in Schools program.												
1004 Gen Fund (UGF) 181.0												
FY2015 AMD: Phytosanitary Certification for Export of Logs and Plant Products	Inc	**25.0**	0.0	1.5	23.0	0.5	0.0	0.0	0.0	0	0	0
The Alaska Division of Agriculture (division), through a Memorandum of Understanding and Cooperative Agreement with the United States Department of Agriculture (USDA), provides phytosanitary certification services for Alaska businesses exporting logs and plant products (primarily mushrooms) internationally. Foreign countries require that licensed state or federal export certification officials conduct phytosanitary certification inspections before products can enter their country. Phytosanitary certificates are issued to indicate that consignments of plants, plant products, or other regulated articles meet the importing countries' specified phytosanitary import requirements and are in conformity with the certifying statement of the appropriate certificate.												
The USDA charges $106 for this certification and requires states to reimburse this fee to them for each certificate issued under this agreement. This statutory designated program receipts (SDPR) authority provides the authorization for the division to charge businesses for the expense of conducting the inspection, including travel, issuing the official certificate and documentation, and reimbursing the $106 fee to the USDA.												
The agreement with the USDA requires division inspection staff be nominated, trained, and pass competency examinations on a regular basis by the USDA. This service has conducted phytosanitary export certifications on over $143 million dollars of Alaska timber exports since export inspections began in 2010.												
An increment approved in the FY2013 budget increased authorization by $10.0, bringing the total SDPR authorization for this activity to $30.0. A legislative revised program (RPL) was approved by the Legislative Budget and Audit Committee on January 13, 2014 in the amount of $25.0 for FY2014. This request has no impact on general fund authorization.												
An increase in phytosanitary inspections, primarily due to China's increased demand for Alaska logs, was not												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
Agricultural Development (continued)												
FY2015 AMD: Phytosanitary Certification for Export of Logs and Plant Products (continued)												
anticipated when the FY2015 Governor's budget was developed. The division expects this higher level of activity will continue based on the demands for logs in the China market.												
This amendment provides FY2015 funding based on the FY2014 RPL in the same amount.												
FY2015 December Budget: $2,542.6 FY2015 Total Amendments: $25.0 FY2015 Total: $2,567.6												
1108 Stat Desig (Other) 25.0												
FY2016 Decrease Federal Authority	Dec	**-100.0**	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
Reduction of federal receipt authorization due to the federal terminal marketing program phasing out and will not available in FY2016.												
1002 Fed Rcpts (Fed) -100.0												
FY2016 AMD: Agricultural Program Consolidation and Efficiencies	Dec	**-71.9**	-71.9	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Delete (10-3058) Natural Resource Technician. This permanent, full-time position is located in the Fairbanks office and assists with support of professional staff in the development, administration, analysis, or implementation of programs to manage land, inspections, agricultural projects, marketing, and the Farm to School (FTS) Program in Interior Alaska. The existing staff will absorb the duties, resulting in delays in these project areas.												
1004 Gen Fund (UGF) -71.9												
FY2016 Eliminate Farm to School Program	Dec	**-181.0**	-130.3	-17.0	-22.1	-11.6	0.0	0.0	0.0	-2	0	0
1004 Gen Fund (UGF) -181.0												
FY2016 Eliminate Vacant Spec I, Option B Position Responsible for Phytosanitary Inspections of Timber	Dec	**-96.2**	-96.2	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1004 Gen Fund (UGF) -96.2												
FY2016 CC: Restore Phytosanitary Inspections of Timber (Senate was IncOTI)	Inc	**96.2**	96.2	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF) 96.2												
FY2017 Reduce Alaska Grown Marketing and Farm Site Inspections and Assistance	Dec	**-29.8**	0.0	-7.7	-16.1	-6.0	0.0	0.0	0.0	0	0	0
Alaska Grown promotional items will be scaled back which will reduce marketing presence for the agricultural community, limiting visibility of the logo and availability of point of sale signage, bumper stickers, pins, etc. that promote Alaska Grown products.												
A reduction in travel, which provides farm assistance related to production issues such as plant disease and soil nutrient concerns, will reduce inspections and farm visits. Due to statewide budget constraints, these efforts will need to be reduced.												
Efficiencies will be made by eliminating one state vehicle requiring employees to sometimes utilize their personal vehicles (requiring a mileage reimbursement) when conducting farm and site visits and inspections. The agriculture community will see private vehicles on farms and site inspections instead of official state vehicles.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
Agricultural Development (continued)												
FY2017 Reduce Alaska Grown Marketing and Farm Site Inspections and Assistance (continued)												
Efficiencies will also be made in reduced communication costs in Fairbanks and Palmer through eliminating fax lines, cell phones, and a reduction in circuit costs.												
1004 Gen Fund (UGF) -29.8												
FY2017 AMD: Reorganization of Department Support Functions to Achieve Efficiencies	Dec	**-54.0**	-54.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Department of Natural Resources is undergoing an analysis of support positions across the agency to identify restructuring opportunities, areas where we could share positions, and regulations, policies and procedures that could be revisited to reduce administrative burden, to identify savings and position reductions. The specific positions to be deleted will be identified via this department-wide analysis in order to minimize impacts to programs and the public.												
FY2017 December Budget: $2,188.5 FY2017 Total Amendments: -$54.0 FY2017 Total: $2,134.5												
1004 Gen Fund (UGF) -54.0												
FY2018 Reduce Administrative Support by Deleting Administrative Officer II (10-3047)	Dec	**-132.0**	-132.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
The elimination of this position will remove the senior administrative position, the division expert on financial and grant management, procurement, policy development, and personnel matters. These responsibilities will be distributed to existing management and administrative staff.												
Delete (10-3047) Administrative Officer II, range 19, Palmer, Full-Time												
1004 Gen Fund (UGF) -132.0												
FY2019 Increase State Veterinarian Program Funding with Agriculture Revolving Loan Fund	Inc	**75.0**	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This increment will be used to supplement existing general funds in support of the State Veterinarian program. The Alaska livestock sector continues to grow and the Division of Agriculture has an increasing demand for these services. The State Veterinarian will lead the livestock outreach and education while maintaining animal health standards.												
Food security is of utmost importance to our state due to the distance and vulnerable food distribution system into the state. Alaska imports 95% of the $2 billion of food that Alaskans purchase. As Alaska diversifies its economy there is tremendous opportunity for agriculture to thrive, creating jobs and putting dollars back into the community. Every year it is estimated that $1.9 billion leaves the state from the food Alaskans purchase.												
In recent years, the awareness and demand for local foods has increased dramatically. Livestock and poultry are an important component of this demand. As these numbers increase so has the demand for locally produced animal feed, in turn creating a need for an increased local grain production. The potential for growth in this sector and the impact it can have on other agriculture sectors is tremendous. In 2016, Mt. McKinley Meat and Sausage successfully transitioned into the private sector and we believe the stability this provides the livestock industry will further facilitate growth. The Southcentral region has also seen the construction of additional slaughter and processing facilities, further stabilizing market growth.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
Agricultural Development (continued)												
FY2019 Increase State Veterinarian Program Funding with Agriculture Revolving Loan Fund (continued)												
To grow the livestock industry in Alaska it's important to disseminate accurate and timely information to producers and appropriate enforcement and regulatory authorities. As animals are imported, animal health knowledge and education will be key to a successful industry. Industry will need information on diseases that can be imported, disease detection, and development of a quarantine protocols. All animals imported into the state will have oversight from the State Veterinarian, who will issue importation certificates. On the export side, a voluntary livestock registration program will be created to promote and meet international requirements to get animal products into foreign markets.												
To start a business and grow, livestock farmers need guidance and support to understand the Alaska-specific nutrition, health, and care requirements of their animals. There will also be a need to understand the impact of herbicides and pesticides on feed, which will affect manure that could end up in the organic growing industry.												
On a national level, there is a need to have a voice for Alaska when it comes to federal regulations, given our unique environment that is not always represented. As changes are made, outreach and education to the industry will be vital.												
Two positions will support this effort: 10-3127 State Veterinarian, range 24, Palmer, Full-Time (reclassified from a vacant Natural Resource Manager II, range 20) 10-3084 Development Specialist I (Option B), range 18, Palmer, Full-Time (reclassified from a vacant Agronomist II, range 18)												
There is a surplus in the Agricultural Revolving Loan Fund component due to the sale of the Mt. McKinley Meat & Sausage Plant. Contractual services for utilities and outside contractors are no longer required.												
1021 Agric RLF (DGF) 75.0												
FY2019 Increase Inter-Agency Receipt Authority to Align with Anticipated Spending	Inc	**65.0**	0.0	0.0	65.0	0.0	0.0	0.0	0.0	0	0	0
These decrements and increments of Inter-Agency Receipts listed below by component better aligns the budget with actual spending.												
Commissioner's Office: ($120.0) Interdepartmental Chargeback: ($205.0) Public Information Center: $30.0 Mining, Land & Water: $100.0 Forest Management: $100.0 Agricultural Development $65.0 Parks Management: ($250.0) Office of History & Archeology: ($200.0) DNR Total: ($480.0)												
These are technical adjustments and have no impact on services to the public.												
1007 I/A Rcpts (Other) 65.0												

Numbers and Language

Agency: Department of Natural Resources

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
Agricultural Development (continued)												
FY2019 Add Development Specialist I (Option B) to Support State Veterinarian Program	Inc	**101.8**	101.8	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0

The position, transferred from the North Latitude Plant Material Center component, will support the State Veterinarian program. The Alaska livestock sector continues to grow and the Division of Agriculture has an increasing demand for these services. The State Veterinarian will lead the livestock outreach and education while maintaining animal health standards.

Food security is of utmost importance to our state due to the distance and vulnerable food distribution system into the state. Alaska imports 95% of the $2 billion of food that Alaskans purchase. As Alaska diversifies its economy there is tremendous opportunity for agriculture to thrive, creating jobs and putting dollars back into the community. Every year it is estimated that $1.9 billion leaves the state from the food Alaskans purchase.

In recent years, the awareness and demand for local foods has increased dramatically. Livestock and poultry are an important component of this demand. As these numbers increase so has the demand for locally produced animal feed, in turn creating a need for an increased local grain production. The potential for growth in this sector and the impact it can have on other agriculture sectors is tremendous. In 2016, Mt. McKinley Meat and Sausage successfully transitioned into the private sector and we believe the stability this provides the livestock industry will further facilitate growth. The Southcentral region has also seen the construction of additional slaughter and processing facilities, further stabilizing market growth.

To grow the livestock industry in Alaska it's important to disseminate accurate and timely information to producers and appropriate enforcement and regulatory authorities. As animals are imported, animal health knowledge and education will be key to a successful industry. Industry will need information on diseases that can be imported, disease detection, and development of quarantine protocols. All animals imported into the state will have oversight from the State Veterinarian, who will issue importation certificates. On the export side, a voluntary livestock registration program will be created to promote and meet international requirements to get animal products into foreign markets.

To start a business and grow, livestock farmers will need guidance and support to understand the Alaska-specific nutrition, health, and care requirements of their animals. There will also be a need to understand the impact of herbicides and pesticides on feed, which will affect manure that could end up in the organic growing industry.

On a national level, there is a need to have a voice for Alaska when it comes to federal regulations, given our unique environment that is not always represented. As changes are made, outreach and education to the industry will be vital.

Two positions will support this effort:
10-3127 State Veterinarian, range 24, Palmer, Full-Time (reclassified from a vacant Natural Resource Manager II, range 20)
10-3084 Development Specialist I (Option B), range 18, Palmer, Full-Time (reclassified from a vacant Agronomist II, range 18)

Transfer In Vacant (10-3084) Agronomist II, range 18, Palmer, Full-Time

LFD Note: This transaction is a decrement/increment pair because the positions and funding that are being moved reflect a change in responsibilities.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
Agricultural Development (continued)												
FY2019 Add Development Specialist I (Option B) to Support State Veterinarian Program (continued)												
1002 Fed Rcpts (Fed) 40.7												
1004 Gen Fund (UGF) 61.1												
*** Allocation Total ***		**442.1**	270.3	81.7	47.7	42.4	0.0	0.0	0.0	-1	1	0
North Latitude Plant Material Center												
FY2007 Alaska Seed Growers / Ethnobotany projects from University of Alaska	Inc	**532.8**	120.0	58.2	216.4	138.2	0.0	0.0	0.0	0	0	0
Alaska Seed Grower Assistance Program: Most of the product produced by the seed industry will be used on highway and airport projects. The demand exists for the seed and it is never available in adequate quantities sufficient to address the need.												
The Federal Highway Administration strongly encourages and in some cases demands that native seed be used for highway projects. These species are available to the growers but few are producing the seed. On-farm technical support and research is needed to get more people involved in seed production. Also, seed manuals will assist growers in production and marketing of seed. They will also assist DOT/PF with seed mix selection and use. Funding is available through the University of Alaska.												
Alaska Ethno-Botany Project: The collection of traditional use medicinals and neutraceuticals has become a significant issue throughout North America. This specialized form of economic botany relies not only on traditional plant science but also ethnic and cultural practices of small, groups of indigenous peoples. The Alaska Plant Materials Center (AKPMC), has worked with many of these culturally significant species with regard to collection, propagation and production. The AKPMC proposes to become the source of assistance for these resources. Funding is available through the University of Alaska.												
The AKPMC's initial responsibility will be to assist in developing regulations for use on state lands that look at non-commercial needs and subsistence issues so commercial activities using culturally important plants and the state's interests are protected. Also the AKPMC is looking at the sustainability of the various culturally significant species and how best to protect wild harvest and or commercially produced material in traditional field production.												
1007 I/A Rcpts (Other) 532.8												
FY2007 Reduce Federal Authorization to anticipated receipt level	Dec	**-120.0**	-120.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Federal receipt authorization is reduced to the anticipated receipt level for FY07.												
1002 Fed Rcpts (Fed) -120.0												
FY2008 Interagency Receipts Reduction to Meet Anticipated Budget Needs	Dec	**-89.3**	-19.8	0.0	-24.9	-44.6	0.0	0.0	0.0	-2	2	0
Interagency receipt funding was made available from the University of Alaska for two projects, the Ethnobotany and Seed Growers agreements. These agreements were for three years with extensions; funding is decreasing as the projects are completed. Two vacant positions (PCN 10-03051, Agronomist II and PCN 10-3024, Agronomist I) are changed from full-time to seasonal status.												
1007 I/A Rcpts (Other) -89.3												
FY2008 Federal Receipts Reduction to Meet Anticipated Budget Needs	Dec	**-109.8**	-53.2	0.0	-30.3	-26.3	0.0	0.0	0.0	0	-2	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
North Latitude Plant Material Center (continued)												
FY2008 Federal Receipts Reduction to Meet Anticipated Budget Needs (continued)												
Federal authorization is reduced to the level anticipated for FY08. Two vacant positions are deleted as a result (seasonal PCN 10-3080, Agronomist I and seasonal PCN 10-3088, Maintenance Generalist Sub Journey I.)												
1002 Fed Rcpts (Fed) -109.8												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-139.3**	-139.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -96.7												
1007 I/A Rcpts (Other) -38.0												
1061 CIP Rcpts (Other) -4.6												
FY2008 Replace Agricultural Revolving Loan Fund with GF	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 692.7												
1021 Agric RLF (DGF) -692.7												
FY2008 Correct Unrealizeable Fund Sources for LTC Increase	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -9.6												
1004 Gen Fund (UGF) 12.8												
1007 I/A Rcpts (Other) -3.2												
FY2008 Correct Unrealizeable Fund Sources for LTC Increase	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
OMB reqeusted this fund source change on May 10 (Joan Brown's email)												
1004 Gen Fund (UGF) 12.5												
1021 Agric RLF (DGF) -12.5												
FY2009 Correct Unrealizable Fund Sources for Salary Adjustments: GGU	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -12.9												
1004 Gen Fund (UGF) 12.9												
FY2009 Decrease Unrealizable Federal Receipts for the Foundation Seed Program	Dec	**-500.0**	0.0	0.0	-500.0	0.0	0.0	0.0	0.0	0	0	0

Primary Clientele and Constituents:
The Plant Material Center (PMC) serves the seed growers of the State of Alaska and is programmatically tasked through the enabling legislation to encourage and develop a healthy seed industry in Alaska. Presently these growers provide seed to in-state construction companies and the Department of transaportation and Public facilities (DOT/PF) for road side erosion control and revegetation, Department of Defense contractors for revegetation projects, the mining industry for reclamation, and to a multitude of other state and federal agencies (Bureau of Land Management, US Forest Service) who are tasked with reseeding/revegetation projects through Alaska.

As a direct result of the PMC foundation seed project and the federal funding source used in the past, the in-state seed producers are able to deliver native plant seed stocks to the end users. These seed stocks were directly developed for use in Alaska by the PMC and are the initial seed stock used by the commercial growers to produce the seed they sell to these end users. The program that has evolved with the PMC, seed growers and retailers is a classic integrated economic development scheme that works well for the growers in Alaska and all involved in the system. The end users have seed free of invasive species, noxious weed and other impurities that could cause problems.

The PMC is the only source for this seed that the seed growers need to start their fields. They are also the source of information on how to use the material appropriately. There are no sources elsewhere in the US for the

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
North Latitude Plant Material Center (continued)												
FY2009 Decrease Unrealizable Federal Receipts for the Foundation Seed Program (continued)												
1002 Fed Rcpts (Fed) -500.0												
FY2009 Replace unrealizable Federal Receipts in order to Continue the Foundation Seed Program	IncOTI	**500.0**	0.0	0.0	500.0	0.0	0.0	0.0	0.0	0	0	0

materials developed by the PMC. A small amount of seed has found its way into Canada but this is not significant. Also Iceland supplies some hairgrass as a backup to Alaska needs. This too is Alaska developed hairgrass but being produced in Iceland. In short, a fully funded Foundation Seed Program at the PMC is crucial to the seed industry in Alaska. With the supplemental Federal Funds that have been used to fill gaps in state funding, a strong and effective seed program was developed at the PMC. This needs to be continued.

Background:
Funding for the PMC has been a complex mix of sources. Between FY97 and FY06 the PMC operated with funding coming from Agricultural Revolving Loan Fund, Federal funding, Interagency Receipts, General Fund Program Receipts and Statutory Designated Program Receipts sources. Federal funding was primarily from Congressional Appropriations (Earmarks).

Three of these earmarks were directly tied to the operating mission of the PMC specifically in Foundation Seed/Seed Industry development: Cold Regions Evaluation Project,Native Plant Commercialization Project, and the Seed Grower's Assistance.

These projects funded specific segments of the PMC's mandated mission of Foundation Seed/Seed Industry Development Program. They provided for 1) seed collection, evaluation and increase (including a few items of traditional Foundation seed production), 2) New crop development and demonstration to end users (including some aspects of traditional Foundation Seed programs), and 3) Promotion and Public education (Revegetation Manual and Plant Flyers) including some for existing Foundation seed varieties.

What will the $500.0 GF purchase?
These funds will fill the gap that has evolved over the years in the Foundation seed program and allow continuation of the program as it has evolved and described above from seed collection to new crop development and public education. In short this will replace the federal funds used to support the foundation seed program or its legitimate segments. These funds, in conjunction with the GF appropriation already included for the PMC, will cover all the facility operation and maintenance costs, and overhead costs. The $500.0 will allow for the continued operation of the Official Alaska State Seed Lab.

Primary Clientele and Constituents:
The Plant Material Center (PMC) serves the seed growers of the State of Alaska and is programmatically tasked through the enabling legislation to encourage and develop a healthy seed industry in Alaska. Presently these growers provide seed to in-state construction companies and the Department of transaportation and Public facilities (DOT/PF) for road side erosion control and revegetation, Department of Defense contractors for revegetation projects, the mining industry for reclamation, and to a multitude of other state and federal agencies (Bureau of Land Management, US Forest Service) who are tasked with reseeding/revegetation projects through Alaska.

As a direct result of the PMC foundation seed project and the federal funding source used in the past, the in-state seed producers are able to deliver native plant seed stocks to the end users. These seed stocks were directly developed for use in Alaska by the PMC and are the initial seed stock used by the commercial growers to produce

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
North Latitude Plant Material Center (continued)												
FY2009 Replace unrealizable Federal Receipts in order to Continue the Foundation Seed Program (continued)												

the seed they sell to these end users. The program that has evolved with the PMC, seed growers and retailers is a classic integrated economic development scheme that works well for the growers in Alaska and all involved in the system. The end users have seed free of invasive species, noxious weed and other impurities that could cause problems.

The PMC is the only source for this seed that the seed growers need to start their fields. They are also the source of information on how to use the material appropriately. There are no sources elsewhere in the US for the materials developed by the PMC. A small amount of seed has found its way into Canada but this is not significant. Also Iceland supplies some hairgrass as a backup to Alaska needs. This too is Alaska developed hairgrass but being produced in Iceland. In short, a fully funded Foundation Seed Program at the PMC is crucial to the seed industry in Alaska. With the supplemental Federal Funds that have been used to fill gaps in state funding, a strong and effective seed program was developed at the PMC. This needs to be continued.

Background:
Funding for the PMC has been a complex mix of sources. Between FY97 and FY06 the PMC operated with funding coming from Agricultural Revolving Loan Fund, Federal funding, Interagency Receipts, General Fund Program Receipts and Statutory Designated Program Receipts sources. Federal funding was primarily from Congressional Appropriations (Earmarks).

Three of these earmarks were directly tied to the operating mission of the PMC specifically in Foundation Seed/Seed Industry development: Cold Regions Evaluation Project,Native Plant Commercialization Project, and the Seed Grower's Assistance.

These projects funded specific segments of the PMC's mandated mission of Foundation Seed/Seed Industry Development Program. They provided for 1) seed collection, evaluation and increase (including a few items of traditional Foundation seed production), 2) New crop development and demonstration to end users (including some aspects of traditional Foundation Seed programs), and 3) Promotion and Public education (Revegetation Manual and Plant Flyers) including some for existing Foundation seed varieties.

What will the $500.0 GF purchase?
These funds will fill the gap that has evolved over the years in the Foundation seed program and allow continuation of the program as it has evolved and described above from seed collection to new crop development and public education. In short this will replace the federal funds used to support the foundation seed program or its legitimate segments. These funds, in conjunction with the GF appropriation already included for the PMC, will cover all the facility operation and maintenance costs, and overhead costs. The $500.0 will allow for the continued operation of the Official Alaska State Seed Lab.

1004 Gen Fund (UGF) 500.0												
FY2009 Delete Excess Federal Authorization	Dec	**-389.8**	-96.5	-44.1	-139.6	-107.3	-2.3	0.0	0.0	-1	1	0

Federal receipts that supported the Cold Regions Network project and Native Plant project at the Plant Materials Center are not forthcoming and the excess authorization is deleted in the FY09 budget. PCN 10-3076, an Agronomist I is changed from permanent full-time to permanent seasonal status to meet the projected budget needs.

1002 Fed Rcpts (Fed) -389.8												
FY2009 Delete Excess Statutory Designated Program Receipts	Dec	**-52.2**	0.0	0.0	-52.2	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
North Latitude Plant Material Center (continued)												
FY2009 Delete Excess Statutory Designated Program Receipts (continued)												
Statutory Designated Program Receipt funding is not forthcoming and the excess authorization is deleted in this budget.												
1108 Stat Desig (Other) -52.2												
FY2009 Delete Excess Interagency Receipts	Dec	**-521.8**	-155.5	-31.0	-242.2	-58.9	-34.2	0.0	0.0	0	0	0
Interagency funding for two multi-year projects with the University of Alaska will no longer be available as the agreements are completed. The funding came from federal pass-through grants that supported the Alaska Seed Growers project and the Alaska Ethnobotany project. These projects have crossed fiscal years resulting in increased authorization that will no longer be required at the higher levels. The Alaska Ethnobotany project will be completed in FY09. The Alaska Seed Growers funding is no longer forthcoming. The excess Interagency receipt authorization that supported these programs is deleted in the FY09 budget.												
1007 I/A Rcpts (Other) -521.8												
FY2009 CC: Certified Seed Production	IncOTI	**225.0**	134.8	2.5	71.7	16.0	0.0	0.0	0.0	0	0	0

This request is driven by Alaska potato growers, and will be used to provide them with pathogen-tested and certified seed as per 11 AAC 34.075(J). Testing will be done at a facility in the Lower 48. These funds will not be used to directly or indirectly support University of Alaska projects, nor will any portion of the funds be paid to the University of Alaska for goods or services.

The potato project was initiated in 1984 to help stop the significant disease losses occurring to Alaska's potato crops. Many diseases of potato are carried in or on the potatoes used for seed. Requiring the use of certified seed is a primary means of reducing the risk from the seed sources. The PMC potato project utilizes micro propagation procedures to provide growers with pathogen-tested and certified seed to break the disease cycle. Clean stocks are rapidly multiplied in the laboratory using sterile tissue culture techniques. Propagated potato plants are then planted in an insect resistant greenhouse to produce a crop of mini tubers (seed). Certified Potato Seed Growers purchase this seed through the PMC to plant for on farm increase and for the potato seed certification program in which the crops are visually inspected for disease. Seed plots with too much disease are removed from seed status.

Some disease epidemics have been traced to uncertified or inappropriate seed. The potato program helps to prevent the introduction of diseases to Alaska by providing certified and tested seed stock. The introduction of unwanted pests and diseases could result in increased use of pesticides. Many of the varieties produced by the PMC and requested by Alaska seed growers are not available from other sources. These varieties will become the PMC's primary crop and concern.

All seed potato certification programs in the U.S. and Canada require the initial seed stock be derived from pathogen-tested tissue culture produced seed. Alaskan produced certified seed potatoes presently meet or exceed these requirements due to the efforts of the PMC potato project.

The spending plan would include extending the seasons for one Agronomist (PCN 10-3076) and four support labor positions (PCN 10-3051, 10-3055, 10-3066, and 10-3081). The budgeted months related to these PMC seasonal positions would increase providing more staff time to dedicate to the program and production. Travel would include training/professional conferences and in state meetings with producers. Contractual Services would involve prorated operating and specific contractual costs. Lab work that could not be performed at PMC would be contracted with a certified facility out of state. Supplies would include containers, chemicals, potting soil, and other lab and greenhouse related materials necessary to produce certified seed.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
North Latitude Plant Material Center (continued)												
FY2009 CC: Certified Seed Production (continued)												
Since Alaska is isolated from major outside food sources we need to become more self-sufficient in our food production. This request is a positive move in that direction.												
1004 Gen Fund (UGF) 225.0												
FY2009 Ch. 102, SLA 2008 (HB 330) Noxious Weeds and Invasive Plants	FisNot	**80.0**	75.1	0.0	3.9	1.0	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF) 80.0												
FY2010 Provide Foundation and Certified Seed- Dept is asked to seek other revenue sources	Inc	**500.0**	134.8	2.5	341.7	21.0	0.0	0.0	0.0	0	0	0
This funding will allow continuation of services provided by the Northern Latitude Plant Material Center (PMC) as they relate to the Foundation Seed Program and pathogen-tested and certified seed potatoes.												
The PMC serves Alaskan seed growers by encouraging and developing a healthy seed industry in Alaska. Seed stocks used by the growers are developed by the PMC, which is the only source of initial seed stock for plants native to Alaska. The growers provide seed to construction companies, the Department of Transportation and Public Facilities, mining industry, Department of Defense contractors, Bureau of Land Management, U.S. Forest Service, and other agencies and entities for revegetation projects and erosion control. The use of seed products developed by the PMC assures that end users have seed free of invasive species, noxious weeds and other impurities.												
The potato project helps to prevent significant disease losses to Alaska's potato crops. Certified potato seed growers purchase tested and certified seed from the PMC, including many varieties not available from other sources.												
This funding will also allow the PMC to continue operation of the Alaska State Seed Lab, the state's only certified seed testing lab.												
1004 Gen Fund (UGF) 500.0												
FY2010 Federal Projects and Studies Including Seeding BLM Land	Inc	**300.0**	150.0	22.0	80.0	48.0	0.0	0.0	0.0	0	0	0
PMC continues to secure non-state funding for various projects including: (AS 03.22.070)												
Project 1 BLM; collect and commercialize native plants specific to BLM Regions for BLM to use on disturbances on their lands. Project 2 USF&WS; collect and propagate rare and endangered plants in Alaska Project 3 Natural Resource Conservation Service; Commercialize native plants for use in Alaska Project 4 Natural Resource Conservation Service; Develop evaluation plots through Alaska Fed Inc Project 5 ARS; Conduct seed germination studies.												
1002 Fed Rcpts (Fed) 300.0												
FY2010 Interagency Receipts Funding Reduction for the Alaska Ethnobotany Project	Dec	**-244.3**	-204.8	-6.3	-28.6	-4.6	0.0	0.0	0.0	0	0	0
The Alaska Ethnobotany program using IA funding will be completed in FY09 unless a new agreement is reached with the University of Alaska Fairbanks.												
1007 I/A Rcpts (Other) -244.3												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
North Latitude Plant Material Center (continued)												
FY2010 CC: Provide one-time funding for Foundation and Certified Seed	IncOTI	**200.0**	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0	0	0
This funding will allow continuation of services provided by the Northern Latitude Plant Material Center (PMC) as they relate to the Foundation Seed Program and pathogen-tested and certified seed potatoes. The PMC serves Alaskan seed growers by encouraging and developing a healthy seed industry in Alaska. Seed stocks used by the growers are developed by the PMC, which is the only source of initial seed stock for plants native to Alaska. The growers provide seed to construction companies, the Department of Transportation and Public Facilities, mining industry, Department of Defense contractors, Bureau of Land Management, U.S. Forest Service, and other agencies and entities for revegetation projects and erosion control. The use of seed products developed by the PMC assures that end users have seed free of invasive species, noxious weeds and other impurities. The potato project helps to prevent significant disease losses to Alaska's potato crops. Certified potato seed growers purchase tested and certified seed from the PMC, including many varieties not available from other sources. This funding will also allow the PMC to continue operation of the Alaska State Seed Lab, the state's only certified seed testing lab.												
1004 Gen Fund (UGF) 200.0												
FY2011 Continuation of Certified Seed Potato Program	IncOTI	**200.0**	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0	0	0
This request is driven by Alaska potato growers, and will be used to provide them with pathogen-tested and certified seed as per 11 AAC 34.075(J). The potato project was initiated in 1984 to help stop the significant disease losses occurring to Alaska's potato crops. All seed potato certification programs in the U.S. and Canada require the initial seed stock be derived from pathogen-tested tissue culture produced seed. Alaskan produced certified seed potatoes presently meet or exceed these requirements due to the efforts of the PMC potato project. The potato program helps to prevent the introduction of diseases to Alaska by providing certified and tested seed stock.												
1004 Gen Fund (UGF) 200.0												
FY2011 Incorporate $15 million of fuel trigger in FY11 base. Trigger start point moves from $36 to $51.	Inc	**4.5**	0.0	0.0	4.5	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 4.5												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-0.9**	0.0	-0.9	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -0.9												
FY2012 Continuation of Certified Seed Potato Program	IncM	**100.0**	90.1	4.0	5.9	0.0	0.0	0.0	0.0	0	0	0
The Plant Materials Center (PMC) provides Alaska potato growers with pathogen-tested and certified seed as per 11 AAC 34.075(J). The seed potato project was initiated in 1984 to help stop the significant disease losses occurring to Alaska's potato crops. All seed potato certification programs in the U.S. and Canada require the initial seed stock be derived from pathogen-tested tissue culture produced seed. Alaskan-produced certified seed potatoes meet or exceed these requirements due to the efforts of the PMC potato project. The potato program helps to prevent the introduction of diseases to Alaska by providing certified and tested seed stock.												
1004 Gen Fund (UGF) 100.0												
FY2012 Continuation of the Certified Seed Potato Program	Inc	**120.0**	90.1	4.0	5.9	20.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
North Latitude Plant Material Center (continued)												
FY2012 Continuation of the Certified Seed Potato Program (continued)												
Replaces funding not approved in the House subcommittee. This increment increases the funding 20.0 over the Governor's request.												
1004 Gen Fund (UGF) 120.0												
FY2012 ADN/RPL 10-0-5054 Develop Rural Village Seed Program	Inc	**136.0**	136.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The North Latitude Plant Materials Center component has an approved ARRA project ADN/RPL 10-0-5054, Develop a Rural Village Seed Production Program and an RSA 100025 from the Governor's Office for funding authorization. This program is active through September 30, 2012.												
PMC currently has two long term non perm positions working on this project. (PCN 10N10002 - Natural Resource Specialist II - R16 and PCN 10N10003 - Agronomist I-R16). Both positions were included in the RPL.												
Current FY 12 personal services CIP authority in this component is $43.5. To cover the positions listed below an additional $136.0 CIP personal services authority is needed for a total of $181.3.												
1061 CIP Rcpts (Other) 136.0												
FY2012 Incorporate partial FY11 distribution of fuel trigger in FY12 base. Trigger start point moves from $51 to $65.	Inc	**4.0**	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 4.0												
FY2012 Ch. 3, SLA 2011 (HB 97) EXTEND INVASIVE PLANTS LAW	FisNot	**101.1**	85.1	5.0	5.0	6.0	0.0	0.0	0.0	1	0	0
Not applicable, initial fiscal note.												
1004 Gen Fund (UGF) 101.1												
FY2013 AMD: Horticulture Evaluation Program	Inc	**260.0**	0.0	0.0	260.0	0.0	0.0	0.0	0.0	0	0	0

The horticulture industry is by far the largest and most significant segment of commercial plant production in Alaska. A horticulture evaluation and development program at the Plant Materials Center (PMC) will service the primary users such as the landscape industry, peony and berry crop industries, rhubarb producers and a large contingent of diversified growers throughout Alaska. The program is well supported by the various commodity and industry groups.

The recent closure of the U.S.D.A. Agricultural Research Service (ARS) Station in Alaska has pulled nearly all support and assistance from the horticulture industries in Alaska. The PMC has acquired the plant materials from the ARS research group and has placed them in winter storage. None of the research material has been lost, however establishment of this program in the PMC is critical to the ongoing support of the existing material and these industries. The Division of Agriculture has had repeated requests for a horticultural development and evaluation program from industry as well as the Plant Materials Center Advisory Board.

The program will address the needs of this large and varied industry in developing new crops, determining which varieties to produce, and evaluation of the technology needed to be competitive.

This is a new request for FY2013.

FY2013 December budget -- $2,426.2

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
North Latitude Plant Material Center (continued)												
FY2013 AMD: Horticulture Evaluation Program (continued)												
FY2013 Amendment -- $260.0												
TOTAL FY2013 -- $2,686.2												
1004 Gen Fund (UGF) 260.0												
FY2013 (HB 365) AQUATIC INVASIVE SPECIES	FisNot	**84.2**	71.0	5.0	3.7	4.5	0.0	0.0	0.0	0	0	1
The House Finance committee substitute reinserted language relating to freshwater aquatic invasive species.												
1004 Gen Fund (UGF) 84.2												
FY2013 DID NOT PASS: (HB 365) AQUATIC INVASIVE SPECIES	FisNot	**-84.2**	-71.0	-5.0	-3.7	-4.5	0.0	0.0	0.0	0	0	-1
The House Finance committee substitute reinserted language relating to freshwater aquatic invasive species.												
1004 Gen Fund (UGF) -84.2												
FY2014 Department of Administration Core Services Rates	Inc	**6.0**	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 6.0												
FY2015 Reduce Excess Authorization Due to Completion of Federal Project	Dec	**-114.6**	-114.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Authorization decreased due to the Rural Village Seed, American Recovery and Reinvestment Act (ARRA) capital project funding ending. The non-permanent position (10-N10002) Natural Resource Specialist II is being deleted.												
1061 CIP Rcpts (Other) -114.6												
FY2015 (HB 89) AQUATIC INVASIVE SPECIES	FisNot	**94.1**	78.6	5.0	5.5	5.0	0.0	0.0	0.0	0	0	1
Updated for 2nd session to accurately reflect FY2015 and out year costs and the committee substitute adopted in the House Resources Committee.												
1004 Gen Fund (UGF) 94.1												
FY2015 DID NOT PASS (HB 89) AQUATIC INVASIVE SPECIES	FisNot	**-94.1**	-78.6	-5.0	-5.5	-5.0	0.0	0.0	0.0	0	0	-1
Updated for 2nd session to accurately reflect FY2015 and out year costs and the committee substitute adopted in the House Resources Committee.												
1004 Gen Fund (UGF) -94.1												
FY2016 Reduce Excess CIP Receipt Authority	Dec	**-72.1**	-72.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Authorization decreased due to the Canadian Thistle Infestation capital project funding ending.												
1061 CIP Rcpts (Other) -72.1												
FY2016 Decrease Federal Authority	Dec	**-50.0**	0.0	0.0	0.0	0.0	-50.0	0.0	0.0	0	0	0
Reduction of federal receipt authorization due to a decrease in federal infrastructure projects related to the Northern Regions.												
1002 Fed Rcpts (Fed) -50.0												
FY2016 AMD: Eliminate Ethnobotany Program and Garden	Dec	**-147.8**	-147.8	0.0	0.0	0.0	0.0	0.0	0.0	-1	-2	0
The Ethnobotany Program and Garden teaches local identification of native and invasive plants, which native plants to use for landscaping and/or revegetation, indigenous farming techniques, and economics of using native												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
North Latitude Plant Material Center (continued)												
FY2016 AMD: Eliminate Ethnobotany Program and Garden (continued)												
plants for new crops. The program has worked extensively with the native community in outreach and education. The ethnobotany garden will no longer be maintained at the North Latitude Plant Material Center or available to the public.												
Delete PCNs: (10-3076) Permanent, Full-time, Agronomist I, Palmer (10-3079) Seasonal Full-time (PT), Maint Gen Services Journey II, Palmer (10-3040) Seasonal Full-time (PT), Stock & Parts Svcs Sub Journey, Palmer												
1004 Gen Fund (UGF) -147.8												
FY2016 AMD: Adjust Reduction of Excess CIP Receipt Authority	Dec	**-1.3**	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Adjustment to salary increase included in the Work in Progress budget bringing CIP authorization for the component to $0.0.												
1061 CIP Rcpts (Other) -1.3												
FY2016 Eliminate Base Funding for Potato Program	Dec	**-147.6**	-147.6	0.0	0.0	0.0	0.0	0.0	0.0	-2	0	0
1004 Gen Fund (UGF) -147.6												
FY2017 Reduce Seasonal Mechanics Capacity Limiting Facility and Equipment Maintenance	Dec	**-58.0**	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0	-1	0
The Plant Material Center (PMC) will eliminate one seasonal mechanic, absorbing basic mechanical duties and general equipment maintenance responsibilities into existing Equipment Operator and Sub Operator positions. More technical maintenance will require the PMC to rely more heavily on contracted Department of Transportation maintenance services.												
Two seasonal Maintenance General Sub Journey I positions will have seasons reduced by one month each. This will decrease the PMC's overall capacity during the field season, and pre- and post-seed cleaning timeframes. Limiting the more labor intensive farm practices will require the PMC to rely more heavily on mechanical techniques in planting, harvesting, and chemical control during pest management activities.												
Delete (10-3066) Mech Auto Sub Journey, range 56, Palmer, Seasonal Full-Time												
1004 Gen Fund (UGF) -58.0												
FY2017 Restore Potato Program Funding	IncM	**147.6**	147.6	0.0	0.0	0.0	0.0	0.0	0.0	2	0	0
Restore funding for the potato program housed at the North Latitude Plant Material Center. This program supports the commercial potato industry through the production of Generation Zero, disease-free potato seed, and assists producers with on farm disease monitoring and management recommendations.												
1004 Gen Fund (UGF) 147.6												
FY2017 Reduce Funding by $335.0 to Spread Unallocated Reduction	Dec	**-335.0**	-325.0	0.0	-10.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -335.0												
FY2017 Restore $335.0 as One Time Item	IncOTI	**335.0**	325.0	0.0	10.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 335.0												
FY2019 Delete Agronomist II (10-3084) Position and Associated Funding	Dec	**-101.8**	-101.8	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Agriculture (continued)

North Latitude Plant Material Center (continued)

FY2019 Delete Agronomist II (10-3084) Position and Associated Funding (continued)

The position, transferred from the North Latitude Plant Material Center component, will support the State Veterinarian program. The Alaska livestock sector continues to grow and the Division of Agriculture has an increasing demand for these services. The State Veterinarian will lead the livestock outreach and education while maintaining animal health standards.

Food security is of utmost importance to our state due to the distance and vulnerable food distribution system into the state. Alaska imports 95% of the $2 billion of food that Alaskans purchase. As Alaska diversifies its economy there is tremendous opportunity for agriculture to thrive, creating jobs and putting dollars back into the community. Every year it is estimated that $1.9 billion leaves the state from the food Alaskans purchase.

In recent years, the awareness and demand for local foods has increased dramatically. Livestock and poultry are an important component of this demand. As these numbers increase so has the demand for locally produced animal feed, in turn creating a need for an increased local grain production. The potential for growth in this sector and the impact it can have on other agriculture sectors is tremendous. In 2016, Mt. McKinley Meat and Sausage successfully transitioned into the private sector and we believe the stability this provides the livestock industry will further facilitate growth. The Southcentral region has also seen the construction of additional slaughter and processing facilities, further stabilizing market growth.

To grow the livestock industry in Alaska it's important to disseminate accurate and timely information to producers and appropriate enforcement and regulatory authorities. As animals are imported, animal health knowledge and education will be key to a successful industry. Industry will need information on diseases that can be imported, disease detection, and development of quarantine protocols. All animals imported into the state will have oversight from the State Veterinarian, who will issue importation certificates. On the export side, a voluntary livestock registration program will be created to promote and meet international requirements to get animal products into foreign markets.

To start a business and grow, livestock farmers will need guidance and support to understand the Alaska-specific nutrition, health, and care requirements of their animals. There will also be a need to understand the impact of herbicides and pesticides on feed, which will affect manure that could end up in the organic growing industry.

On a national level, there is a need to have a voice for Alaska when it comes to federal regulations, given our unique environment that is not always represented. As changes are made, outreach and education to the industry will be vital.

Two positions will support this effort:
10-3127 State Veterinarian, range 24, Palmer, Full-Time (reclassified from a vacant Natural Resource Manager II, range 20)
10-3084 Development Specialist I (Option B), range 18, Palmer, Full-Time (reclassified from a vacant Agronomist II, range 18)

Transfer Out Vacant (10-3084) Agronomist II, range 18, Palmer, Full-Time

LFD Note: This transaction is a decrement/increment pair because the positions and funding that are being moved reflect a change in responsibilities.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
North Latitude Plant Material Center (continued)												
FY2019 Delete Agronomist II (10-3084) Position and Associated Funding (continued)												
1002 Fed Rcpts (Fed) -40.7												
1004 Gen Fund (UGF) -61.1												
*** Allocation Total ***		**556.4**	-262.7	15.9	881.2	8.5	-86.5	0.0	0.0	-3	-2	0
Agriculture Revolving Loan Program Administration												
FY2006 Reduce CIP Authorization Anticipated for FY06	Dec	**-58.8**	-7.5	0.0	-51.3	0.0	0.0	0.0	0.0	0	0	0
CIP budgeted funding was transferred to the services line item in FY05 Mgt Plan. The authorization is unusable and is deleted in the FY06 operating budget.												
1061 CIP Rcpts (Other) -58.8												
FY2007 Delete Accountant II (PCN 10-0396) position and associated funding. Workload has been absorbed within Admin Services.	Dec	**-65.0**	-65.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
An Accountant II position (PCN 10-0396) is deleted in the FY07 budget process. The workload has been absorbed by the Administrative Services component. Associated ARLF funding for this position is deleted as well.												
1021 Agric RLF (DGF) -65.0												
FY2009 Correct Unrealizable Fund Sources for Salary Adjustments: GGU	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -4.5												
1021 Agric RLF (DGF) 4.5												
FY2010 Delete one loan/collection officer position, which is currently vacant.	Dec	**-70.0**	-70.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1021 Agric RLF (DGF) -70.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-0.7**	0.0	-0.7	0.0	0.0	0.0	0.0	0.0	0	0	0
1021 Agric RLF (DGF) -0.7												
FY2016 Eliminate Base Funding for McKinley Meat and Sausage Plant	Dec	**-2,047.5**	-356.1	0.0	-193.2	-1,498.2	0.0	0.0	0.0	-3	0	0
1021 Agric RLF (DGF) -2,047.5												
FY2017 Restore Base Funding for McKinley Meat and Sausage Plant	IncM	**2,047.5**	356.1	0.0	193.2	1,498.2	0.0	0.0	0.0	3	0	0

Restore the funding for the Mount McKinley Meat and Sausage Plant (MMM&S). The plant is an asset funded by the Agricultural Revolving Loan Fund; all revenues return to the fund. MMM&S is one of three United States Department of Agriculture (USDA) slaughter facilities in the state and the only USDA slaughter facility in southcentral Alaska. MMM&S provides services to livestock producers on the road system, from Delta to Homer and Talkeetna to Kenny Lake.

Efforts have been made to privatize the facility, most recently in 2007. No viable offers were made and the Division of Agriculture continues to operate the facility to provide the crucial service to the industry.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)												
Agriculture Revolving Loan Program Administration (continued)												
FY2017 Restore Base Funding for McKinley Meat and Sausage Plant (continued)												
Discussions are ongoing between the Board of Agriculture and Conservation and parties interested in providing the necessary services including a USDA stamp to the industry. If the private sector were to provide the services MMM&S would be closed and sold; with the sale proceeds returned to the ARLF.												
Without the funding the red meat industry would be negatively impacted limiting access to the USDA stamp which is required to move meat into commerce.												
This funding is requested as part of the base budget to continue the support of the meat industry until an alternative plan can provide the service to meat producers in Alaska.												
1021 Agric RLF (DGF) 2,047.5												
FY2019 Reduction in Contractual Services to be Used for the State Veterinarian Program	Dec	**-75.0**	0.0	0.0	-75.0	0.0	0.0	0.0	0.0	0	0	0
These funds are in surplus due to the sale of the Mt. McKinley Meat & Sausage Plant. Contractual services for utilities and outside contractors are no longer required.												
The funds will be used in the Agricultural Development component to support the State Veterinarian program.												
1021 Agric RLF (DGF) -75.0												
*** Allocation Total ***		**-269.5**	-142.5	-0.7	-126.3	0.0	0.0	0.0	0.0	-1	0	0
*** * Appropriation Total * ***		**729.0**	-134.9	96.9	802.6	50.9	-86.5	0.0	0.0	-5	-1	0
Parks & Outdoor Recreation												
Parks Management & Access												
FY2013 Funding Redistribution from Agency-wide Position Deletions for Dispatch Coverage from Kenai Peninsula Borough	Inc	**80.0**	0.0	0.0	80.0	0.0	0.0	0.0	0.0	0	0	0

In the Governor's agency-wide effort to limit the growth of state government (for both positions and funding), some vacant positions were deleted, with the intent to utilize savings generated from the deleted positions to fund personal services funding shortfalls or other priority projects within the department.

DNR deleted 20 vacant positions across multiple components. General fund savings from the deleted positions is reallocated between components to cover personal services funding shortfalls or other department priority initiatives.

Prior to these funding transfers, personal services funding shortfalls existed in many components at a level that was not manageable without either a general fund increment, or a reduction of positions (most of which are filled) and a loss of service. Shortfalls are primarily a result of when employees receive merit increases, the cost is reflected in the personal services budget need, but the budget is not increased to cover the cost. The general expectation is that departments are responsible to cover merit increases through turnover and vacancies in a component, assuming that will generate savings to offset the merit increases. When components experience little turnover or have few vacant positions, there is no cost savings to cover the increases. The Governor's budget recognizes the need to cover these shortfalls by allowing for the transfer of savings between allocations.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management & Access (continued)												
FY2013 Funding Redistribution from Agency-wide Position Deletions for Dispatch Coverage from Kenai Peninsula Borough (continued)												
General fund was reallocated as follows: Commissioner's Office $100.0 Administrative Services $125.0 Information Resource Management $269.2 Citizens' Advisory Commission on Federal Areas $13.0 Parks Management & Access $80.0 Gas Pipeline Project Office ($223.4) Petroleum Systems Integrity Office ($281.2) Forest Management & Development ($82.6)												
The Division of Parks and Outdoor Recreation (DPOR) employs one full-time dispatcher on the Kenai Peninsula who provides dispatch to the Kenai Area staff five days per week during business hours. Park rangers working outside the DPOR dispatcher's schedule have been receiving dispatch services from a coordinated center run by the Kenai Peninsula Borough (KPB); DPOR has not provided any funding to the center. The Kenai dispatch center also provides services to the Alaska State Troopers, all Kenai Peninsula emergency service organizations and the Soldotna Police Department who all provide funding to run the center.												
DPOR has been notified that park rangers can no longer receive dispatch services from the KPB-run center unless funding is provided to hire an additional dispatcher to help cover the park rangers. What has changed is that more troopers were hired to work on the Kenai Peninsula through a federal highway safety grant but no additional funding was available to cover those trooper's dispatch needs.												
If Kenai Area park rangers can no longer use the KPB dispatch center they will not have assistance outside of the DPOR dispatcher's schedule. This places the rangers in a unsafe position, with no effective communication should they make an enforcement contact, get injured or require assistance.												
This $80.0 will be paid to the Kenai Peninsula Borough and they will provide the necessary dispatch services on evenings, weekends, and other incidental times when the DPOR dispatcher is not available. The borough will not accept funding for a partial position, since they will need to hire a full-time position to cover DPOR's needs.												
1004 Gen Fund (UGF) 80.0												
FY2013 General Fund Program Receipts to Cover Personal Services Shortfall	Inc	**90.0**	90.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Parks and Outdoor Recreation component received an increment to General Fund Program Receipts (GFPR) which will fund the Parks and Outdoor Recreation's staff.												
The division currently collects GFPR in excess of authorization by approximately $120.0 per year. These "excess" receipts will be used to fund this increment request.												
1005 GF/Prgm (DGF) 90.0												
FY2013 CC: Add a ranger and associated costs to the Lower Chatanika State Recreation Area	Inc	**115.0**	87.7	0.0	27.3	0.0	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF) 115.0												
FY2013 Seasonal Parks technician in the Southeast Region	Inc	**48.7**	48.7	0.0	0.0	0.0	0.0	0.0	0.0	0	1	0
Technical amendment in subcommittee moved this from Parks Management & Access to Mining, Land and Water.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management & Access (continued)												
FY2013 Seasonal Parks technician in the Southeast Region (continued)												
1004 Gen Fund (UGF) 48.7												
FY2014 Parks Maintenance and Operations Increased Costs including Outhouse Pumping, Garbage Service, Snow Removal and Utilities	Inc	**165.5**	0.0	42.0	123.5	0.0	0.0	0.0	0.0	0	0	0
Since 2009, outhouse pumping, garbage service and utilities costs have increased approximately 45% statewide. Volunteer stipend costs have increased as more volunteers are utilized statewide. Volunteer recruitment has become more challenging due to: 1. Increased gasoline costs (many volunteer hosts drive RVs or tow campers) and 2. Competition with other agencies which pay higher volunteer stipends. The new concession contract (begins January 1, 2013) to operate Big Delta State Historical Park will include a reduction of approximately $12.0 return to the state because the site has experienced a dramatic decline in visitation and revenues. In addition, the state will begin paying the park's utilities in FY2013; that cost is approximately $5.0/year. Additional facilities, such as the Glen Alps caretaker cabin and the Fairbanks maintenance shop have been built with capital funds but no additional operating funds were allocated to cover the increase in recurring costs, such as utilities, snow removal and routine maintenance.												
Increased expenditures are allocated as listed: Volunteer payments - $42.0 Electricity - $25.0 Water and Sewer - $30.0 Disposal - $23.5 Natural Gas/Propane - $20.0 Heating Oil - $15.0 Snow Removal - $10.0												
1005 GF/Prgm (DGF) 165.5												
FY2014 Department of Administration Core Services Rates	Inc	**31.5**	31.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1004 Gen Fund (UGF) 31.5												
FY2014 New Park Ranger Position and Funding for Kenai River Area	Inc	**97.7**	83.7	3.0	7.0	4.0	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF) 97.7												
FY2014 CC: One-time Costs Establishing New Park Ranger for Kenai River Area	IncOTI	**10.0**	0.0	0.0	10.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 10.0												
FY2015 Partially Fund Existing and Vacant Parks Field Operations Staff	Inc	**382.0**	362.0	0.0	0.0	20.0	0.0	0.0	0.0	0	0	0
The average cost for a full time Parks employee has risen 30% since FY2006. In order to operate within personal services allocations the division instituted a hiring freeze in July, 2012 and is currently holding seven permanent												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management & Access (continued)												
FY2015 Partially Fund Existing and Vacant Parks Field Operations Staff (continued)												
and 14 temporary positions vacant as well as reducing seasonal employee's work months statewide. This increment will allow the division to fill some existing vacancies in order to provide core services, including addressing the growing issues of litter, overflowing trash cans, poorly maintained restrooms and deterioration of park facilities in some areas. This increment will not allow full funding of all vacant positions and will require the division to manage a 3% vacancy factor which equates to holding three to four full-time-equivalent positions open on an annual basis. A status quo budget would exacerbate the issue currently being managed in the FY2014 budget that resulted in the need to leave seven permanent and 14 temporary positions vacant. If this request is not funded, the increased cost of personal services from merit and other salary cost increases would result in the need to hold nine to ten full-time-equivalent positions open in FY2015. Public complaints, as well negative comments from Legislators have risen dramatically this past summer concerning overflowing trash cans, filthy restrooms and the deterioration of parks in general, and these complaints will continue to increase. Staff morale has declined and would continue to decline.												
1004 Gen Fund (UGF) 114.5												
1005 GF/Prgm (DGF) 267.5												
FY2015 Kids Don't Float Life Jackets and Education Program Expansion	Inc	**100.0**	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0	0	0
The state receives about $525.0 in boat registration fees annually. The Division of Parks and Outdoor Recreation currently has authorization to spend up to $200.0 in boat registration fee receipts. This increment would increase that authority to $300.0 annually, funding additional purchases and statewide distribution of Kids Don't Float life jackets, educational materials, and increased media buys for delivery of boating safety messages.												
1216 Boat Rcpts (DGF) 100.0												
FY2015 Replace UGF with Increased User Fees	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -250.0												
1005 GF/Prgm (DGF) 250.0												
FY2016 Maintenance and Operating Costs for South Denali Visitor Center (SDVC) Complex	Inc	**104.0**	62.0	2.0	33.8	6.2	0.0	0.0	0.0	0	0	0
Issue: The 35 RV campsites at K'esugi Ken campground in Denali State Park will open for public use in the 2015 season. The first new Alaska State Parks campground constructed in 20 years, it is located two miles from the Parks Highway and the first facility to be built as part of the South Denali Visitor Center Complex. Each RV site will have electrical hookups. Fifteen walk-in tent campsites will be added to the campground in the summer of 2015 and open in the fall of 2015. This new development requires additional staff to open, operate and maintain the facility for public access. Status Quo: The new campground will not be open for public use and the state will not receive revenue from overnight camping and day use fees.												
1005 GF/Prgm (DGF) 104.0												
FY2016 AMD: Eliminate Initial Request for South Denali Maintenance and Operating Costs Increase	Dec	**-104.0**	-62.0	-2.0	-33.8	-6.2	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management & Access (continued)												
FY2016 AMD: Eliminate Initial Request for South Denali Maintenance and Operating Costs Increase (continued)												
The FY2016 Governor's work-in-progress budget included $104.0 of general fund program receipts to be generated by opening the new campground facilities at the South Denali location. The campground facilities are scheduled to open late summer, 2016 resulting in these additional operational funds not being required until FY2017.												
1005 GF/Prgm (DGF) -104.0												
FY2016 Eliminate Park Ranger II in Dillingham	Dec	**-189.2**	-189.2	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1004 Gen Fund (UGF) -189.2												
FY2016 Eliminate Park Ranger I in Valdez Area and Passively Manage Parks	Dec	**-133.1**	-106.6	0.0	-21.0	-5.5	0.0	0.0	0.0	-1	0	0
1004 Gen Fund (UGF) -133.1												
FY2016 Eliminate Park Specialist in Sitka Area and Passively Manage Parks	Dec	**-127.7**	-97.7	-0.6	-18.2	-11.2	0.0	0.0	0.0	-1	0	0
1004 Gen Fund (UGF) -127.7												
FY2016 Fund Source Change to Replace Unrealizable Vehicle Rental Tax Receipts	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF) 47.8												
1200 VehRntlTax (DGF) -47.8												
FY2017 Reduce Funding for Permit Applications Statewide and Administrative Support in Kodiak	Dec	**-86.4**	-86.4	0.0	0.0	0.0	0.0	0.0	0.0	0	-1	0
Eliminating the funding for one Natural Resource Specialist I/II could result in an increased backlog of commercial use, special use and filming permit applications to be processed and a potential loss of permit revenue. This position will be transferred to the Boating Safety Program and reclassified to a Park Specialist within the Parks and Outdoor Recreation component where a non-permanent position has been used for years. Existing federal funds will be used to cover the costs associated with this full-time position.												
Deleting one administrative position in Kodiak will result in the state budget and accounting duties to be reallocated to other staff in the division, reducing timeliness and effectiveness. The division will be required to hire temporary seasonal staff to assume the other duties performed by this administrative position, including - radio dispatching for field staff, - providing park and local information to visitors at the office/ranger station located in Fort Abercrombie State Historical Park, - answering public inquiries regarding Kodiak area state parks, - managing a reservation system for three picnic shelters, - counting, recording and depositing park fees, - providing support and direction for the district's 8-12 seasonal volunteers, and - attending meetings of the local state park citizen's advisory board and maintaining minutes and records of the meetings.												
Delete (10-1471) Administrative Assistant II, range 14, Kodiak, Part-Time												
1004 Gen Fund (UGF) -86.4												
FY2017 AMD: Reorganization of Department Support Functions to Achieve Efficiencies	Dec	**-54.0**	-54.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Department of Natural Resources is undergoing an analysis of support positions across the agency to identify												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management & Access (continued)												
FY2017 AMD: Reorganization of Department Support Functions to Achieve Efficiencies (continued)												
restructuring opportunities, areas where we could share positions, and regulations, policies and procedures that could be revisited to reduce administrative burden, to identify savings and position reductions. The specific positions to be deleted will be identified via this department-wide analysis in order to minimize impacts to programs and the public.												
FY2017 December Budget: $14,101.4												
FY2017 Total Amendments: -$54.0												
FY2017 Total: $14,047.4												
1004 Gen Fund (UGF) -54.0												
FY2017 Reduce Parks Funding by $328.4	Dec	**-328.4**	-264.0	-8.0	-27.0	-29.4	0.0	0.0	0.0	-1	-3	0
1004 Gen Fund (UGF) -241.2												
1005 GF/Prgm (DGF) -87.2												
FY2017 Restore Parks Funding as a One Time Item	IncOTI	**328.4**	264.0	8.0	27.0	29.4	0.0	0.0	0.0	1	3	0
1004 Gen Fund (UGF) 241.2												
1005 GF/Prgm (DGF) 87.2												
FY2018 Generate New Program Receipts from Increased Park Fees	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

The current fee regulations (found in 11 AAC 5) provide an upper limit on various park use and permit fees, which are then set by Director's Order. Division of Parks and Outdoor Recreation (DPOR) has reached the cap in regulation in several areas of the fee structure. The division has proposed a regulation packet to increase the upper limits. The timing of the passage of the new regulation is unsure but expected by mid-2017.

DPOR increased fees in January 2016, which included discounted second day use pass and discounted second boat launch pass but these passes will be ending 12/31/2016. With the elimination of these discounted passes the expectation is more full price passes will be sold.

The new regulation packet increases FY2018 fees with an estimated increase in revenue to the following:
Annual day use parking passes (10% increase): $294.0
Annual boat launch passes (10% increase): $23.0
Campground fees (10% increase): $7.0
Special Use Permit application fee (raised from $25 to $100): $250.0
Commercial Use Permit (CUP) application fee (raised from $100 to $500): $300.0
Public Use Cabin Rentals (10% increase): $59.0
Estimated Revenue Increase: $933.0

The estimated revenue increase of campground fees is between $7.0 and $50.0, however this fee increase will not be uniform across all camping areas. The special use permit fee includes an increase to the application fee in addition to other special use fees such as utility permitting, helicopter landings, etc. The estimated revenue increase of the commercial use permit (CUP) fee is $300.0. CUP has a $100 application fee but the follow up fees can be from $2 per client up to $1,600/per permit for a non-resident permit operating on the Kenai. The new regulations will give DPOR the ability to charge for a multitude of different items, as well as raise the application fee from $100 to $500. The public use cabin rental will receive an increase of 10% across the board.

1004 Gen Fund (UGF) -500.0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management & Access (continued)												
FY2018 Generate New Program Receipts from Increased Park Fees (continued)												
1005 GF/Prgm (DGF) 500.0												
FY2018 Reduce Uncollectible Receipt Authority	Dec	**-399.0**	0.0	0.0	-399.0	0.0	0.0	0.0	0.0	0	0	0
A reduction of uncollectible receipt authority will bring the Department's budget closer in line with actual spending. This is a technical adjustment and has no impact on services to the public.												
1007 I/A Rcpts (Other) -100.0												
1061 CIP Rcpts (Other) -200.0												
1108 Stat Desig (Other) -99.0												
FY2018 Dec for misused fund	Dec	**-33.6**	0.0	0.0	0.0	0.0	0.0	0.0	-33.6	0	0	0
1200 VehRntlTax (DGF) -33.6												
FY2018 Inc for misused fund	Inc	**33.6**	0.0	0.0	0.0	0.0	0.0	0.0	33.6	0	0	0
1200 VehRntlTax (DGF) 33.6												
FY2019 Increase Capital Improvement Project Receipt Authority to Align with Anticipated Expenditure	Inc	**400.0**	0.0	0.0	400.0	0.0	0.0	0.0	0.0	0	0	0
The Parks Management and Access component has historically had insufficient capital improvement project receipt authority to reflect all reimbursable services agreements (RSA). Increasing capital improvement project receipt authority will allow the division to avoid unbudgeted RSAs in FY2019.												
1061 CIP Rcpts (Other) 400.0												
FY2019 Replace General Fund with Program Receipt Authority Using New Revenue	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This fund source change from general funds to general fund program receipts will utilize new revenue from increased park fees. The current fee regulations (11 AAC 5) provide an upper limit on various park use and permit fees, which are then set by Director's Order. Division of Parks and Outdoor Recreation has reached the upper limit in several areas of the fee structure, and has proposed a regulation change to increase the limits. The timing of the passage of the new regulation is expected to occur in mid FY2018, and the revenue from these increased fees in FY2019 is estimated to be $600.0.												
1004 Gen Fund (UGF) -500.0												
1005 GF/Prgm (DGF) 500.0												
FY2019 Reduce Uncollectible Inter-Agency Receipt Authority	Dec	**-250.0**	0.0	0.0	-250.0	0.0	0.0	0.0	0.0	0	0	0
Reduction of inter-agency receipt authority better aligns the budget with actual anticipated revenue.												
1007 I/A Rcpts (Other) -250.0												
FY2019 Reduce Uncollectible Federal Receipt Authority	Dec	**-400.0**	0.0	0.0	-400.0	0.0	0.0	0.0	0.0	0	0	0
Reduction of federal receipt authority better aligns the budget with actual anticipated revenue.												
1002 Fed Rcpts (Fed) -400.0												
*** Allocation Total ***		**-119.0**	169.7	44.4	-440.4	107.3	0.0	0.0	0.0	-2	0	0
Parks Management												
FY2006 Increase CIP for Personal Services to work on capital-funded maintenance projects	Inc	**104.1**	104.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This increment is budgeting maintenance staff beyond their original budgeted work months to work on capital funded maintenance projects. The benefit is that the maintenance staff who are familiar with all the state parks												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management (continued)												
FY2006 Increase CIP for Personal Services to work on capital-funded maintenance projects (continued)												
and their deferred maintenance needs will be able to complete needed repairs and will help to stem the tide of the rising deferred maintenance backlog which is estimated at over $43 million.												
1061 CIP Rcpts (Other) 104.1												
FY2006 Dingle Johnson Revenue Collection from Fish & Game	Inc	**146.8**	146.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This increment more accurately reflects the Dingle Johnson collections that are made each year for Fish and Game and returned the following year via RSA for fee collection and parks management costs.												
1007 I/A Rcpts (Other) 146.8												
FY2006 Kenai River Sportfishing Assoc joint project between Parks/Troopers enforcing boating, permitting, F&G regulations	Inc	**20.0**	10.0	0.0	10.0	0.0	0.0	0.0	0.0	0	0	0
This funding is to be provided by the Kenai River Sportfishing Association to fund a joint project between Parks and the State Troopers to enforce boating, permitting, and fish and game regulations on the Kenai River.												
1108 Stat Desig (Other) 20.0												
FY2006 AMD: Park Ranger Class Study Implementation	Inc	**192.1**	192.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This increment covers the cost of implementing the recently completed classification study for the Park Ranger series. The new salary ranges more accurately reflect the duties of Park Rangers, specifically their duties in law enforcement.												
A new job class of Park Specialist was created for employees who were previously classified as Park Rangers but were not commissioned for law enforcement. This is a range 14, the same as the original Park Ranger I.												
Park Ranger I moved from range 14 to range 16, and Park Ranger II moved from range 16 to range 18. Employees in these two job classes are commissioned for law enforcement.												
Overall, there were 24 positions that increased in range, 2 positions that were decreased in range, 7 positions that had a job class title change only, and 8 positions that were processed as updated with no change in range or job class title.												
1156 Rcpt Svcs (DGF) 192.1												
FY2006 Increase RSS where RSS is earned and reduce GF per AS 37.05.144.	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Increase RSS and remove from Parks Access where they earn no RSS												
1004 Gen Fund (UGF) -99.4												
1156 Rcpt Svcs (DGF) 99.4												
FY2006 Addt'l reduction of RSS to include PERS cost adjustment.	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Increase RSS and remove from Parks Access where they earn no RSS												
1004 Gen Fund (UGF) -78.9												
1156 Rcpt Svcs (DGF) 78.9												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**27.9**	27.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 20.0												
1156 Rcpt Svcs (DGF) 7.9												
FY2007 Increase general fund to continue existing service level due to uncollectible receipts supported services	Inc	**256.7**	256.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management (continued)												
FY2007 Increase general fund to continue existing service level due to uncollectible receipts supported services (continued)												
1004 Gen Fund (UGF) 256.7												
FY2007 Reduce uncollectable receipt supported services and captial improvement project receipts	Dec	**-256.7**	-256.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts (Other) -104.1												
1156 Rcpt Svcs (DGF) -152.6												
FY2007 Funding to Continue State Park Operations at Current Service Levels	Inc	**250.0**	91.7	18.5	126.8	13.0	0.0	0.0	0.0	0	0	0

Increased operating costs, including higher utility and fuel-related costs, vehicle costs, lease costs, personnel costs and commodities costs are contributing to an operational shortfall for FY07 of $532.9. This shortfall, combined with the revenue generation shortfall discussed in the change record requesting a fund source change from receipt supported services to $513.4 in general fund results in a potential operating shortfall for Parks Management of $1,046.3. The Division of Parks requests this general fund increase to cover the following costs:

Personal Services Increases:
Parks is $195.7 short in authorization to fund the personal services costs with a reasonable vacancy factor. This increment covers the shortfalls in funding previously assigned to federal and interagency receipt authorization in the amount of $35.7, and puts $159.9 towards reducing the vacancy factor level to a more manageable 3.35% (or $186.3). Without this increment, Parks would have to reduce to the length of time we can keep our parks staffed.

Operating Services Increases:
The majority of contractual services for parks is used for utilities, vehicle and service contracts for items such as latrine pumping, trash hauling, etc. Parks budget for these services is 15% lower than it was in 1999 while the cost increased 12.7% for these services over the same period of time.

Parks maintains 397 buildings that include 8 visitor centers. These properties are worth over $20.0 million to the State of Alaska. Parks also maintains a vehicle fleet of 183 items ranging from lawnmowers and trailers to Ranger vehicles.

Commodities Increases:
The commodities budget provides the uniforms for staff, firearms & ammunition for rangers and other staff, and provides the building material needed for minor emergency repairs necessary for the health & welfare of Park users and staff. Seventy-five percent of this line item is used for these three items. The remainder is used for office supplies, cleaning supplies, and necessary items such as toilet paper for latrines, etc.

Parks budget for commodities is 3% lower than it was in 1999 while the cost increased 11.7% over the same period of time.

Travel and Transporation Increases:
Parks has seven regional offices and a Division headquarters that are responsible for large geographical areas of the state. Parks is responsible for the operation, maintenance and law enforcement needs for a vast park system that includes 397 properties (including 73 public use cabins), 2,661 campsites, 1,448 picnic sites, 37 boat launches, 8 visitor centers, 43 scenic overlooks and 128 trailheads as well as hundreds of miles of trails. This requires staff to travel to remote locations to inspect facilities and supervise the day-to-day activities to ensure that health and safety standards are being met for the public. In addition, the Park Rangers have a mandatory

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management (continued)												
FY2007 Funding to Continue State Park Operations at Current Service Levels (continued)												
in-service that they must attend each year in order to maintain their commissions.												
State Parks now has two boards, Snowtrac and the Outdoor Recreation Trail Advisory Board, which require funding for the travel and transportation of these board members. This increment request gets the Parks' budget close to the average travel costs required over the past three years.												
Background information: Parks has made reductions where possible and has traditionally met the increased costs by implementing cost saving measures such as reducing staff cost, not providing uniform allowances, and reducing vehicle usage to absolute bare minimums. Parks has implemented all available cost cutting measures, and is now unable to meet the demands of these rising costs and still provide services to residents and tourists.												
Alaskans spend 8.1% of their consumption dollars on recreation. That is 2.2% over the national average of 5.9%. This clearly shows the importance of recreation to the residents of Alaska. In order to address this demand Parks must maintain their parks and facilities in safe, operating order. The only way for Parks to meet this demand is to receive an infusion of general funds to support the escalating operating costs.												
1200 VehRntlTax (DGF) 250.0												
FY2007 Reduce uncollectible receipts to anticipated budget level	Dec	**-35.7**	-35.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Federal and interagency receipts are reduced to the anticipated budget level for FY07.												
1002 Fed Rcpts (Fed) -21.9												
1007 I/A Rcpts (Other) -13.8												
FY2007 One time decrement for the Boundary fire reclamation over expenditure	Dec	**-55.5**	-55.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
ONE TIME DECREMENT												
1004 Gen Fund (UGF) -55.5												
FY2007 Replace GF with Vehicle Rental Tax receipts	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Replace GF with funding intended for tourism development and promotion												
1004 Gen Fund (UGF) -498.9												
1200 VehRntlTax (DGF) 498.9												
FY2007 Safety enforcement for Kenai River, the mouth of the Kenai River and Kasilof River including its mouth	Inc	**40.0**	0.0	0.0	40.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 40.0												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-268.3**	-268.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -2.9												
1007 I/A Rcpts (Other) -50.1												
1156 Rcpt Svcs (DGF) -215.3												
FY2009 Partial Implementation of the Long-Term Strategic Plan for State Parks	Inc	**700.0**	365.8	81.3	200.0	52.9	0.0	0.0	0.0	6	-4	0
The Department's staff travelled the state to receive public input into a 10-year Strategic Plan for our State Parks. One of the most important items coming out of this strategic plan was for the State to protect its Parks assets in order for it to be a quality experience for its visitors. To implement the key element of improved maintenance this												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Parks & Outdoor Recreation (continued)

Parks Management (continued)

FY2009 Partial Implementation of the Long-Term Strategic Plan
for State Parks (continued)

increment proposes to staff-up our maintenance staff, which will allow us to reduce the growth of our deferred maintenance backlog; and to perform preventative maintenance rather than having to rely on emergency repair or other capital budgets.

For deferred maintenance, it has been determined that there needs to be a dual approach through the operating and capital budgets. The operating budget will finance maintenance personnel statewide that will serve to protect the existing assets of State Parks. They will perform the preventative maintenance on property that is not on the deferred maintenance list and will also complete minor deferred maintenance projects to help stem the increase in deferred maintenance. In order to accomplish this, State Parks needs to have full time staff dedicated to the goal of providing high-quality, sustainable, safe and affordable recreational opportunities for Alaskans and visitors. The capital budget will be used to complete major deferred maintenance projects through the use of contractors.

In order to attract the quality camp host we need to be competitive in the amount of stipends that are paid out. The quality campground host has more options than ever. They can now get full hookups, free camping passes, and receive large stipends from the federal park system, US Fish & Wildlife, and even some school districts. Alaska State Parks does not have full hookups for most of our hosts, we do not have camping passes, so the only thing we have left to offer to be competitive is the stipend and for staff to be able to support them.

Using these methods, the 5.0 million visitors to the Alaska State Park system should find the parks a more enjoyable experience as they will be cleaner and safer for themselves and their children.

Specific Detail:
Personnel: $365.8
Travel: $81.3
Services: $200.0
Supplies: $52.9
Total = $700.0

Position changes:
New - PCN 10-#038 Natural Resource Technician II located in Chugach State Park
New - PCN 10-#041 Maintenance Sub Journey II for Kenai area located in Soldotna
PCN 10-5028 Maint Gen Journey located in Fairbanks part-time/seasonal (PT) to full-time (FT)
PCN 10-5082 Maint Gen Journey located in Willow PT to FT
PCN 10-5087 Maint Gen Sub - Journey II located in Finger Lake PT to FT
PCN 10-5175 Maint Gen Sub - Journey II located in Fairbanks PT to FT

Travel:
Increase subsistence payments for campground hosts: Alaska State Parks has been paying $150 - $300 a month in stipends for campground hosts to offset the cost of traveling and living in the campground. The National Wildlife Refuges in Alaska has been paying up to $1,000 a month for the same service. Because we are not competitive and do not provide the same amenities as other agencies we are having a hard time recruiting hosts. We would like to increase their stipend to at least $500 a month so that we can attract more quality campground hosts.

Increase travel for staff so that they may manage the facilities that require travel such as in the Northern, Kenai,

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management (continued)												
FY2009 Partial Implementation of the Long-Term Strategic Plan for State Parks (continued)												
Wood-Tikchik and Southeast areas.												
Services: The cost for some of the basic services that Parks contracts for such as pumping of the toilets, trash hauling, snowplowing, etc. have doubled in the past year. Parks has increased the amount needed for services to accommodate these necessary services.												
To account for the increased costs for vehicles for new and existing employees. Fuel costs, maintenance and repair and replacement costs have all increased.												
To accommodate the increased costs from other State agencies that provide essential services to Parks.												
Supplies: The supplies are for all the new workers and include vehicles and tools for the maintenance workers. In addition there are supplies and materials needed for some routine deferred maintenance and preventive maintenance repairs.												
To allow parks to participate in the routine replacement of computers over three years old throughout the state. Older computers are recycled to the field personnel and volunteers.												
To provide for a uniform contract for all of State Parks, this would include Ranger Uniforms, Maintenance Personnel, Park Technician and Specialists uniforms, uniforms for Alaska Conservation Core (ACC)'s and other Parks Personnel. This would include summer as well as winter uniforms.												
To accommodate the increased costs in cleaning supplies.												
To provide for the building materials that would be used by the new maintenance personnel for preventive maintenance and deferred maintenance.												
1004 Gen Fund (UGF) 500.0												
1061 CIP Rcpts (Other) 200.0												
FY2009 Replace GF with Vehicle Rental Taxes Receipts	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -600.0												
1200 VehRntlTax (DGF) 600.0												
FY2009 Replace GF with Vehicle Rental Taxes Receipts	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -293.2												
1200 VehRntlTax (DGF) 293.2												
FY2009 Replace GF with Vehicle Rental Taxes Receipts	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -1,127.2												
1200 VehRntlTax (DGF) 1,127.2												
FY2009 Chilkoot River Corridor Land Use Planning Process to Protect Public safety--including all Stakeholders	IncOTI	**92.9**	0.0	0.0	92.9	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 92.9												
FY2009 Fund Source Change, replace Vehicle Rental Tax Receipts with General Funds	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management (continued)												
FY2009 Fund Source Change, replace Vehicle Rental Tax Receipts with General Funds (continued)												
Fund source change needed to prevent over-expending of Vehicle Rental Tax Receipts												
1004 Gen Fund (UGF) 24.3												
1200 VehRntlTax (DGF) -24.3												
FY2009 Fund Source Change, replace Vehicle Rental Tax Receipts with General Funds	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 0.4												
1200 VehRntlTax (DGF) -0.4												
FY2009 VETO: Chilkoot River Corridor Land Use Planning Process to Protect Public Safety--including all Stakeholders	Veto	**-92.9**	0.0	0.0	-92.9	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -92.9												
FY2009 Ch. 10, SLA 2008 (HB 176) Create Fort Rousseau Causeway Park	FisNot	**18.1**	14.5	0.0	2.2	1.1	0.3	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 18.1												
FY2009 Ch.52, SLA 2008 (SB 57) Marine Parks Additions & Management	FisNot	**15.9**	12.3	0.0	2.2	1.1	0.3	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 15.9												
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
There has been no increase in the amount that this component receives from federal grants. The amount of IA is funded by Fish and Game based on the amount of receipts collected in the prior year and cannot be increased by this amount. SDPR agreements are already in place with specified amounts.												
1002 Fed Rcpts (Fed) -0.4												
1004 Gen Fund (UGF) 12.0												
1007 I/A Rcpts (Other) -9.3												
1108 Stat Desig (Other) -2.3												
FY2010 Funding for Atwood Parking Garage	Inc	**19.4**	0.0	0.0	19.4	0.0	0.0	0.0	0.0	0	0	0
This increment is to cover the unexpected costs of the new Linny Pacillo Parking Garage being charged by DOA as part of the lease costs for the Atwood Building occupants.												
1156 Rcpt Svcs (DGF) 19.4												
FY2010 Seasonal Position for Chilkoot Bear Viewing Area (PCN 10-#160)	Inc	**55.6**	50.3	0.0	0.0	5.3	0.0	0.0	0.0	0	1	0
With a mix of salmon, fish weir, bears, fishing, bear viewing, kayakers, campers, boats, tours and others, and with no agency in charge of managing people and wildlife, the Chilkoot River corridor is unsafe. A bear monitor position will help guide the people and reduce the risk of a mauling. A management plan will bring the community together with the agencies to find solutions (single agency managing area, viewing walkways, parking, moving the road and campground, etc.) Infrastructure will reduce conflicts and safety problems while promoting recreation, fishing, tourism and the economy.												
1061 CIP Rcpts (Other) 55.6												
FY2010 Cap to Op: Fund change for existing seasonal position in the Chilkoot River Bear Viewing Area	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Amendment switching CIP to GF												
1004 Gen Fund (UGF) 55.6												
1061 CIP Rcpts (Other) -55.6												

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Transaction Detail - Governor Structure
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Numbers and Language

Agency: Department of Natural Resources

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management (continued)												
FY2010 Add one PFT for Worthington Glacier and Valdez area	Inc	**138.5**	81.2	10.0	28.8	18.5	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF) 138.5												
FY2011 Maintenance of Employee Housing	Inc	**40.0**	0.0	0.0	40.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Parks currently rents housing to five employees. The funds that are collected from the rental agreements are used to maintain the housing facilities. This request will increase the authorization to collect and expend the funds, consistent with the amount expected to be received in rent.												
1108 Stat Desig (Other) 40.0												
FY2011 Budget Clarification Project, fund change to reflect park user fees	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF) 2,323.8												
1156 Rcpt Svcs (DGF) -2,323.8												
FY2011 Incorporate $15 million of fuel trigger in FY11 base. Trigger start point moves from $36 to $51.	Inc	**27.1**	0.0	0.0	27.1	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 27.1												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-14.1**	0.0	-14.1	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -7.4												
1005 GF/Prgm (DGF) -6.7												
FY2011 Fund source change to compensate for over budgeting of Vehicle Rental Tax statewide	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 8.7												
1200 VehRntlTax (DGF) -8.7												
FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 14.8												
1007 I/A Rcpts (Other) -11.0												
1108 Stat Desig (Other) -3.8												
FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 3.7												
1007 I/A Rcpts (Other) -3.7												
FY2011 LFD: Revise Governor's salary adjustment request	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 54.3												
1005 GF/Prgm (DGF) 60.9												
1156 Rcpt Svcs (DGF) -60.9												
1200 VehRntlTax (DGF) -54.3												
FY2011 LFD: Revise Governor's salary adjustment request - correct negative funding source	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -1.0												
1108 Stat Desig (Other) 1.0												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**7.3**	7.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $7.3												
1004 Gen Fund (UGF) 6.3												
1007 I/A Rcpts (Other) 0.6												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks Management (continued)												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase (continued)												
1156 Rcpt Svcs (DGF) 0.1												
1200 VehRntlTax (DGF) 0.3												
FY2011 Ch. 56, SLA 2010 (HB 421) LFD: Correct funding for FY 2011 Noncovered Employees Salary Increase	FisNot	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 0.3												
1005 GF/Prgm (DGF) 0.1												
1156 Rcpt Svcs (DGF) -0.1												
1200 VehRntlTax (DGF) -0.3												
FY2012 Incorporate partial FY11 distribution of fuel trigger in FY12 base. Trigger start point moves from $51 to $65.	Inc	**24.5**	0.0	0.0	24.5	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 24.5												
*** Allocation Total ***		**1,453.7**	744.5	95.7	521.0	91.9	0.6	0.0	0.0	7	-3	0
Parks & Recreation Access												
FY2006 Receipt Supported Services for centralized costs of core svcs from Dept of Admin, Labor/Workforce Dev, Law	Inc	**34.8**	0.0	0.0	34.8	0.0	0.0	0.0	0.0	0	0	0
This request adds Receipt Supported Services income to cover increased costs for core service allocations from the Department of Administration, Department of Labor, and the Department of Law.												
1156 Rcpt Svcs (DGF) 34.8												
FY2006 Reduction in funding and positions primarily for DOT funded highway enhancement projects	Dec	**-630.0**	-630.0	0.0	0.0	0.0	0.0	0.0	0.0	-6	0	0
With enhanced funding for highway projects being lowered each year the following positions were not filled once they were vacated. There is no funding and no plans to fill these postions.												
10-5033 Engineering Assistant II												
10-5038 Natural Resource Manager II												
10-5112 Natural Resource Manager II												
10-5125 Engineering Assistant II												
10-5158 Engineering Assistant III												
10-5255 Engineering Associate												
1061 CIP Rcpts (Other) -630.0												
FY2006 Reduce RSS to zero where RSS is not earned and increase GF per AS 37.05.144.	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Increase RSS and remove from Parks Access where they earn no RSS												
1004 Gen Fund (UGF) 99.4												
1156 Rcpt Svcs (DGF) -99.4												
FY2006 Addt'l reduction of RSS to include PERS cost adjustment.	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Increase RSS and remove from Parks Access where they earn no RSS												
1004 Gen Fund (UGF) 78.9												
1156 Rcpt Svcs (DGF) -78.9												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-220.5**	-220.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks & Recreation Access (continued)												
FY2008 PERS adjustment of unrealizable receipts (continued)												
1002 Fed Rcpts (Fed) -2.1												
1007 I/A Rcpts (Other) -116.8												
1061 CIP Rcpts (Other) -101.6												
FY2009 Funding to Support Staffing Added in FY08 Management Plan for Increasing Workloads on Partner-Funded Projects	Inc	**283.3**	283.3	0.0	0.0	0.0	0.0	0.0	0.0	1	-1	0
State Parks, Fish & Game, Department of Transportation and Public Facilities and other partner projects are increasing each year and additional staff was needed to handle the increased workload. Three new positions were added in the FY08 Management Plan, and two seasonal positions were converted to full-time status. New positions included an Engineering Assistant to perform developmental and professional engineering duties for the Design and Construction section; an Environmental Impact Analyst to serve as coordinator on environmental studies, construction permitting and monitoring to meet National Environmental Policy Act (NEPA) compliance standards; and a Natural Resource Specialist assigned to the Interpretation and Education section. The funding for these positions is derived directly from the projects they are working on, a combination of federal, interagency and statutory designated program receipts, included in this increment. In FY09, one additional Engineering Assistant position (PCN 10-5251) is changed from seasonal status to full-time status to support these projects as well.												
1002 Fed Rcpts (Fed) 70.0												
1007 I/A Rcpts (Other) 113.3												
1108 Stat Desig (Other) 100.0												
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Parks does not receive an increase to the amount of federal funding received from federal grants. IA and SDPR agreements are already in place and cannot be increased to cover the increased cost.												
1002 Fed Rcpts (Fed) -1.4												
1004 Gen Fund (UGF) 18.6												
1007 I/A Rcpts (Other) -15.5												
1108 Stat Desig (Other) -1.7												
FY2010 Fund change to accurately reflect source of funding for projects	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Parks Access has increased the amount of CIP work and decreased the I/A work that is being completed over the last couple of years. This change is to reflect more accurately what the source of funding should be.												
1007 I/A Rcpts (Other) -494.2												
1061 CIP Rcpts (Other) 494.2												
FY2010 Parks Design and Construction Support	Inc	**510.7**	510.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This funding is for postions approved in FY09 to support the Parks Design and Construction section in implementing their current inventory of capital improvement projects. The additional positions will accomplish the $8,900.0 Denali South Access Road project, the $5,200.0 Parks Deferred Maintenance project, and the $850.0 Safety and Sanitation project, as well as support the over 70 active capital projects in the section now.												
The South Denali Road is going to be the first step for the US Park Service to be able to come in and build a visitor center in the State Park. This is an over 20 year collaboration between the two entities. This road must be completed before the visitor center can be built. All existing staff in the Parks Design and Construction section will												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks & Recreation Access (continued)												
FY2010 Parks Design and Construction Support (continued)												
be working on these three projects in addition to the on-going projects.												
This increment also budgets the increase in the Boating Safety Program. Boating Safety has received an increase in their federal grant amount. As a result they have been able to expand their education program throughout the state. A Park Specialist (PCN 10-5260) was hired to implement this expansion. The added CIP for this position was never budgeted. This is a correction of the budget for $68,024 in personal services for the Boating Safety Program.												
1061 CIP Rcpts (Other) 510.7												
FY2011 Move Alaska Boating Safety Program from Capital to Operating	Inc	**1,450.0**	380.0	84.0	443.7	53.3	489.0	0.0	0.0	0	0	0
Under AS 05.25, the Division of Parks is responsible for administering a statewide boating safety program consistent with state law; securing federal acceptance of the State's boating safety program to qualify for federal funding and receive the full benefits available to the state; and cooperating with local, state, and federal agencies, private and public organizations, and individuals to provide the program. The program supports the division's mission of providing outdoor recreation opportunities by promoting safe and enjoyable recreational boating in Alaska with the intended purposes of increasing public awareness and understanding of boating risks, improving boater behaviors, and reducing boating casualties.												
1002 Fed Rcpts (Fed) 1,250.0												
1200 VehRntlTax (DGF) 200.0												
FY2011 Reduce CIP Authority for Positions Transferred to State Historical Preservation	Dec	**-157.3**	-157.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Positions and authorization needed in the Parks Access unit increases and decreases based on availability of projects and project funds (inter-agency, CIP, federal and other). Currently, two unutilized positions are being transferred to the State Historic Preservation Office (PCN 10-5123 and PCN 10-Z092), due to increased workload in that program. The CIP authorization for the personal services associated with the transferred positions can therefore be reduced.												
1061 CIP Rcpts (Other) -157.3												
FY2011 Alaska Boating Safety Program (moved from CIP to Operating)	Dec	**-380.0**	-380.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Alaska Boating Safety Program has been moved from the Capital to the Operating budget.CIP receipts are no longer necessary as it will be an ongoing program that primarily provides education and other services to the public related to boating safety. This is one of two budget transactions needed to implement this change.												
1061 CIP Rcpts (Other) -380.0												
FY2011 Budget Clarifcation Project--separate dedicated boat registration fees from other special vehicle fees	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1200 VehRntlTax (DGF) -200.0												
1216 Boat Rcpts (DGF) 200.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-0.2**	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -0.2												
FY2012 Increase CIP Receipts to Cover Additional Personal Services Charges	Inc	**35.9**	35.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
PCN 10-5273 was originally budgeted for as an Engineer Assistant II. The position is now an Engineering												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Parks & Recreation Access (continued)												
FY2012 Increase CIP Receipts to Cover Additional Personal Services Charges (continued)												
Architect II and an increase of $35,900 in CIP receipt authorization is required to reflect the accurate cost of the position in the operating budget.												
1061 CIP Rcpts (Other) 35.9												
*** Allocation Total ***		**926.7**	-177.9	83.8	478.5	53.3	489.0	0.0	0.0	-5	-1	0
Office of History and Archaeology												
FY2007 Wickersham Diaries Project-create digital archives website	Inc	**15.0**	3.5	1.0	10.0	0.5	0.0	0.0	0.0	0	0	0
This project will scan, digitize, transcribe, proofread, and mount on the digital archives website 14 Judge V. Wickersham diaries, dating from February 14, 1908 to March 4, 1917. In addition, for better access to information by users, a detailed subject analysis and name index will be prepared for the diaries. Using existing staff positions, the Alaska Historical Commission/Office of History and Archaeology will work cooperatively with the Alaska State Library to perform the necessary work.												
The project will contribute to the upcoming 50th anniversary of Alaska statehood commemoration activities, be an asset for secondary students who are now required to know fundamental information about Alaska's history, be valuable to researchers, and enhance the interpretation of Alaska State Park's Wickersham State Historic Site. With prior funding from a Gold Rush Centennial grant, the first thirteen diaries, 1900-1908, were transcribed and are available on the Alaska Digital Archives website, http://vilda.alaska.edu.index.html.												
The Alaska Historical Commission's Special Program Receipts Account (AS 41.35.380) will be used for this project. The project meets the Alaska Historical Commission's statutory responsibility to coordinate the production and publication of works that will adequately present all aspects of Alaska's past (AS 41.35.350(6). The Alaska Historic Preservation Act (AS41.35.010) calls for historic resources to be located, preserved, studied, exhibited and evaluated. The project contributes to the Department's mission by preserving historic resource information and making it more accessible to the public.												
1005 GF/Prgm (DGF) 15.0												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-99.8**	-99.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -32.7												
1007 I/A Rcpts (Other) -14.9												
1055 IA/OIL HAZ (Other) -2.2												
1061 CIP Rcpts (Other) -50.0												
FY2009 Navigability Research Historian	Inc	**87.6**	76.6	0.0	6.0	5.0	0.0	0.0	0.0	1	0	0
The State of Alaska, through the Department of Natural Resources, is to produce navigability studies for the Recordable Disclaimer of Interest (RDI) Program. The State will produce comprehensive updated reports detailing the historic uses and physical characteristics of water bodies for the program's identification of navigable waters unreserved at the time of statehood. The Division of Parks and Outdoor Recreation, Office of History and Archaeology is providing research services to Division of Mining Land and Water for preparation of the navigability studies. At a minimum the navigability research will be needed for the next five to ten years. A permanent position is necessary for this project to be able to recruit and retain a qualified historian to conduct the historical research. All current staff positions are assigned to other projects and are not available to do the research, field												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Office of History and Archaeology (continued)												
FY2009 Navigability Research Historian (continued)												
work and preparation of the final products. A new Historian I position (PCN 10-#071) to be funded with interagency receipts from the Division of Mining, Land & Water is included in this increment.												
1007 I/A Rcpts (Other) 87.6												
FY2009 Historic Preservation Program Database Support for Internet Access and Digitizing Records	Inc	**71.2**	60.2	0.0	6.0	5.0	0.0	0.0	0.0	1	0	0
Federal funds from the historic preservation operating grant will fund staff support for data entry in the state historic preservation program's integrated record business system. The system, which is under development, incorporates data from several programs, including the statewide inventory of historic and preshistoric sites, review and compliance projects, National Register of Historic Places, survey report citations, permitting, grants, tax credits and historic signs. Records, reports and maps are being digitized. Internet access to digitized records will streamline the development and environmental review process. As the Office of History and Archaeology program digitzes its records, staff support is needed to enter data and maintain the system. The position will scan exisiting documents in office files and enter data on a go forward basis. The work is ongoing and a permanent position is needed for to assist with recruitment and retention of staff. One new Natural Resource Technician II position (PCN 10-#072) is included in this increment.												
1002 Fed Rcpts (Fed) 71.2												
FY2010 Reduce Inter-agency/Oil & Hazardous Waste authorization	Dec	**-6.0**	-6.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Inter-agency/Oil & Hazardous Waste authorization is being reduced to more closely reflect the actual amount expected to be received from the Department of Environmental Conservation for reviewing and commenting on cultural resource issues addressed in Oil & Hazardous Waste plans prepared by government agencies and industry.												
1055 IA/OIL HAZ (Other) -6.0												
FY2011 Support State Historian Preservation and Research Activities	Inc	**378.0**	318.0	40.0	10.0	10.0	0.0	0.0	0.0	0	0	0
Additional inter-agency receipts are available to: 1) Fund two additional historian positions in the State Historic Preservation Office; 2) Increase authorization in travel, services, and commodities due to added positions and workload; 3) Increase the personal services line item to reflect seasonal employees working eleven months per year rather than six; 4) Decrease the vacancy factor in this component to reflect expected vacancy of 1.1%.												
Requests for research services for state priority projects has increased. Additional inter-agency reciepts are available to conduct historical research needed to meet the deadline for navigability determinations that can result in the federal government recognizing state ownership of lands under navigable waters. To meet these needs, the Division of Parks and Outdoor Recreation will transfer two unutilized positions from the Parks Access unit and create two new historian positions in the State Historic Preservation Office. The positions will be transferred from the Parks Access component in a separate budget request.												
1007 I/A Rcpts (Other) 378.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-0.4**	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF) -0.4												
FY2012 Delete Unnecessary CIP Receipts for the National Historic Preservation Fund Program	Dec	**-656.0**	-551.1	-22.8	-66.1	-16.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Office of History and Archaeology (continued)												
FY2012 Delete Unnecessary CIP Receipts for the National Historic Preservation Fund Program (continued)												
The portion of the National Historic Preservation Fund (NHPF) grant program that supports the ongoing operational costs has been moved from the capital budget to the operating budget in FY12. This was previously budgeted for with CIP receipts in prior years; with the operating costs of the NHPF being directly budgeted in the operating budget, the CIP receipt authorization is no longer necessary and is deleted from the budget. This is one of two budget transactions needed to implement this change.												
1061 CIP Rcpts (Other) -656.0												
FY2012 Federal Receipts and General Fund Match for National Historic Preservation Fund moved from capital to operating	IncM	**706.0**	571.4	27.8	86.1	20.7	0.0	0.0	0.0	0	0	0
Traditionally, the full National Historic Preservation Fund (NHPF) grant was budgeted for in the capital budget, with the portion covering the ongoing operating costs for the Office of History and Archaeology included as CIP receipts in the operating budget. With this proposed change in the FY12 budget, the NHPF monies associated with operating the program are reflected directly in the operating budget as federal receipts and the required general fund match, with the balance of the NHPF funds used for grants left in the capital budget. The grant funds remaining in the capital budget are for two-year projects, including historic building restoration projects. The National Historic Preservation Fund (NHPF) provides a two-year grant to the state, and requires the state to maintain a basic professional staff and deliver a basic preservation program in the areas of project review, planning, survey, inventory, education, training, grants and local government programs. The National Historic Preservation Fund requires a state match. This transaction includes the Federal Receipts and the required General Fund Match.This is one of two budget transactions needed to implement this change.												
1002 Fed Rcpts (Fed) 656.0												
1003 G/F Match (UGF) 50.0												
FY2014 Department of Administration Core Services Rates	Inc	**5.9**	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including Risk Management, Personnel, Information Technology Services, and Public Building Fund, are estimated to be $7.2 million higher in FY2014. Funding in the amount of $4 million is being provided to departments.												
The Department of Natural Resources has been allocated $284.8 to offset cost increases in those areas of approximately $1,065.0.												
1003 G/F Match (UGF) 5.9												
FY2016 AMD: Reallocation of Administrative Duties to Recognize Efficiencies	Dec	**-40.0**	-40.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
The Alaska Office of History and Archaeology has identified administrative duties that will be allocated to other positions within the Division of Parks and Outdoor Recreation in order to recognize efficiencies.												
Delete (10-5152) Permanent, Full-time Office Assistant II, Anchorage												
1002 Fed Rcpts (Fed) -15.0												
1003 G/F Match (UGF) -25.0												
FY2017 Reduce Maintenance of the Alaska Heritage Resource Survey	Dec	**-13.5**	-13.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Alaska Heritage Resource Survey (AHRS) is a statewide inventory of historical and archaeological sites, a requirement of the State Historic Preservation Office (SHPO) and the related federal funding. This inventory is												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)												
Office of History and Archaeology (continued)												
FY2017 Reduce Maintenance of the Alaska Heritage Resource Survey (continued)												
necessary for SHPO by reviewing projects for potential adverse impacts to historical and archaeological sites. Projects reviewed early in the planning and design phase can often make modifications to avoid or minimize adverse impacts to Alaska's archaeological and historical sites and properties.												
The Office of History and Archaeology will make every effort to stay current with the inventory and ensure this data is available in a timely manner.												
The funds for AHRS are matched by the Historic Preservation Fund grant which reimburses the state 60% of expenditures for historic preservation programs. This reduction will result in a larger overall reduction when including the 60% federal grant.												
1003 G/F Match (UGF) -13.5												
FY2018 Delete uncollectible Federal Receipts No Longer Available for the Office of History and Archaeology	Dec	**-100.0**	0.0	-100.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The division anticipates that $100.0 of Federal Receipts will be uncollectable in FY2018. This change brings budgeted authority in line with anticipated revenue collections.												
1002 Fed Rcpts (Fed) -100.0												
FY2019 Increase Capital Improvement Project Receipt Authority to Align with Anticipated Expenditures	Inc	**272.0**	272.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The History and Archaeology component has historically had insufficient capital improvement project receipt authority to reflect all reimbursable services agreements (RSA). Increasing capital improvement project receipt authority will allow the division to avoid unbudgeted RSAs in FY2019.												
1061 CIP Rcpts (Other) 272.0												
FY2019 Reduce Uncollectible Inter-Agency Receipt Authority	Dec	**-200.0**	-200.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Reduction of inter-agency receipt authority better aligns the budget with actual spending.												
1007 I/A Rcpts (Other) -200.0												
FY2019 Eliminate Vacant Historian II Position and Associated Federal and Inter-Agency Receipt Authority	Dec	**-102.0**	-102.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Funding is not currently available for this vacant position. Should there be a need for this work and funding becomes available the office will repurpose a vacant position or request a new one. Federal and inter-agency receipt authority will be decremented.												
Delete (10-5129) Historian II, range 18, Anchorage, Full-Time												
1002 Fed Rcpts (Fed) -51.0												
1007 I/A Rcpts (Other) -51.0												
*** Allocation Total ***		**318.0**	295.2	-54.4	52.0	25.2	0.0	0.0	0.0	0	0	0
*** * Appropriation Total * ***		**2,579.4**	1,031.5	169.5	611.1	277.7	489.6	0.0	0.0	0	-4	0
Resource Development												
Gas Pipeline Office												
FY2006 Establish Gasline Office Coordinator PCN 10#001	Inc	**99.5**	99.5	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Gas Pipeline Office (continued)												
FY2006 Establish Gasline Office Coordinator PCN 10#001 (continued)												
The Gas Pipeline Office is a new component. This change record will establish a Gasline Office Coordinator position (PCN 10-#001) to oversee the activities of this component.												
1061 CIP Rcpts (Other) 99.5												
FY2006 CIP Receipts for costs related to Gasline Development	Inc	**384.3**	308.3	20.0	41.0	15.0	0.0	0.0	0.0	0	0	0
This change record will allow costs in support of Gasline Development to be funded via an RSA from CIP appropriation (Chapter 61 SLA 2001, SEC 1, Pg 21, Ln 6). The positions and activities currently funded under this capital appropriation are working on the Trans-Canada funded agreement.												
1061 CIP Rcpts (Other) 384.3												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**6.2**	6.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 0.3												
1061 CIP Rcpts (Other) 5.9												
FY2009 Eliminate CIP Authorization	Dec	**-584.4**	-154.1	-20.0	-395.3	-15.0	0.0	0.0	0.0	0	0	0
There were five positions associated with CIP funding in the original component budget. Three vacant positions were deleted in the FY08 Management Plan budget, and two vacant postions were transfered to the Pipeline Coordinator component in the FY09 Governor's budget, resulting in the deletion of all the CIP authorization in this component.												
1061 CIP Rcpts (Other) -584.4												
*** Allocation Total ***		**-94.4**	259.9	0.0	-354.3	0.0	0.0	0.0	0.0	1	0	0
Mining and Land Development												
FY2006 Increases of GF Match to support Coal Program	Inc	**62.7**	52.7	0.0	10.0	0.0	0.0	0.0	0.0	0	0	0
The Coal Regulatory Program provides the permitting and compliance work necessary to oversee coal mining operations. The program is 50% federally funded which requires a 50% required state match from General Funds.												
Over the next few years, the industry is expected to expand. The state's major coal company is expanding facilities to the Jumbo Dome properties in Healy to supply a proposed new power plant, and has sent test shipments overseas to Chile and other markets. DNR has been approached to re-permit long-dormant properties in Sutton and Beluga. The Governor is working on potential agreements with Taiwan that could result in significant expansion. The existing staff cannot accommodate the potential expansion. The general fund will match federal funds so that the staff needed to provide services to the coal industry as expected expansion occurs can be funded.												
The General Fund match for the program has remained relatively constant from FY 1998 to the present; it has failed to keep up with cost-of-living and contract adjustments. Because the lower GF funding causes a one-for-one decrease in federal funding, staffing has dropped from 4.125 to 3.47 FTEs. This gradual drain on a fully funded Coal Regulatory Program has resulted in a gradual decrease in the quality of oversight of coal mining and the quality of service provided to the mining industry.												
1003 G/F Match (UGF) 62.7												
FY2006 General Mine Permitting and Mineral Property Management Workload Increases	Inc	**349.9**	289.9	20.0	29.5	10.5	0.0	0.0	0.0	5	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Resource Development (continued)

Mining and Land Development (continued)

FY2006 General Mine Permitting and Mineral Property Management Workload Increases (continued)

General Mine Permitting:

Three positions are requested for the General Mine Permitting Program to improve the quality of the technical reviews of both placer and hard rock mining projects, the timeliness of the issuance of permits and plan approvals, and the documentation of the General Mine Permitting Program's regulatory oversight of the mining industry. Current staffing levels are lower now than in 1992, when placer mining was the focus of activity and only two hard rock mines were in operation (Red Dog and Greens Creek, neither of which had significant DNR involvement at that time). No large mines were in development, being reclaimed or in the permitting process in 1992. Since then, Red Dog and Greens Creek are still in operation, Ft. Knox and True North are in production, Illinois Creek is being reclaimed and permitting processes for projects such as Donlin Creek, Pebble Copper, Rock Creek, Nixon Fork and Gil have been initiated. In addition, placer mining, claim staking and mineral exploration activities are all increasing. With the current staffing level, the Mining Section is challenged to provide the quality of service expected by Alaskans and by the modern mining industry. Positions requested include:

One Geologist III (Range 18) - (10-#006) based in Anchorage is requested to participate in mine and exploration permitting and inspection activities in Southwest, Southcentral and Southeast Alaska. This would allow routine and more frequent inspections of all mining operations and exploration activities in these regions along with improved documentation of progress and compliance. The increased frequency of proactive inspections would provide a larger degree of compliance assistance to mine and exploration project operators and provide a greater degree of confidence to the state that all activities are adhering to permit stipulations.

One Geologist I (Range 14) - (10-#007) based in Fairbanks to participate in placer and hard rock exploration project inspections, primarily in the interior. The increased level of activity in interior mining districts has resulted in more district flyovers and fewer on the ground inspections of placer mines and exploration projects. This position would focus on participating with current staff by inspecting and providing technical and compliance assistance to placer miners and exploration projects throughout the interior. This would allow more routine and more frequent inspections of more mining operations and exploration activities in this region along with improved documentation of progress and compliance. The increased frequency of proactive inspections would provide a larger degree of compliance assistance to placer miners and exploration project operators and provide a greater degree of confidence to the state that all activities are adhering to permit stipulations.

One Mining Engineer Associate (Range 18) - (10-#005) based in Fairbanks to participate in the technical review of large mine projects. The increase in the number of large mines in the permitting process requires additional, experienced technical staff in order to provide an efficient process for all projects to advance along acceptable time lines. The current level of experienced technical staff support within the Mining Section is limited. This position would also participate in providing compliance assistance and technical support to placer and hardrock mines in the region.

The additional staff would provide a more manageable distribution of the workload related to increased placer and hard rock mine permitting and mineral exploration and also increase the level of technical assistance provided to miners in the field. The quality and timeliness of service to the mining industry, in the form of proactive, rather than reactive, inspections and documentation would be significantly increased. This would have the direct effect of making Alaska a more attractive location for the expenditure of mineral exploration and development dollars. Each new significant discovery results in a dramatic increase in the staking of state mining claims with a resulting increase in payment of claim rental fees as well as an increase in the potential development of stable, high-quality

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Mining and Land Development (continued)												
FY2006 General Mine Permitting and Mineral Property Management Workload Increases (continued)												

mining jobs for Alaskans.

Mineral Property Management:
Two positions will provide the capacity for more accurate and timely filing and billing for statewide mining activities and will create increased capacity to conduct audits and to process penalties/cures for abandonment which will lead directly to increased revenue from mining.

The positions are necessary due to the increased level of claim staking and mining applications we are receiving as a result of the major mine development projects occurring throughout the state and the rising price of gold, silver, copper, lead, zinc and platinum. In conjunction with the staking and mining applications we are issuing more mining licenses. In addition, we now have the penalty provision to cure abandonment which will require more computer and paper transaction work, but which also gives more security to the mining industry and increases some revenue to the state. The above changes are a benefit to the industry and state government, but require additional adjudication and paperwork.

One additional Administrative Clerk II (Range 8) - (10-#003) is requested to assist current APMA and billing staff with filing, LAS research, printing for the adjudication and data entry for processing and maintenance of mineral records. This position would assist the Program Manager with record keeping and maintaining archived records. Overall, this position would reduce the time it takes current staff to process claims, labor, rent, and APMAs.

One Accounting Technician (Range 12) - (10-#004) is requested to administer and process annual mining license tax and royalty returns. Prior to the year 2000, a staff position existed for this work. The Mining Section lost this position after the employee retired without funding to refill it and there has been a backlog since that time. We are currently 3 years behind in processing these documents. In order for us to process and adjudicate production royalty returns, as required under law, we must also process and adjudicate mining license tax returns. Department of Revenue has indicated they are dependent upon DMLW for guidance on which tax returns require follow up and to keep their database up to date with information provided by DMLW that is reported to the legislature and the Governor annually. In addition, a new database needs to be developed for managing our returns and doing limited follow-up on returns that are lacking information or that contain errors. Processing and adjudicating these returns requires filing, auditing accounts and some investigative research in annual labor and permitting records. Audits also need to be undertaken. Both DNR and DOR require that more attention be given to these records and the auditing of questionable records if we are to fully do our job in a credible manner and completely fulfill the requirements of law. With increased mining, there is also increased scrutiny, and commonly questions are asked about mining revenues and tax/royalties the state receives from mining.

1004 Gen Fund (UGF)	349.9											
FY2006 New position to support Large Projects Manager and General Mine Permitting-Natural Resource Specialist	Inc	**80.0**	63.5	5.0	9.0	2.5	0.0	0.0	0.0	1	0	0

The Natural Resource Specialist II (range 16 - 10-#011) will assist DNR's Large Mine Project Manager (LMPM) in coordinating the permitting process for large mine projects throughout the state. This involves ensuring that all state agencies with permitting responsibilities are appropriately involved in each project, that their permit timelines are integrated so as to maximize efficiency of the permitting process and reduce duplication of public involvement steps (such as advertising, public hearings, mailings, etc,). This person will assist the LMPM in developing MOUs and RSAs with mine operators and agencies for the disbursement of funds for reimbursing agencies for personnel costs, travel, consulting fees, and other expenses related to each permitting effort. This person will also assist the

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Mining and Land Development (continued)												
FY2006 New position to support Large Projects Manager and General Mine Permitting-Natural Resource Specialist (continued)												
LMPM in developing agency standards and procedures for a statewide large mine permitting process. Funding for this function comes from the Large Project Permitting component via RSA.												
This person will be responsible for the development and maintenance of a GIS based permitting database for large mine permitting projects. The database will contain geographic and permitting data for each large mine project in the state, and should enable the creation of project maps, permitting reports, and stakeholder information. The position will also help with the LMPM's coordination duties.												
1007 I/A Rcpts (Other) 80.0												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**2.0**	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) 0.6												
1105 PF Gross (Other) 1.4												
FY2007 Program reduction in federally-funded Abandoned Mine Lands project	Dec	**-116.0**	-116.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
The Abandoned Mine Lands (AML) federally-funded project experienced a reduction in workload and funding during FY06. One position (PCN 10-8234) was laid off and the funding and position are deleted in the FY07 budget.												
1002 Fed Rcpts (Fed) -116.0												
FY2007 Ch. 83, SLA 2006 (HB 307) Knik River Public Use Area	FisNot	**356.8**	92.1	2.0	255.2	7.5	0.0	0.0	0.0	2	0	0
1004 Gen Fund (UGF) 356.8												
FY2008 Authorization for Special Projects Positions Established in FY07 Management Plan (non-general fund)	Inc	**373.4**	333.4	8.0	24.0	8.0	0.0	0.0	0.0	0	0	0
Four positions were added to the FY07 Management Plan to work on special projects funded through interagency receipts and statutory designated program receipts. The projects are underway and will continue during FY08.												
One Natural Resource Specialist III (PCN 10-1875) will be funded with Dept. of Transportation (DOT/PF) Interagency receipts, dedicated to work on DOT/PF statewide priority projects involving DNR permits, easements, material sales etc. If this position is not funded many DOT/PF applications will not be processed. These have the potential to delay highway projects. We currently have 92 applications that have not been processed.												
One Natural Resource Specialist III (PCN 10-1874) will be funded with Statutory Designated Program Receipt (SDPR) funding from the Mat-Su Borough for Iditarod trail work.												
One Natural Resource Specialist II (PCN 10-1881) and one Natural Resource Specialist III (PCN 10-1877) will be funded with SDPR funding from the National Historic Trails Committee for Iditarod trail work.												
The Iditarod positions are essential to establish legal access for the trails used for the Iditarod Race and qualifying races. The ramification of not establishing legal access through easements is the potential of closing down a large income generating race event.												
1007 I/A Rcpts (Other) 97.3												
1108 Stat Desig (Other) 276.1												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Mining and Land Development (continued)												
FY2008 Lease Monitoring and Engineering Integrity Coordinator's Office Liaison Position	Inc	**121.5**	102.5	7.5	7.5	4.0	0.0	0.0	0.0	0	0	0
DNR is establishing a new office in the Division of Oil and Gas called the Lease Monitoring and Engineering Integrity Coordination Office (LMEICO). As part of this new coordination effort, the Division of Mining, land and Water (DMLW) is required to provide a liaison to work with this office. DMLW is responsible for many authorizations related to the exploration and development of oil and gas leases. These include pipeline rights of way, other easements, permits, material sales and other associated leases. The liaison position will be established utilizing an existing but previously unfunded position (Natural Resource Specialist IV, PCN 10-1863) and will coordinate all DMLW oil and gas authorizations statewide but not directly supervise the other DMLW employees. It will be crucial to participate in the first steps of creating this office this fiscal year, therefore creating the need to establish this supplemental funding. Some of the duties include gathering appropriate case files to share with the LMEICO, reviewing both internal and external cases, and coordinating efforts of existing regional staff. The liaison will ensure the required coordination without slowing down existing authorization procedures; process some of the oil and gas authorizations; potentially create new regulations, orders, procedures related to oil and gas authorizations; coordinate DMLW's participation on a multidisciplinary team on oil and gas projects requiring participation of experts such as geologists, economists, petroleum geophysicists, commercial analysts, environmental specialists, engineers, hydrologists and assistant attorneys general; resolve multi-agency conflicts or disputes; budget preparation; represent the department before public, legislature and industry on highly technical issues impacting oil and gas exploration and commercial development; analyze comments and recommendations made by state, federal and local agencies, user groups, the public, and the oil and gas industry; balance competing interests and recommend resolution; respond to comments on behalf of the department; and negotiate permit conditions.												
1007 I/A Rcpts (Other) 121.5												
FY2008 AMD: Delete Funding for Lease Monitoring and Engineering Integrity Coordinator's Office Liaison Position	Dec	**-121.5**	-102.5	-7.5	-7.5	-4.0	0.0	0.0	0.0	0	0	0
Under the newly proposed Petroleum Systems Integrity Office (PSIO), participating agencies will appoint a liaison or point of contact for the Office, but the duties will be minimal and will not require new funding.												
1007 I/A Rcpts (Other) -121.5												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-180.6**	-180.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -87.7												
1007 I/A Rcpts (Other) -50.0												
1055 IA/OIL HAZ (Other) -1.9												
1154 Shore Fish (DGF) -41.0												
FY2009 Guide Services Initiative Phase 1	IncOTI	**50.0**	37.6	3.3	7.9	1.2	0.0	0.0	0.0	1	0	0
The guiding industry has requested DNR to develop and implement a big game guide program in order to establish land leases/permits for big game guide services on state land. This initial request is for program development and to help draft statutes. This increment includes an RSA to Department of Law. This would be the first phase of the project (development) and increased funding in future years would become necessary to fully implement the program. The department is requesting one Natural Resource Specialist III position (10-#033) to develop this program. Two more positions and additional funding will be required next fiscal year to fully implement the program.												
1004 Gen Fund (UGF) 50.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Mining and Land Development (continued)												
L FY2010 Reclamation Bonds Projects, Sec 14(b), Ch 12, SLA09, P72, L27	Lang	**75.0**	0.0	0.0	75.0	0.0	0.0	0.0	0.0	0	0	0
Transferring authorization into Claims Permits and Leases to reflect where the Mine Reclamation Trust Fund and other reclamation bond expenditures take place. This component will no longer be utilized.												
1108 Stat Desig (Other) 25.0												
1192 Mine Trust (Other) 50.0												
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Shore Fish receipts are already collected at the maximum amount available and we do not anticipate increased lease applications to cover the additional funding authorization.												
1004 Gen Fund (UGF) 6.7												
1154 Shore Fish (DGF) -6.7												
FY2010 Reduce Uncollectable Interagency Receipts	Dec	**-115.0**	0.0	0.0	-115.0	0.0	0.0	0.0	0.0	0	0	0
Reduce IA Receipts authority to reflect actual expected revenue.												
1007 I/A Rcpts (Other) -115.0												
FY2010 Reduce Uncollectable Statutory Designated Program Receipt Authority	Dec	**-200.0**	-200.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
In FY08 these funds were added to accomodate expected revenues. The funds did not come through and we are not able to collect the SDPR at this time.												
1108 Stat Desig (Other) -200.0												
FY2010 Guide Services Initiative Phase 1 Continued	IncOTI	**50.0**	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
The guiding industry has requested DNR to develop and implement a big game guide program in order to establish land leases/permits for big game guide services on state land. This initial request is for program development and to help draft statutes. This would be a continuation of the first phase of the project (development) and increased funding and staffing in future years would become necessary to fully implement the program. This one-time item is being reversed in the FY10 base budget. There is an increment in the FY10 budget for the continuation of the program.												
1004 Gen Fund (UGF) 50.0												
FY2010 ADN 10-9-5034 Guide Services Initiative program adjustments (delete PCN 10-Z033)	LIT	**0.0**	37.6	3.3	-42.1	1.2	0.0	0.0	0.0	1	0	0
This transaction was added to HseSub column after closeout. No idea how it got there, or why.												
FY2010 Reverse incorrect inclusion of LIT in CS bill. Also deletes position associated with Guide Service Initiative	LIT	**0.0**	-37.6	-3.3	42.1	-1.2	0.0	0.0	0.0	-1	0	0
FY2011 Guide Concession Area Program Regulations	Inc	**120.0**	0.0	0.0	120.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Mining, Land and Water has been working with the hunting guide industry, the Board of Game, and the Big Game Commercial Services Board to develop a program to award specific designated guiding areas to individual guides in order to better manage hunting resources and commercial competition in the industry. This funding will pay for a contractor to assist with the development of regulations, an initial step for development and implementation of the program. Staffing will be needed at later stages of the project in order to develop the application and review procedures, assemble the evaluation board, and implement the program.												
1004 Gen Fund (UGF) 120.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Mining and Land Development (continued)												
FY2011 Incorporate $15 million of fuel trigger in FY11 base. Trigger start point moves from $36 to $51.	Inc	**1.6**	0.0	0.0	1.6	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 1.6												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-16.5**	0.0	-16.5	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF) -0.5												
1004 Gen Fund (UGF) -8.6												
1005 GF/Prgm (DGF) -6.6												
1154 Shore Fish (DGF) -0.8												
FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 5.5												
1154 Shore Fish (DGF) -5.5												
FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 5.0												
1154 Shore Fish (DGF) -5.0												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**1.0**	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $1.0												
1002 Fed Rcpts (Fed) 0.9												
1003 G/F Match (UGF) 0.1												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

This component requests $67.6 GF to replace unrealizable fund sources.

Federal, $28.1
The Claims, Permits, and Leases (CPL) component anticipated and budgeted for potential federal mining grants which were not forthcoming. In FY10, CPL budgeted to collect $946.3 in federal revenue, however only $675.5 was received and expended. A decrement to reduce excess federal authority will be submitted as part of the FY12 Governor's budget for this component in the amount of $377.5.

GF Match, $5.1
Reduced federal funds affect the need for GF Match. The increase will not be utilized as match since the component will not be receiving the federal funds.

IA Receipts, $13.1
The component typically receives a number of RSA's for Large Projects. However, many of the RSAs are for projects that do not fully materialize in the budgeted amounts (such as gas line projects) and are closed without being able to be fully utilized. In FY10, the component budgeted for $521.0 in IA, but only $258.4 was received and expended.

Statutory Designated Program Receipts (SDPR), $7.2
The component occasionally receives SDPR receipts for special projects for the private industry or non-profit groups. However, it does not appear that the component will collect their full authority for SDPR in FY11 or any

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Mining and Land Development (continued)												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases (continued)												
additional in FY12. In FY10, the component budgeted for $209.3 in SDPR, but only $75.4 was collected and expended. Any additional SDPR authority will be unrealized.												
Shorefish, $14.1 The component collects Shorefish revenue for shore fish permits. This program is growing, but has not reached a level to collect receipts at the current authorization level. The program does not anticipate the FY12 shorefish receipts will exceed the FY11 authorization level and the increase in authorization will not be realized.												
The total of $67.6 of unrealized funds in the component will lead to additional required vacancies in personal services in order to meet the budget if this fund change is not approved. The Division of Mining, Land and Water already requires an estimated 23 vacancies in order to meet the current FY11 budget and any additional vacancies will cause an increase to the growing backlog.												
1002 Fed Rcpts (Fed) -28.1												
1004 Gen Fund (UGF) 63.2												
1007 I/A Rcpts (Other) -13.1												
1055 IA/OIL HAZ (Other) -0.7												
1108 Stat Desig (Other) -7.2												
1154 Shore Fish (DGF) -14.1												
FY2012 Delete Unrealizable Fund Sources	Dec	**-573.7**	-573.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This transaction deletes unrealizable fund sources as follows:												
Federal: $229.3. The federal grant related to abandoned mine land reclamation has been received for a lesser amount than originally anticipated.												
IA Receipts: $219.0 This component frequently receives a number of reimbursable service agreements (RSAs) related to large mining projects. Many of the RSA funds are not able to be fully utilized as development of projects do not materialize as originally planned and the associated work is no longer required at the level originally anticipated.												
Shorefish Receipts: $40.0 This component collects shore fish permit fees. This program is growing, but has not grown as quickly as anticipated.												
Statutory Designated Program Receipts (SDPR): $85.4. This component collects SDPR revenue related to special agreements in which private industry or non-profit groups provide funding to expedite specific work or the Department of Law collects settlement funds from private industry to fund site clean up activities. While the division can not foresee all agreements that may be received or the amounts of those agreements, a portion of this fund source has been unrealized in recent years and it is not expected that collections will increase in upcoming years.												
1002 Fed Rcpts (Fed) -229.3												
1007 I/A Rcpts (Other) -219.0												
1108 Stat Desig (Other) -85.4												
1154 Shore Fish (DGF) -40.0												
FY2012 Coal Regulatory Program Staffing to comply with Federal Office of Surface Mining	Inc	**104.0**	93.5	4.5	5.0	1.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Mining and Land Development (continued)												
FY2012 Coal Regulatory Program Staffing to comply with Federal Office of Surface Mining (continued)												

This request funds existing PCN 10-1846, Natural Resource Specialist III. The position is required within the Mining Program to meet requirements for maintaining federal grant funds for the Coal Regulatory program as follows:

The Division of Mining, Land and Water (MLW) is seeking to increase the staffing level (using this existing, unfunded position) of the Coal Regulatory and Inspection Program to meet an increased workload and comply with a request by the federal Office of Surface Mining (OSM) to maintain adequate staffing for this program.

In the past three years two new projects have entered the permitting process, there is a renewed interest in the start-up of the Wishbone Hill mine, and there is an increase in the amount of exploration. In addition to the inspection and permitting of conventional coal mining, all aspects of underground coal gasification (UCG) are under the authority of the Coal Program. One company is actively drilling targets for UCG and a second company is acquiring coal leases and plans to submit exploration permits in the next year. This has increased the amount of public involvement and also resulted in filing of three "lands unsuitable for mining" petitions. In addition to the permitting work required to review these projects, staff is also required to perform monthly site inspections of all active projects. Because of the small size of the program, each of the professional staff must conduct permit reviews as well as perform inspections.

Current staffing levels have remained relatively unchanged since 2001 at around 3.5 FTE, with three people devoted to permitting and inspection. This was the minimum number to meet the needs in 2001 and it has not been adjusted for the increased workload. Coal mining operations are regulated under a federal program that the State of Alaska has maintained primacy over since 1983. The federal Office of Surface Mining conducts oversight of this program. A recent review of staffing levels by OSM determined that current staffing levels are inadequate to meet the workload. The department has been reminded by OSM that maintaining adequate staffing is a requirement for maintaining primacy over the federal program.

1002 Fed Rcpts (Fed)		52.0										
1003 G/F Match (UGF)		52.0										
FY2012 Litigation Support to Defend Permitting Process on State Lands	Inc	**500.0**	200.0	0.0	300.0	0.0	0.0	0.0	0.0	0	0	0

This increment will provide the Division of Mining, Land and Water (MLW) and the Department of Law with the resources necessary to defend DNR's permitting and planning processes that are the subject of current litigation. Opposition to the permitting for exploration on the mining claims comprising the Pebble Project continue to consume MLW and the Department of Law resources and funds. Organizations opposed to the project have filed multiple lawsuits targeting various facets of DNR's permitting process and the preparation of area plans.

The increased litigation has required significant staff time from the director of MLW and multiple section chiefs and supporting staff. Litigation requires staff time to review or prepare responses, review briefs, prepare for and attend depositions, respond to documents and information requests and represent DNR during oral arguments. The effort required to respond to the multitude of record requests and prepare and present depositions consumes time from these positions and their supporting division staff that would normally be used to administer the ongoing programs and activities of the division. Additional funding is required to maintain the current service levels of the division (not related to preparation and response to litigation).

The Department of Law has requested a reimbursable service agreement (RSA) from MLW to offset a portion of

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Mining and Land Development (continued)												
FY2012 Litigation Support to Defend Permitting Process on State Lands (continued)												
their personal services costs dedicated to representing the division during these various proceedings. The division of Mining, Land and Water does not have the resources to fund these additional costs associated with litigation.												
1004 Gen Fund (UGF) 500.0												
FY2012 Public Land Stewardship including Mine Permitting, Compliance and Assessment	IncOTI	**802.0**	600.0	30.0	157.0	15.0	0.0	0.0	0.0	0	0	0

This increment funds existing vacant, unfunded positions responsible for managing and permitting public use and private development on state lands. There has been an increase in economic activities on state lands due in part to the 8 million acre increase of state land received as our Statehood entitlement through the Accelerated Land Transfer Act over the last five years. There has also been increased activity on all state land as a result of increased mineral exploration, new alternative energy projects, new telecommunications projects and an increase is public use of state lands.

One of the significant impacts from this increase of acreage under state management and increased economic development proposals on state land is the increase in lease and permit applications for use of state lands, both for economic development and recreational use. Many forms of economic development are controversial and require meticulous adjudication to address public, environmental and legal concerns. Rushed, non-comprehensive, adjudication leaves the state unable to adequately defend its decisions against legal challenges. With the current staff and funding model, the Division of Mining, Land and Water (MLW) continues to fall behind with the processing of applications from industry and individuals to use and develop state land. In FY10, 87% of new applications were processed, but the backlog of unprocessed applications continues to increase, and was at 2,376 at the end of FY10.

MLW has also seen a need for more rigorous permitting and oversight of mining activities. In the last five years there has been a dramatic rise in the number of placer mining operations, large scale metal mines, and large scale exploration programs. At the same time, public interest and concern about these activities has increased. DNR is currently defending several lawsuits regarding permits for mineral exploration. Increased on-site inspections at large mine projects are necessary to ensure permit compliance. The high volume of mining activities in 2010 resulted in permitting time for placer mining and mineral exploration activities of up to 6 weeks, far above the expected and desired time of 2-3 weeks. Timely and accurate processing and auditing is required to maximize mining revenues to the state. Increased travel costs have resulted in limited field inspections and technical assistance for miners.

In order to increase field presence without increasing the size of permanent state government employees, summer interns or short-term non-perms, under the supervision of current staff professionals, will be used to perform some field inspections and interface with the public.

Along with the increase in activities on state land the division has a constitutional and statutory responsibility to provide stewardship of these lands. Stewardship of state lands ranges from ensuring access for oil and gas development; to providing materials for infrastructure construction; to providing site- specific inspections of mineral development projects; and to interacting with the public where state lands are used for recreational purposes. Interaction with the public in areas of high recreational use consists of trash removal, providing public information (such as signage, web sites, maps) , clearing timber and brush, or resolving damage and unauthorized use of state land. In areas of high use, such as the Rex trail in the interior, these funds could be used by the division to contract experts to develop prescriptive analysis to aid in trail rehabilitation.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Mining and Land Development (continued)												
FY2012 Public Land Stewardship including Mine Permitting, Compliance and Assessment (continued)												
Five existing positions that have been held vacant due to the lack of funding will be used to provide the ongoing management and permitting responsibilities for public use and private development on state lands. In addition to personal services costs, this increment covers the travel (site-specific mining inspections and recreational use area management), services (such as contracts for trail rehabilitation) and commodities costs associated with managing the public and private uses of state land.												
1004 Gen Fund (UGF) 802.0												
FY2012 CC: Improve Efficiency of Land and Water Use Application Process	IncOTI	**1,421.1**	1,131.6	25.0	153.0	111.5	0.0	0.0	0.0	6	0	0

ISSUE

The state's land base has increased by 8 million acres over the last five years, and the Division of Mining, Land and Water has not been able to keep up with the increasing number of applications to use this land. The division now has a backlog of over 2,300 applications. Through a combination of restructuring the permitting process and additional staff, the backlog will be significantly reduced, and eventually eliminated.

BACKGROUND

The Division of Mining, Land and Water is requesting an FY2012 amendment of $1,421.0 to eliminate a backlog of land and water use authorizations. With this amendment, the division will establish six new positions, and fund five vacant positions. With these positions, the division will work to streamline and make more efficient the current permitting processing ability, and eliminate the backlog that impedes economic development and use of state land.

At the beginning of FY2011, there was a backlog of approximately 2,300 applications that had not been issued. This includes applications for permits (314), leases (297), easements (658), material sales (181), water rights (600), and instream flow reservation applications (330).

The current capacity to process all types of land and water use applications is 97 positions, of which 13 are unfunded and vacant. The personal services budget for the 84 filled positions is $7,462.0.

This backlog of applications has been growing in recent years because the division has only been able to process 87% of all incoming applications. This is due to a number of reasons:

- Inefficient internal processes and cumbersome regulatory requirements.

- Land ownership patterns have become more complex, thereby increasing the conflicts that have to be resolved.

- Increasing federal and municipal regulation has increased the processing time for applications.

- Increasing appeals and litigation of our authorizations, which delay and complicate processing.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Resource Development (continued)

Mining and Land Development (continued)

FY2012 CC: Improve Efficiency of Land and Water Use Application Process (continued)

- An additional 8 million acres of land transferred to state ownership within the last five years, resulting in an increase in the number of applications to use that land.

The backlog of applications range in complexity from very basic authorizations such as a commercial recreation permit that can be issued within a day, to large projects requiring multiple interrelated authorizations, multi-agency coordination, required studies and review that may take a few years to complete the authorizations. Each specific application may present an assortment of obstacles that can vary the processing times such as land ownership disputes, multiple use conflicts, business transaction delays, unresponsive applicant, encumbrance removal, project revisions, appeals and litigation.

The following table shows the applications received, quantity issued, and the backlog for each of these types of authorizations in FY2010:

FY2010 Performance Measures

Authorization Type	Appl Rec'd	Qty Issued	Backlog
Land Use Permits	299	340	314
Land Leases	64	64	297
Easements	44	23	658
Material Sales	44	50	181
Water Rights	71	49	600
Instream Flow Res	13	8	330
Totals	722	702	2,380

WORKPLAN

Goal: To timely process all incoming land and water use applications, and to eliminate the backlog.

Strategies:

- With the increased staffing, process 100% of all incoming applications (currently we can only process 87% of all incoming applications).

- The increased staffing, coupled with increased permitting efficiencies, will allow processing of at least 250 backlogged applications annually, with anticipated subsequent dramatic improvements through additional increased permitting efficiencies.

- The division will focus first on applications that foster economic and community development and improvement of state infrastructure, and provide opportunities for energy cost reduction, jobs, and contracts. Applications will be prioritized to work on projects that provide the most benefit to the highest number of Alaskans.

- The division will conduct a comprehensive review of the division's permitting processes, and we will find and implement changes that will increase efficiency. Areas that the division will evaluate include:
  - Organizational changes (e.g. formation of permitting teams) within the division.
  - Applicable statutes and regulations.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP

Resource Development (continued)

Mining and Land Development (continued)

FY2012 CC: Improve Efficiency of Land and Water Use Application Process (continued)

- The regulatory relationship between the state, and federal and local governments.
- Appeals process.
- Contracting with the private sector.

- Develop computerized systems to automate and speed up the permitting process. The Department is developing a unified permitting system which will significantly increase permitting productivity by automating the permit processing, allow applicants to apply on line, and allow staff to better process and track applications.

This increment adds funding for six new Natural Resource positions and five existing unfunded positions.

Five new Natural Resource positions are needed to process and manage these backlogged authorizations: one in Fairbanks for Interior Alaska, one in Juneau for Southeast Alaska, and three in Anchorage for Southcentral Alaska. Substantial progress on applications critical for development projects will be realized in FY2012 and beyond. One new Natural Resource Specialist will be added in Southcentral to take care of the assignments, billing, and ongoing administration of the authorizations. This increment also funds three existing Natural Resources Specialist II positions (PCN 10-1380, 10-1859 and 10-8255) in the Southcentral Region Land Office under the Easement Unit that are vacant due to inadequate funding.

In addition, this amendment includes funding for an Administrative Assistant II (vacant PCN 10-1767), transferred from the Land Acquisition and Title Defense component. This position will support the division's administrative functions in the efforts to improve our efficiency. A Natural Resource Specialist III (PCN 10-1852) is transferred from the Land Sales and Municipal Entitlements component to concentrate more on general easement applications and easement management rather than just those for land sales.

This amendment also provides support costs for the positions including additional travel funding for inspections, compliance and monitoring of activities -- many of which are located in remote areas off the road system or in congested areas which requires field information to understand issues when considering competing or diverse types of application within the same general area. Inspections, compliance and monitoring require both travel costs and contractual expenses for helicopter and aircraft charters. The increment also includes funding for the additional office and parking garage lease space costs, core services costs (such as charge-backs to DOA for telecommunications, computer services and human resources support), equipment and supplies.

Summary of Positions -

Existing:
3 - Natural Resource Specialist IIs (PCN 10-1380, 10-1859 and 10-8255)
1 - Administrative Assistant II (Vacant PCN 10-1767, Transfer from Land Acquisition and Title Defense)
1 - Natural Resource Specialist III (PCN 10-1852, Transfer from Land Sales and Municipal Entitlements)

New:
Southcentral:
1 -- Natural Resource Manager I (10-#264)
2 -- Natural Resource Specialist II (10-#265, 10-#271)
1 -- Natural Resource Specialist I (10-#266)

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Mining and Land Development (continued)												
FY2012 CC: Improve Efficiency of Land and Water Use Application Process (continued)												
Northern:												
1 -- Natural Resource Specialist II (10-#262)												
Southeast												
1 -- Natural Resource Specialist II (10-#263)												
1004 Gen Fund (UGF) 1,421.1												
*** Allocation Total ***		**3,147.7**	1,827.0	81.3	1,082.2	157.2	0.0	0.0	0.0	14	0	0
Land Sales & Municipal Entitlements												
FY2006 Land Surveyors for New Subdivision Land Sales	Inc	**195.8**	150.8	10.0	25.0	10.0	0.0	0.0	0.0	2	0	0
The Land Sales and Contract Administration Section is requesting two new surveyors funded with Land Disposal Income Fund (LDIF) receipts beginning in FY06. The FY05 requirements for new subdivisions is to create 100 parcels in FY05, then to increase to 200 in FY06 and to 300 in FY07 and future years. There is a two-year time lag in the creation of subdivision parcels in order to get the subdivisions fully through the survey and platting process. In order to complete the 300-parcel requirement we need one surveyor for every four subdivision projects (four projects equal a total of approximately 100 parcels on average) meaning that two surveyors would be needed to complete 200 new parcels. We acquired one new surveyor beginning in FY05 and this one individual does not meet the future demand identified. The Department will be using nonpermanent employees until these two new surveyors can be hired as permanent positions. The two positions will be necessary to meet the goals for future years.												
Land Surveyor I range 19 - 10-#022												
Land Surveyor I range 19 - 10-#023												
1153 State Land (DGF) 195.8												
FY2006 Fund positions and associated costs to address backlog experienced with selling land under preference rights leases	Inc	**106.7**	94.7	0.0	12.0	0.0	0.0	0.0	0.0	1	1	0
NR Specialist II full time												
NR Specialist II part time												
1153 State Land (DGF) 106.7												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**0.3**	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1153 State Land (DGF) 0.3												
FY2007 Decrease funds for survey and appraisal costs covered in the capital budget	Dec	**-480.0**	0.0	0.0	-480.0	0.0	0.0	0.0	0.0	0	0	0
This component has budgeted operating funds for land survey and appraisal contracts which are now budgeted in the capital budget (Land Sales for New Subdivision Development project), allowing us to reduce the operating budget services line item.												
1153 State Land (DGF) -480.0												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-11.7**	-11.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -11.7												
FY2009 Reduce Uncollectable Fund Sources	Dec	**-100.0**	-50.0	0.0	-50.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Land Sales & Municipal Entitlements (continued)												
FY2009 Reduce Uncollectable Fund Sources (continued)												
The Land Sales and Municipal Entitlements component has significantly more authorization in these three fund sources than actually spent in recent years. We do not anticipate needing this level of funding for Federal Receipts, IA Receipts, or Statutory Designated Program Receipts in FY09 or beyond.												
1002 Fed Rcpts (Fed) -40.0												
1007 I/A Rcpts (Other) -40.0												
1108 Stat Desig (Other) -20.0												
FY2010 Cap to Op: Remote Recreational Cabin Sites Survey and Appraisals	Inc	**927.0**	38.0	123.0	752.0	14.0	0.0	0.0	0.0	0	0	0
1153 State Land (DGF) 927.0												
FY2011 AMD: Additional Hiring Capability to Address Land Use Permitting Backlog	Inc	**113.6**	113.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Division has previously been able to absorb increased personal services costs as it has simultaneously experienced higher than normal vacancy rates and recruitment difficulties. However, the Division is seeing improvement in recruitment and retention efforts and the number of vacancies and length of time positions are vacant is beginning to decline. The requested funds will allow recruitment efforts for critical positions to begin as they become vacant and the division to more accurately budget for anticipated vacancy levels.												
1153 State Land (DGF) 113.6												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-2.5**	0.0	-2.5	0.0	0.0	0.0	0.0	0.0	0	0	0
1153 State Land (DGF) -2.5												
FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig (Other) -1.2												
1153 State Land (DGF) 1.2												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
IA Receipts, $1.5 Land Sales and Municipal Entitlements has not received any budgeted RSA's during FY10 or FY11. This component does not anticipate receiving any RSAs in FY12. A decrement of $18.1 of IA Receipts will be requested as part of the FY12 budget. Additional IA Receipt authority related to the personal services increase increment will not be realized.												
1007 I/A Rcpts (Other) -1.5												
1153 State Land (DGF) 1.5												
FY2012 Decrement Unrealizable Fund Sources	Dec	**-147.5**	0.0	0.0	-147.5	0.0	0.0	0.0	0.0	0	0	0
This change record "cleans up" fund sources and decrements unrealizable fund sources for the Land Sales and Municipal Entitlements Component as follows:												
Federal Receipts: $69.2 This component did not receive any federal grants in FY10 or FY11 and does not anticipate receiving any federal funding in FY12.												
I/A Receipts $17.9 This component typically does not receive any reimbursable service agreements and does not anticipate receipt of any RSAs in FY12.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Land Sales & Municipal Entitlements (continued)												
FY2012 Decrement Unrealizable Fund Sources (continued)												
Statutory Designated Program Receipts: $60.4 In the past, this component has charged municipalities to process high priority municipal conveyances to augment funding for the work. Work of this kind has not been done for municipalities (and therefore the funds not collected) since FY06 and is not anticipated in FY12.												
1002 Fed Rcpts (Fed) -69.2												
1007 I/A Rcpts (Other) -17.9												
1108 Stat Desig (Other) -60.4												
FY2012 Increase Personal Services Authority from Land Sales Capital Projects	IncM	**400.0**	400.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This increment budgets for CIP authorization being used for existing positions performing work related to Land Sales capital projects.												
The CIP authorization requested for this increment comes from capital projects received over the last three years for survey and design work associated with land sales. Due to the high vacancy rate that has been maintained in the Land Sales section because of funding shortfalls, preparation work on additional subdivisions has not progressed at a rate that would allow these projects to mature to the point that lots could be offered for sale. In order to keep sufficient subdivision lots in the queue, it is necessary to budget CIP authorization for personal services costs to provide sufficient finding to continue to development of subdivision sales. These funds pay for positions performing area planning efforts necessary to designate lands for disposal, project design and survey and construction contract issuance in the survey units, adjudicator positions preparing Final Findings, conducting public notice and meetings to determine project parameters, confirming title, executing and maintaining land sales contracts, and issuing patent.												
1061 CIP Rcpts (Other) 400.0												
FY2012 Land Sales and Municipal Entitlements Staff Funding for Southeast AK Region	IncOTI	**105.0**	90.0	10.0	0.0	5.0	0.0	0.0	0.0	0	0	0
This increment provides funds to maintain an existing, unfunded position to perform essential work related to general land grant entitlements and implementation of the land disposal program within southeast Alaska.												
One of the essential functions of the Southeast Regional Office is the adjudication of general land grant entitlements of the boroughs and unified municipalities in southeast Alaska and the implementation of the state land disposal program for the region. The southeast regional office is tasked with the responsibility of processing the municipal entitlements of the Haines and Wrangell Boroughs. Timely conveyance of these requests are crucial to sustaining the economic vitality of these communities and triggers economic growth and ultimately provides additional employment opportunities.												
Due to budget shortfalls, the southeast region does not have funding to pay for staff to adjudicate municipal entitlements. Under current circumstances, incoming entitlement requests will have to wait on existing staff already charged with the: i) processing of leases, permits, and easements applications, and ii) monitoring activities on state owned land in southeast Alaska. This heavy workload does not allow for the timely conveyance of municipal entitlements. It is essential for the southeast regional office to have an individual on staff that is dedicated to adjudicating municipal entitlement requests that are far from routine and have a unique set of issues that must be resolved before coming up with an acceptable end product.												
1153 State Land (DGF) 105.0												
*** Allocation Total ***		**1,106.7**	825.7	140.5	111.5	29.0	0.0	0.0	0.0	3	1	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Land Acquisition & Title Defense												
FY2006 Personal Services from Bureau of Land Management (BLM) 2009 federally-funded capital project	Inc	**730.0**	730.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The BLM 2009 Conveyance Project will result in the state receiving approximately 10 -12 million acres still owed to the state under the Statehood Act. The project will also result in the transfer of over 8 million acres of federal land to Alaska Native Corporations formed under ANCSA. This funding is necessary so that the state can respond to and participate in this project. The state will need to review and respond to a significantly increased number of BLM conveyance decisions, decisions on easements and navigable waters, and requests for reconveyance of state land found to have been conveyed to the state in error. The state will also receive significantly more decisions to transfer land to the state under the remaining statehood entitlements and will need to process many additional title documents. The federal BLM has agreed to provide funding for the state's increased workload that results under this project.												
This project provides the tools and the staff so that the state can participate in BLM's accelerated land transfer process. Over the past five years, DNR has received an average of 50,000 acres per year from the federal government. For the most part, high acreage, uncontested conveyances have been completed. What remains are smaller tracts that are subject to some type of encumbrance, withdrawal, or competing selections that are more difficult to adjudicate and resolve. Continuing the current method of processing multiple smaller conveyances, revisiting areas repeatedly as each small acreage gain is made is expensive and slow. It would take more than 60 additional years to finish the state's remaining entitlements using the existing staffing and methods.												
The positions fully or partially funded by the BLM 2009 CIP are: 10-1841, 10-1753, 10-1845, 10-1846, 10-1854, 10-1847, 10-1730, 10-1856, 10-1857,10-1855, 10-1858, 10-1848												
1061 CIP Rcpts (Other) 730.0												
FY2006 Reduce Uncollectable IA Receipts Authority	Dec	**-72.8**	-62.8	0.0	-10.0	0.0	0.0	0.0	0.0	0	0	0
Reduced to reflect a more realistic level of anticipated RSA's.												
1007 I/A Rcpts (Other) -72.8												
FY2006 Ch. 8, FSSLA 2005 (HB 130) University Land Grant/State Forest	FisNot	**380.0**	72.0	2.5	300.5	5.0	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF) 380.0												
FY2008 Increment in IA Receipts to Add DOT/PF-Funded Position	Inc	**87.1**	87.1	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
This increment covers the personal services cost of PCN 10-1879 to be funded by DOT/PF for project work specific to DOT/PF. This position was established during FY07 but after the FY07 management plan was complete, resulting in the need to reflect it as a new position in FY08.												
1007 I/A Rcpts (Other) 87.1												
FY2008 Third Year Fiscal Note: Univ Lands FSSLA2005 (HB130)	Dec	**-233.7**	0.0	-2.5	-231.2	0.0	0.0	0.0	0.0	0	0	0
Third year of fiscal note appropriation for HB130, University Lands.												
1004 Gen Fund (UGF) -233.7												
FY2008 Decrement of CIP Receipts due to deleting PCN 10-1857 (from RS2477/Navigability component)	Dec	**-41.9**	-41.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
PCN 10-1857 was deleted from the RS2477/Navigability component due to a funding reduction. This position was split-funded with the Title Acquisition and Defense component to work on the BLM 2009 Accelerated Land Transfer capital project, which is also receiving less funding. Lack of funding results in the need to completely eliminate the position.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Land Acquisition & Title Defense (continued)												
FY2008 Decrement of CIP Receipts due to deleting PCN 10-1857 (from RS2477/Navigability component) (continued)												
Loss of this position will reduce the state's ability to provide adequate review of ANCSA Native Corporation conveyance decisions, ANCSA 17(b) easement decisions, and Native Allotments in the Northern Region within the required 30-day review period in order to protect state access rights. This is the only review period during the conveyance process for the state to insure BLM has adequately addressed state interests.												
1061 CIP Rcpts (Other) -41.9												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-97.0**	-97.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts (Other) -97.0												
FY2010 Replace federal funding for Acquisition of Land as per Statehood Entitlement	Inc	**300.0**	100.0	0.0	175.0	25.0	0.0	0.0	0.0	0	0	0
The BLM 2009 Conveyance Project will result in the state receiving approximately 11 million acres still owed to the state under the Statehood Act. The project will also result in the transfer of over 8 million acres of federal land to Alaska Native Corporations formed under ANCSA. This request for General Funds to augment federal funding is necessary because continued federal budget reductions will result in the state receiving insufficient funding for this project. The overall US Bureau of Land Management (BLM) program is not being significantly reduced except for land surveys, therefore the reductions in federal funding will not significantly reduce the project workload for the state. In fact, some of BLM's streamlining efforts have resulted in more work for the state as BLM's efforts focus more on quantity than quality of decisions and conveyances. As a result, the state must put more emphasis on ensuring that public access is protected when lands are transferred to private ownership, that BLM decisions on Native Allotments and Alaska Native Claims Settlement Act (ANCSA) conveyances recognize state ownership interests, and ensure that the state receives clear title to the land it receives.												
In addition, the BLM has specifically stated that due to its reduced budget allocated to the state, the reduction in federal funds must be in the area of the state's work to protect public access and navigable waters, two critical components for the state. Federal budget reductions have reduced the BLM contribution to the state by at least 28%, or about $300,000/year.												
This increment is necessary so that the state can continue to respond to and participate in this project. The state will need to review and respond to a significantly increased number of BLM conveyance decisions, decisions on easements and navigable waters, and requests for reconveyance of state land found to have been conveyed to the state in error. The state will also receive significantly more decisions to transfer land to the state under the remaining statehood entitlements and will need to process many additional title documents.												
1004 Gen Fund (UGF) 300.0												
FY2011 BLM Assistance Agreement for Land Conveyance	Inc	**650.0**	471.3	5.0	168.7	5.0	0.0	0.0	0.0	0	0	0
This provides authorization to accept federal funds from the U.S. Bureau of Land Management (BLM) for the state's participation in the program to transfer federal land to the State of Alaska as per statehood entitlement. The state's participation in this effort will help to complete most of the remaining land transfers in the next five years, pending final surveys.												
1002 Fed Rcpts (Fed) 650.0												
FY2011 Reduce CIP Receipts Due to Completed Projects	Dec	**-425.0**	-425.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This request deletes authorization for CIP receipts that are no longer available due to completed projects.												
1061 CIP Rcpts (Other) -425.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-0.1**	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Land Acquisition & Title Defense (continued)												
FY2011 Reduce general fund travel line item by 10 percent. (continued)												
1004 Gen Fund (UGF) -0.1												
FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 3.9												
1007 I/A Rcpts (Other) -3.9												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This component requests $32.2 GF to replace unrealizable fund sources.												
Federal, $25.4 and CIP, $6.8 Due to funding shortfalls, the Bureau of Land Management eliminated grants that had historically been provided to this component for land acquisition work. These federal funds for land acquisition work will no longer be received in the operating or capital budget. A requirement remains for this component to complete land acquisition work related to the statehood act and completion of Alaska's acquisition of federal land entitlements. A request to replace $671.0 of federal authority with general funds will be included in the component's FY12 Governor's budget. Additionally, the component will be requesting a decrement of $338.1 in CIP receipts as a result of the elimination of capital projects for BLM land acquisition. In FY11, the Division has been forced to hold vacancies open to stay within available funding. If unrealizable fund sources are not replaced, the component will not have sufficient funds available to fill vacancies and address workload requirements in FY12.												
1002 Fed Rcpts (Fed) -25.4												
1004 Gen Fund (UGF) 32.2												
1061 CIP Rcpts (Other) -6.8												
FY2012 Decrement Unrealizable Funds	Dec	**-439.1**	-383.4	0.0	-55.7	0.0	0.0	0.0	0.0	0	0	0
This change record decrements unrealizable funding for the Land Acquisition & Title Defense Component as follows:												
CIP: ($339.1) This component does not anticipate any CIP receipts in FY12. Past CIP receipts have been related to federal grant capital project funds from the Bureau of Land Management which were eliminated due to funding shortfalls within the agency.												
IA: ($100.0) This component occasionally receives small reimbursable service agreements from other state agencies for title research work. This component has not fully collected these receipts in past fiscal years. This decrement will bring IA authority to down to a level that is closer to what is reasonably anticipated for this fund source.												
1007 I/A Rcpts (Other) -100.0												
1061 CIP Rcpts (Other) -339.1												
FY2012 Delete Uncollectable Federal Receipts for Land Transfer Oversight Including Native Allotments	Dec	**-671.0**	-618.8	-10.0	-37.2	-5.0	0.0	0.0	0.0	0	0	0
Due to reductions and funding shortfalls in the federal Bureau of Land Management (BLM) budget, the BLM eliminated grants that had historically been provided to this component for land acquisition work related to the												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Land Acquisition & Title Defense (continued)												
FY2012 Delete Uncollectable Federal Receipts for Land Transfer Oversight Including Native Allotments (continued)												
statehood act and completion of Alaska's acquisition of federal land entitlements. These federal funds will no longer be received in the operating or capital budget.												
For the Division of Mining, Land and Water to continue this land acquisition work, a corresponding increment request for general funds is included in the component's FY12 Governor's budget.												
1002 Fed Rcpts (Fed) -671.0												
FY2012 Oversight of Federal Land Transfers including Native Allotments, ANCSA Conveyances, and Survey Reviews	IncOTI	**671.0**	618.8	10.0	37.2	5.0	0.0	0.0	0.0	0	0	0

This increment will cover personal services costs for existing vacant, unfunded positions, and allow DNR to: resume adjudication of 1906 Native Allotment reconveyances previously halted when federal funding was discontinued; allow DNR to resume review of Alaska Native Claims Settlement Act (ANCSA) conveyances to protect public access and state ownership interests (including navigability); and provide for work on other ANCSA conveyance documents and cases including 17(b) access.

Regarding Native Allotments, the state is obligated to adjudicate for reconveyance 270 parcels of state land to the federal Bureau of Land Management (BLM) that were erroneously conveyed to the state. The state suspended work on these reconveyances in FY 11 because of funding shortfalls. Similarly, in past years the state has reviewed dozens of conveyances to ANCSA Corporations to ensure that public access is maintained to public lands.

Continued funding for positions to do this work will alleviate various inquiries from constituents, applicants, and other governmental agencies to legislators, the governor and commissioner by allowing the Division of Mining, Land and Water (MLW) to continue processing the Bureau of Land Management's native allotment reconveyance requests and requests for state selection relinquishments of those areas affected by valid native allotment applications. Federal funding cuts for the BLM 2009 program, effective in FY10, effectively eliminated the ability to continue this work.

This component reviews approximately 386 ANCSA conveyance documents produces by the BLM. These documents affect access to public lands, land ownership patterns and future state entitlement selections. It is the responsibility of this component to make sure that actions taken by the BLM with regard to fulfilling the ANCSA land entitlement do not harm the state either by conveying lands to corporations where the state already holds title, restricting access across corporation lands to other public lands and that state in-holdings do not develop as part of incomplete adjudication at the BLM.

Another task that this increment will fund is continued work on setting the state's priorities for land conveyances and relinquishments. In the past 5 years, the state has received an additional 8 million acres from the federal government. An additional 5 million acres are owed the state, but the state has far more selections remaining. Under federal law the state is allowed a 25% over-selection. This increment will allow the state to continue to identify lands for conveyance and relinquishment. If the state fails to do this work, decisions about relinquishment will be made by the federal government, rather than the state.

This increment will also fund land survey reviews to ensure they are adequate under state statute for land conveyances made by DNR. The MLW Survey Section determines whether land surveys are adequate under the requirement of AS 38.04.045 for land conveyances made by DNR. Where surveys are required, the Unit issues

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Land Acquisition & Title Defense (continued)												
FY2012 Oversight of Federal Land Transfers including Native Allotments, ANCSA Conveyances, and Survey Reviews (continued)												
instructions to private sector land surveyors. The Unit serves as the watchdog for BLM surveys to insure that they meet required standards, and protect state's interests in areas such as navigable waters and existing easements.												
1004 Gen Fund (UGF) 671.0												
*** Allocation Total ***		**837.5**	450.3	4.9	347.3	35.0	0.0	0.0	0.0	2	0	0
Water Development												
FY2006 Fund Source Switch from IA Receipts to CIP Receipts for BLM Recordable Disclaimer Project	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Funds needed to support Hydrologist II under the federally-funded CIP request "State Navigable Waters Recordable Disclaimer Research".												
1007 I/A Rcpts (Other) -40.0												
1061 CIP Rcpts (Other) 40.0												
FY2006 Increase GF due to uncollectible Receipt Supported Services (RSS) receipts	Inc	**300.0**	300.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 300.0												
FY2006 Reduce funding due to uncollectible Receipt Supported Services (RSS) receipts	Dec	**-300.0**	-300.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs (DGF) -300.0												
FY2006 CIP Receipts to partially fund a Hydrologist position for BLM Recordable Disclaimer Project	Inc	**15.0**	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Funds needed to support Hydrologist II under the federally-funded CIP request "State Navigable Waters Recordable Disclaimer Research".												
1061 CIP Rcpts (Other) 15.0												
FY2007 Reduce RSS authorization to reflect anticipated receipt level	Dec	**-49.2**	0.0	0.0	-49.2	0.0	0.0	0.0	0.0	0	0	0
Receipt Supported Services authorization is reduced to the anticipated receipt level for FY07.												
1156 Rcpt Svcs (DGF) -49.2												
FY2007 Reduce SDPR authorization to reflect anticipated receipt level	Dec	**-40.0**	0.0	0.0	-30.5	-9.5	0.0	0.0	0.0	0	0	0
Reduce Statutory Designated Program Receipts authorization to reflect the anticipated use of these funds.												
1108 Stat Desig (Other) -40.0												
FY2008 Increase Statutory Designated Program Receipt (SDPR) Authority to Anticipated Receipt Level for Large Projects	Inc	**50.0**	15.0	10.0	20.0	5.0	0.0	0.0	0.0	0	0	0
The Water Component needs additional Statutory Designated Program Receipts authority. The Dam Safety program is bringing in large-project permit fees that are receipted under SDPR and will exceed our existing authority.												
1108 Stat Desig (Other) 50.0												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-61.5**	-61.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) -16.1												
1061 CIP Rcpts (Other) -6.5												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Water Development (continued)												
FY2008 PERS adjustment of unrealizable receipts (continued)												
1156 Rcpt Svcs (DGF) -38.9												
FY2009 Switch Interagency Receipts to CIP Receipts to match budget plan	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This is a technical budget adjustment to correctly reflect the funding source in the budget plan.												
1007 I/A Rcpts (Other) -70.0												
1061 CIP Rcpts (Other) 70.0												
FY2009 Fund one new Engineering Assistant II position in the Dam Safety and Construction unit	Inc	**130.0**	130.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF) 130.0												
FY2009 AMD: Correct Unrealizable Fund Sources for Salary Adjustments: SU	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
In FY06 the Water program adopted new fee regulations for water right applications. The new fees were based on "direct reasonable cost" as imposed by law. Since these fees have been in place we have not been able to collect all $300,000 as originally envisioned by the legislature and have requested a fund change in the FY09 Governor's budget to cover the cost of the water permitting program. The amount of RSS in the Governor's Amended budget is $200,000 which is the maximum amount we expect to collect.												
1004 Gen Fund (UGF) 10.3												
1156 Rcpt Svcs (DGF) -10.3												
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Receipts Supported Services is already collected at the maximum expected and we do not anticipate collecting increased water usage fees.												
1004 Gen Fund (UGF) 5.6												
1156 Rcpt Svcs (DGF) -5.6												
FY2011 Budget Clarification Project, fund change to reflect water management fees	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF) 306.5												
1156 Rcpt Svcs (DGF) -306.5												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-1.3**	0.0	-1.3	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -1.0												
1005 GF/Prgm (DGF) -0.3												
FY2011 LFD: Revise Governor's salary adjustment request	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF) 8.6												
1156 Rcpt Svcs (DGF) -8.6												
FY2011 LFD: Revise Governor's salary adjustment request	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -1.7												
1005 GF/Prgm (DGF) 1.7												
FY2011 LFD: Revise Governor's salary adjustment request - correct negative funding source	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) 1.9												
1004 Gen Fund (UGF) -1.9												
FY2011 LFD: Revise Governor's salary adjustment request	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Water Development (continued)												
FY2011 LFD: Revise Governor's salary adjustment request (continued)												
1005 GF/Prgm (DGF) 1.7												
1156 Rcpt Svcs (DGF) -1.7												
FY2012 GF Replacement of Unrealizable Funds to Continue Permitting Water Use Applications	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

This change record requests fund changes to replace unrealizable receipts in the Water Component as follows:

Federal Receipts: $28.5
In FY10, Water Development budgeted for $46.0 in Federal, but only $5.7 was collected and expended. This component received a small federal grant for $30.1 in FY11. However, it is not anticipated that any additional federal grants will be received in FY12.

CIP Receipts: $136.5
This component does not anticipate CIP Receipts for FY12 personal services costs. Current CIP projects administered by this component are limited to those related to U.S. Geological and Survey pass through agreements .

General Fund Program Receipts: $110.0
This component collects General Fund Program Receipts for water rights, water use, and dam safety application fees. This component has historically not collected these application fees at the levels previously estimated and GF is being requested to replace the estimated unrealizable portion of these receipts for FY12.

(Note: These fees were previously authorized as RSS, but this fund source was changed to GFPR in FY11 Budget.)

Filing for and receiving a water right permit is the only way that a land owner can legally obtain and protect a specified volume of water for domestic or industrial purposes. Without this permit use of water cannot be protected from other users of the same water source.

Without a temporary water right permit an organization cannot use a significant amount of water from a surface or ground source or face penalties under AS 46.15.180. Violation of this statute could lead to loss of a mineral exploration permit which would halt exploration activity. Loss of an exploration permit could halt or significantly delay a mining, power or construction project. Delays in exploration activities have potential to shelve projects that are economically advantageous to the state and surrounding communities.

If these fund switches are not approved, the component will be forced to hold vacancies open to stay within the budget. However, workloads continue to grow and lack of available funds to fill positions impacts services to the public which includes a growing backlog of water rights and other permit applications. If unrealizable fund sources are not replaced, this component will not have sufficient funds available to fill vacancies and address backlogs in FY12.

1002 Fed Rcpts (Fed) -28.5
1004 Gen Fund (UGF) 275.0
1005 GF/Prgm (DGF) -110.0
1061 CIP Rcpts (Other) -136.5

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Water Development (continued)												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed) -0.4												
1004 Gen Fund (UGF) 20.8												
1005 GF/Prgm (DGF) -15.2												
1007 I/A Rcpts (Other) -2.5												
1108 Stat Desig (Other) -2.7												
*** Allocation Total ***		**43.0**	98.5	8.7	-59.7	-4.5	0.0	0.0	0.0	1	0	0
Director's Office/Mining, Land, & Water												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	**5.9**	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 4.7												
1007 I/A Rcpts (Other) 1.2												
FY2007 One time decrement for the Boundary fire reclamation overexpenditure	Dec	**-55.6**	-55.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -55.6												

Federal, $0.4
In FY10, Water Development budgeted for $46.0 in Federal, but only $5.7 was collected and expended. It is not anticipated that any additional federal funds will be collected in FY12 and any additional federal authority would be unrealized. The component is requesting a decrement of $28.5 in federal funds as part of the FY12 Governor's budget.

GF Program Receipts (GF/PR), $15.2
The component has historically budgeted GF/PR (formerly RSS) to accommodate small dam safety applications and water use permits that have been received. In FY10, the component budgeted $310.3 for these activities, but only $231.9 was collected and expended. It is not anticipated that any additional GF/PR authority will be realizable.

IA Receipts, $2.5
The component typically receives RSAs for large mining projects, but these RSAs have not been materializing as budgeted. It is not anticipated that additional RSAs will be available to accommodate any increase in IA authority.

Statutory Designated Program Receipts (SDPR), $2.7
The component budgets SDPR to accommodate large dam safety application fees and associated oversight work. In FY10, the component budgeted for $118.2 of SDPR, but only $56.2 was collected and expended. Any additional authority in FY12 will be unrealized.

If these fund switches are not approved, the component will be forced to hold vacancies open to stay within the budget. However, workloads continue to grow and lack of available funds to fill positions impacts services to the public which includes a growing backlog of water rights and other permit applications. If unrealizable fund sources are not replaced, the component will not have sufficient funds available to fill vacancies and address backlogs in FY12.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Director's Office/Mining, Land, & Water (continued)												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-3.1**	-3.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) -3.1												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-1.7**	0.0	-1.7	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -1.7												
FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 0.7												
1007 I/A Rcpts (Other) -0.7												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	**1.9**	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : $1.9												
1004 Gen Fund (UGF) 1.6												
1007 I/A Rcpts (Other) 0.3												
*** Allocation Total ***		**-52.6**	-50.9	-1.7	0.0	0.0	0.0	0.0	0.0	0	0	0
Non-Emergency Hazard Mitigation Projects												
FY2009 United States Forest Service (USFS) Crew Funding	Inc	**200.0**	200.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The US Forest Service (USFS) funds availability of a 20-person Type I crew for use on mitigation projects, and for firefighting in the Lower 48 and Alaska. Five seasonal PCNs added in the FY08 Management Plan are the core crew boss and squad boss positions of the crew. DNR has been utilizing the nonperm process to fill the positions, but they are regularly occuring positions with a stable source of funding and need to be set up as seasonals. The positions have been established by Division of Personnel, and are currently in the recruitment process. This increment documents the receipt of the USFS funding for component positions. Funding from the increment, in excess of the cost of the five permanent seasonal technicians, will be used for nonpermanent technicians who provide firefighting crew work and fuels mitigation services on special one-time projects.												
1061 CIP Rcpts (Other) 200.0												
FY2011 Federal and Local Government Funded Forest Resource and Fire Program Projects	Inc	**250.0**	200.0	0.0	29.6	20.4	0.0	0.0	0.0	0	0	0
Portions of this program are being transferred to the operating budget from the capital budget, since they represent ongoing program expenditures. This increment is one of three requests in the operating budget needed to implement this change. Cooperative agreement grant funds are received annually from the US Forest Service for funding of a Type I HotShot firefighting crew. Availability of a highly-trained firefighting crew contributes to the federal government's goal of enhancing the state's firefighting capacity, and contributes to the state's fire program end result to provide wildland fire protection on state, private and municipal land commensurate with the values at risk.												
1002 Fed Rcpts (Fed) 250.0												
*** Allocation Total ***		**450.0**	400.0	0.0	29.6	20.4	0.0	0.0	0.0	0	0	0
Interdepartmental Information Technology Chargeback												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Interdepartmental Information Technology Chargeback (continued)												
FY2007 Increase Network/Computer Support due to reorg of Coastal Mgt Prog, Habitat; other increases assoc with the gasline	Inc	**81.8**	81.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The total departmental staffing has increased as a result of Governor's Executive Orders transferring Coastal Management and Habitat to DNR, and support of resource development in Mining and Land authorizations, and other increases such as the gasline.												
This increment for I/A receipts reflects both the chargeback to the additional programs being served and the incremental cost of operations.												
DNR ratios for IT support are still below industry standards with each staff member supporting more than 130 network devices.												
1007 I/A Rcpts (Other) 81.8												
FY2008 Network Position to Suport the Federally-Funded Abandoned Mine Lands Program	Inc	**18.0**	18.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	-1
The Abandoned Mine Lands (AML) Program in the Division of Mining, Land, and Water has historically funded a network position from the federal program funds. The DNR Computer Information Center now provides the Technical Support. In FY06-07 a non-perm position was used to test the viability of this new support model. The model is successful and the AML program will fund this position within the IT Chargeback Component. The previous network technician position within the AML Program has been reclassified to meet other program needs.												
1007 I/A Rcpts (Other) 18.0												
FY2008 PERS adjustment of unrealizable receipts	Dec	**-26.2**	-26.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) -23.9												
1061 CIP Rcpts (Other) -2.3												
FY2009 AMD: Network Tech position to support the Recorders/UCC Section with IT Services	Inc	**73.7**	73.7	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
This increment is intended to support a new Computer Network Technician position (PCN 10-#073) which will provide computer network, desktop, and server support for the Recorder's Office/Uniform Commercial Code section within DNR Division of Support Services. This position will be budgeted for and supervised under the Information Technology Chargeback component, and funded via a Reimbursable Services Agreement (RSA) from the Recorder's Office/Uniform Commercial Code component through an increase in Receipt Supported Services (RSS) funding within their budget.												
This support position is necessary to provide timely computer technical service for the variety of computers and related equipment used on a daily basis at the Recorder's Office. Computers drive the two Archive Writer machines and high speed scanners which are used to create and preserve the public record of Alaska. Title companies and other businesses rely on the information we electronically provide daily and when our equipment fails it must be made operational as quickly as possible. In addition, there are numerous computers and printers in our 12 offices across the state. Many of these offices also have scanners to provide images on a daily basis to local title companies. It is essential to have the equipment fully operational for the many customers who rely on the information we provide to conduct their business. The Recorder's Office is the 4th highest user of CIC services in the department. Current turnaround time for technician support is unacceptable in our customer-oriented environment.												
1007 I/A Rcpts (Other) 73.7												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
Interdepartmental Information Technology Chargeback (continued)												
FY2010 Increase InterAgency funds to accommodate Personal Services Shortages	Inc	**20.0**	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Additional Inter Agency receipt funds are needed to accommodate increases in personal service expenses. Personal Service increases are a result from several position reclassifications implemented by the Department of Administration through Classification actions. The additional $20.0 of Inter Agency receipts will be collected from multiple division Reimbursable Service Agreements within the Department.												
1007 I/A Rcpts (Other) 20.0												
*** Allocation Total ***		**167.3**	167.3	0.0	0.0	0.0	0.0	0.0	0.0	2	0	-1
Human Resources Chargeback												
FY2006 DNR's Allocation to Divisions for Increased Division of Personnel Costs not covered with GF	Inc	**106.2**	0.0	0.0	106.2	0.0	0.0	0.0	0.0	0	0	0
DNR's original cost of HR integration was set at $704.3 (FY05 Mgt Plan budget). During FY05, the cost increased to $845.5. For FY06, DNR's RSA will be $892.4. Summary/calculation: Total FY06 RSA estimate $892.4 - Less $81.9 GF increment allowed in FY06 budget - Less $704.3 FY05 base budget ($399.7 GF and $304.6 I/A from Divisions) = $106.2 I/A increment request to fully fund the DOP RSA $106.2 I/A increment breakdown: - $33.7 of HR's lease costs budgeted in the DNR Facilities Lease and Chargeback. - $72.5 ADDITIONAL allocated charges to DNR Divisions												
1007 I/A Rcpts (Other) 106.2												
FY2006 Human Resources consolidation increased costs	Inc	**81.9**	0.0	0.0	81.9	0.0	0.0	0.0	0.0	0	0	0
Additional funds are necessary to fund increased costs in the Division of Personnel for the allocation of consolidated human resources services. This increment covers this department's share of the increased costs and change in rate allocation methodology.												
1004 Gen Fund (UGF) 81.9												
FY2007 Delete excess IA receipt authorization	Dec	**-33.1**	0.0	0.0	-33.1	0.0	0.0	0.0	0.0	0	0	0
This excess IA receipt authorization was previously used to account for the portion of the Division of Personnel RSA budgeted in the DNR Facilities Rent and Chargeback component as lease funding. The lease amount was transferred directly to this budget in FY07, resulting in a reduction of IA receipt authorization required.												
1007 I/A Rcpts (Other) -33.1												
*** Allocation Total ***		**155.0**	0.0	0.0	155.0	0.0	0.0	0.0	0.0	0	0	0
DNR Facilities Rent and Chargeback												
FY2007 Increased Lease Costs for Atwood Building and Other Leases	Inc	**48.0**	0.0	0.0	48.0	0.0	0.0	0.0	0.0	0	0	0
The Atwood Building lease cost increase is $136.2, and the "Other" building lease cost increases are $70.6, for a total increased lease cost for DNR of $206.8. We request $48.0 in general funds, the remainder will be charged to multiple division's operating budgets.												
1004 Gen Fund (UGF) 48.0												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
DNR Facilities Rent and Chargeback (continued)												
FY2007 Increase RSA to DOT for basic maintenance services and utilities at DNR Fairbanks Office Building	Inc	**46.4**	0.0	0.0	46.4	0.0	0.0	0.0	0.0	0	0	0
Included in this component is $103.6 for an RSA to DOT/PF to provide basic maintenance, utilities and janitorial services for the DNR Fairbanks Office Building. Funding to provide these services was decreased from $144.9 in 1989 when DNR was transferred these funds, to the current level of $103.6. The fixed costs for the building, including electricity, water & sewer, heating oil, and janitorial services are estimated by DOT as approximately $120.0 for FY06, $16.4 more than we have in the budget. Since this amount continues to increase, the cost increases have been funded by reducing the maintenance staff position from full-time to only being "on call" for complicated repairs/maintenance. For a few years the Department of Transportation covered necessary expenditures above the amount appropriated. This did not continue last year as DOT could not afford to cover additional staff charges to do the maintenance. This leaves no funds available for purchase of supplies and minor repairs and maintenance. As a result, much of the regular maintenance of the building has been scaled back to absolute minimum levels to keep the building operational. As an example of increased costs, in FY05 the cost of the janitorial service alone jumped $11,000 higher than it was in FY04. The bids were recently opened for the next contract, and the cost jumped another $10,000. That is a $21,000 increase from FY05 to FY06. We are simply no longer able to run this office building without a significant increase to the RSA. Everything is going up in price, not the least of which is heating fuel, the price of which seems to drive the escalation of other costs as well. In addition, utility costs such as electricity and water costs are leaping higher. DNR and DOT have done our best to scrimp and save for many years, but we are at the end of our ability to reduce services more without detriment to the building and the occupants. As the building continues to age, the importance of keeping all systems functional and operating efficiently must be the primary goal of this budget.												
1004 Gen Fund (UGF) 46.4												
FY2007 Delete unused IA receipt authorization. Divisions pay directly from their budgets.	Dec	**-1,462.6**	0.0	0.0	-1,462.6	0.0	0.0	0.0	0.0	0	0	0
The IA receipt authorization in this budget has been used as a placeholder only to show the total cost of leases in one budget. The authorization has never been used -- when the bill is received from DOA the amounts billed to divisions (IA receipts) are paid directly from their budgets, resulting in this excess authorization.												
1007 I/A Rcpts (Other) -1,462.6												
*** Allocation Total ***		**-1,368.2**	0.0	0.0	-1,368.2	0.0	0.0	0.0	0.0	0	0	0
DNR Facilities Rent and Chargeback												
FY2006 Lease Costs funded by Divisions	Inc	**1,117.0**	0.0	0.0	1,117.0	0.0	0.0	0.0	0.0	0	0	0
This I/A increment reflects DNR's total leasing budget obligation to DOA General Services in one budget, including the base general fund transfers that were implemented in FY05, and I/A in the amounts collected from divisions to pay their share of the lease obligations.												
1007 I/A Rcpts (Other) 1,117.0												
FY2008 Projected Building Lease Increases (Non-Atwood leases) for Existing Lease Space	Inc	**33.2**	0.0	0.0	33.2	0.0	0.0	0.0	0.0	0	0	0
Department of Administration has projected $33,200 general fund cost increases to DNR leases outside of the Atwood Building, based on existing lease space and existing lease agreements.												
1004 Gen Fund (UGF) 33.2												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Resource Development (continued)												
DNR Facilities Rent and Chargeback (continued)												
FY2008 Projected Atwood Building Lease Increases for Existing Lease Space	Inc	**164.3**	0.0	0.0	164.3	0.0	0.0	0.0	0.0	0	0	0
Department of Administration has estimated a $164,300 general fund increase to DNR's charge for Atwood Building lease space, based on existing space and occupancy agreement.												
1004 Gen Fund (UGF) 164.3												
FY2008 Projected Cost Increases to DOA's Lease Administration RSA for Existing Service Levels	Inc	**40.0**	0.0	0.0	40.0	0.0	0.0	0.0	0.0	0	0	0
Projected cost increase to DOA's Lease Administration RSA for existing service level.												
1004 Gen Fund (UGF) 40.0												
FY2009 Increased Atwood Building and Other Facility Lease Costs	Inc	**105.4**	0.0	0.0	105.4	0.0	0.0	0.0	0.0	0	0	0
Department of Administration has estimated a $74,100 increase to DNR's charge for Atwood Building lease space, based on existing space and occupancy agreement, and a $31,300 increase to DNR leases outside of the Atwood Building, based on existing lease space and existing lease agreements. DNR requests $98,700 general fund and $6,700 receipt supported services (RSS) authorization to cover the increased costs.												
1004 Gen Fund (UGF) 98.7												
1156 Rcpt Svcs (DGF) 6.7												
FY2011 Incorporate $15 million of fuel trigger in FY11 base. Trigger start point moves from $36 to $51.	Inc	**5.2**	0.0	0.0	5.2	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 5.2												
*** Allocation Total ***		**1,465.1**	0.0	0.0	1,465.1	0.0	0.0	0.0	0.0	0	0	0
Development - Special Projects												
L FY2007 Reduce SDPR authorization to reflect anticipated receipt level	Dec	**-506.7**	0.0	0.0	-506.7	0.0	0.0	0.0	0.0	0	0	0
SDPR authorization for reclamation bonds is reduced to reflect the anticipated receipt level.												
1108 Stat Desig (Other) -506.7												
L FY2007 Sec. 25(q), Ch. 33, SLA06, P76, L12, Mine reclamation trust fund estimate	Lang	**100.0**	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
AS 37.14.800												
1192 Mine Trust (Other) 100.0												
*** Allocation Total ***		**-406.7**	0.0	0.0	-406.7	0.0	0.0	0.0	0.0	0	0	0
*** * Appropriation Total * ***		**5,450.4**	3,977.8	233.7	1,001.8	237.1	0.0	0.0	0.0	23	1	-1
State Public Domain & Public Access												
RS 2477/Navigability Assertions and Litigation Support												
FY2006 Provide support to the AG's Office on Navigable Waters and RS2477 routes in vicinity of Coldfoot to Chandalar Lake	Inc	**120.0**	78.0	7.0	35.0	0.0	0.0	0.0	0.0	0	0	0
These funds will help support the Attorney General's office on work relating to the Navigable Waters RS2477 project.												
RS 2477 routes across federal and private land provide access to state land and resources. In order to affirm that												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
State Public Domain & Public Access (continued)												
RS 2477/Navigability Assertions and Litigation Support (continued)												
FY2006 Provide support to the AG's Office on Navigable Waters and RS2477 routes in vicinity of Coldfoot to Chandalar Lake (continued)												
these routes exist, the underlying landowner must agree that the route exists or the state must file Quiet Title to have a court recognize the route. The federal government, which owns over 60% of the land in Alaska, will only agree to RS 2477 routes that are established through Quiet Title filed in federal courts.												
In FY04 and 05, DNR began research necessary to support the state's Quiet title assertion to establish state ownership of three RS 2477 routes. This effort was funded for two years through the FY04 CIP budget. To continue this effort in FY06, DNR is requesting an additional $120,000 to support the Attorney General's office in this litigation and for work on other possible RS 2477 legal actions. DNR's existing RS 2477 appropriation ($40,000) is not anywhere near sufficient to fund an actual assertion through the federal courts.												
The state will pursue quiet title actions on three RS 2477 routes in the vicinity of Coldfoot to Chandalar Lake. These are: 1) RST 9 - Coldfoot to Caro; 2) RST 254 - Wiseman to Chandalar Lake; and 3) RST 262 - Coldfoot to Chandalar Lake.												
DNR's specific work will involve research into land status, existing use of the trails and the area, extensive research on the historical use of the trails, mapping and fieldwork, plus some public relations effort. DNR will also investigate other RS 2477 routes for possible assertions.												
1004 Gen Fund (UGF) 120.0												
FY2006 Eliminate I/A Receipt Authority	Dec	**-151.4**	-151.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The I/A receipts received in FY05 from LB&A for Navigable Waters and RS2477 Rights-of-Way projects lapse on June 30, 2005 and will not be available in FY06. (Original appropriation to LB&A was SLA03/CH82/Sec62/P108/L17).												
1007 I/A Rcpts (Other) -151.4												
FY2007 Third Year Fiscal Note: Asserting State Title to Submerged Lands CH42 SLA2004 SB305	Dec	**-53.0**	-37.0	0.0	-15.0	-1.0	0.0	0.0	0.0	0	0	0
Reduce authorization for implementation of the third year of fiscal note for legislation (Asserting State Title to Submerged Lands, SLA04, CH42).												
1004 Gen Fund (UGF) -53.0												
FY2007 For RS2477 navagability and access defense	Inc	**70.0**	0.0	0.0	70.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) 70.0												
FY2008 Fourth Year Fiscal Note: Asserting State Title to Submerged Lands CH42 SLA2004 SB305	Dec	**-94.5**	-74.5	-3.0	-12.0	-5.0	0.0	0.0	0.0	-1	0	-1
This change record eliminates the remaining authorization per the fourth year of the fiscal note for legislation (Asserting State Title to Submerged Lands, SLA04, CH42).												
As a result of elimination of fiscal note funding, PCN 10-1857 and Non-Perm PCN 10-N056 will be deleted. DNR has not completed the work set forth in SB305, mainly an inventory and map of navigable waters in Alaska. This is primarily due to difficulty in recruiting for the positions to do the work. Due to the reduction in funding, this work will be slowed down and absorbed by the division wherever possible.												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
State Public Domain & Public Access (continued)												
RS 2477/Navigability Assertions and Litigation Support (continued)												
FY2008 Fourth Year Fiscal Note: Asserting State Title to Submerged Lands CH42 SLA2004 SB305 (continued)												
The elimination of these positions to work on the Asserting State Title to Submerged Lands Project will reduce the state's ability to adequately review navigability decisions and conveyance decisions based on navigability determinations within the 30-day review period.												
These positions are finalizing the navigable waters catalogue that will be used by all positions reviewing conveyance decisions. They also are involved in the critical review of Native Allotment and ANCSA Native Corporation conveyances that are a precursor to the state receiving its land entitlement. Without these positions, and with the increased volume and rate of conveyance decisions issued by BLM during this project, the state may lose public access rights and receive land with known problems of trespass, hazardous materials, or abandoned mine sites. The state may not be able to regain lost access rights that may later be needed to support development and use of state lands.												
1004 Gen Fund (UGF) -94.5												
FY2009 CC: General funds for Alaska Land Transfer Acceleration Act program	IncOTI	**300.0**	160.0	0.0	140.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 300.0												
FY2009 CC: Reduce funding for Alaska Land Transfer Acceleration Act program	Dec	**-150.0**	-75.0	0.0	-75.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -150.0												
FY2009 CC: Request to fund the division's efforts to survey high priority Revised Statute 2477 trails	IncOTI	**100.0**	73.0	6.0	21.0	0.0	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF) 100.0												
L FY2011 Navigable Waters Identification	Lang	**1,000.0**	10.0	0.0	990.0	0.0	0.0	0.0	0.0	0	0	0
This increment will provide authorization for receipt of federal grant funds to produce navigability reports of watersheds and waterbodies in Alaska for the Department of the Interior, Bureau of Land Management (BLM). The reports will provide information essential to public land managers, and can also be used to support state applications for federal Recordable Disclaimer's of Interest (RDI's), which recognize state ownership of lands beneath waters that were navigable at the time of statehood. The funds will pay for research services provided by the State Historical Preservation Office and the Alaska Department of Fish and Game, through reimbursable services agreements with the Division of Mining, Land and Water.												
1002 Fed Rcpts (Fed) 1,000.0												
FY2011 Reduce general fund travel line item by 10 percent.	Dec	**-0.2**	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -0.2												
FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 1.4												
1007 I/A Rcpts (Other) -1.4												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
RS2477 requests $2.8 GF to replace unrealizable IA funds for personal services increases. Budgeted IA is for an RSA with Legislative Budget & Audit to support Recordable Disclaimers of Interest and land ownership and												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
State Public Domain & Public Access (continued)												
RS 2477/Navigability Assertions and Litigation Support (continued)												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases (continued)												
conveyance issues. The IA authorization is currently higher than the RSA amounts, and the difference is empty authority which is not collected. In FY10, the component budgeted $75.7 of IA receipts and collected and expended only $14.6. Any additional IA authorization in this component is unrealizable.												
1004 Gen Fund (UGF)	2.8											
1007 I/A Rcpts (Other)	-2.8											
FY2012 AMD: Recordable Disclaimer of Interest Fees	Inc	**100.0**	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0

The Division of Mining, Land and Water (DMLW) requests $100.0 to pay cost recovery fees to the Bureau of Land Management (BLM) associated with the filing of 20 Recordable Disclaimer of Interest (RDI) applications. These RDIs provide certainty of state ownership of lands under navigable waters, thus eliminates many access conflicts and restrictions claimed by others. Alaskans need to be able to use the lands that were granted at statehood.

Each RDI application DMLW files costs about $5,000 to cover BLM cost of adjudicating the applications. DMLW expects to submit 20 applications in FY2012 because of the data available from the navigability reports that will be complete by the end of FY2011. The funding in this component is not sufficient to cover this quantity of RDI submissions.

Filing this quantity of RDIs is the culmination and result of a multi-year research effort primarily funded by the BLM. The BLM funded DMLW to conduct research and write navigability reports. Although the purpose of these reports was to provide information of what water bodies are deemed navigable by BLM, necessary for their land management decisions, the state benefits from having access to this historical research necessary to file RDIs. Using these reports as the navigability evidence to support the RDI applications significantly reduces the costs charged by BLM for processing RDIs because BLM staff does not have to provide additional scrutiny of something they have already approved.

DMLW has made commitments to the Legislature that we would file an increased number of RDI applications when the BLM navigability reports are completed. Multiple reports are now being completed, thus DMLW is poised to submit a series of applications, about two per month, if the filing fee funds are available. Having a good quantity of RDI applications should also help BLM justify keeping the RDI program staffed and operational, which benefits the state in reducing costs of clearing the cloud on the title of lands under navigable waters.

The state received ownership of all the lands under navigable waters at statehood under the Equal Footing Doctrine and the Submerged Lands Act. The boundaries to that ownership are not identified in any conveyance document, but many federal conveyances erroneously purport to convey these lands to entities other than the state. The federal government had the responsibility to hold these lands under navigable waters in trust for the future state of Alaska up until statehood. Therefore there has been continuous confusion over the ownership of these lands and there have been many conflicting navigability determinations. In order to clear up the confusion, the state has to prove that the navigable water is navigable in fact, or susceptible to trade, travel or commerce. This is possible to do through a quiet title action, but prohibitively expensive due to the number of navigable water bodies in the state. Each quiet title action will likely cost more than $1 million. DMLW has worked out an administrative process with BLM to quiet title of the lands under navigable inland waters. This process allows BLM to administratively review the supporting facts and disclaim any federal interest in ownership.

It is highly unlikely, due to the significant cost of a quiet title that another entity would choose to file a quiet title action against the state once the federal government disclaims its interest.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
State Public Domain & Public Access (continued)												
RS 2477/Navigability Assertions and Litigation Support (continued)												
FY2012 AMD: Recordable Disclaimer of Interest Fees (continued)												
This increment provides funding based on an FY2011 supplemental request.												
1004 Gen Fund (UGF) 100.0												
FY2012 AMD: Access Assertion Litigation	Inc	**599.0**	115.0	30.0	418.0	36.0	0.0	0.0	0.0	0	0	0
This FY 2012 request is for access assertion litigation with a focus to quiet title to key RS 2477 routes on a regional basis in the Fortymile/East Alaska area. This access is vital to the mining industry and for use in hunting. The funds will be used to complete research on historical and physical attributes of a number of RS 2477 easements in the Fortymile/East Alaska area and to file 180-day notice to assert quiet title action litigation. There are approximately 39 RS2477s in this region.												
RS 2477s are fact-based upon historical use of specific trails; a solid chain of evidence must be available. Historical research and field work for physical verification is necessary to determine if there is sufficient factual evidence to support litigation. Field verification of the actual route with GPS-Arc/GIS mapping is a critical component. The research will include the Washington Alaska Military Communication and Telegraph (WAMCAT) route and pre WAMCAT historical use. RS 2477s will be asserted with quiet title actions where strong factual evidence is discovered and budget constraints allow. Information gathered through this funding will position the State of Alaska so that quiet title actions can be filed when the Department of Law believes there is sufficient historical documentation and there are sufficient fiscal resources allocated to fully litigate these legal actions. Historically, quiet title actions have exceeded $1 million per action. However, economies of scale can be achieved in this regional approach.												
Other important routes to resources (both land and water) as well as support for existing access litigation will be supported by this increment. Additionally, the information will be used to develop court cases and create exhibits. The Fortymile area has a rich history of use with many sources of information.												
Contractual costs will include an RSA with the Office of History and Archeology and legal support through the Department of Law and a private contractor as needed. Travel and commodities costs are included to support field verification needs. One four-wheeler, one Argo, and trailers for each will be needed for various overland travel. Existing equipment within other components of Mining, Land and Water will not be available for use by the RS 2477 unit during summer field season. Much ground will need to be covered with many wetlands, and an Argo is needed for ground-truthing surveying. The Division's Northern Region could also utilize the Argo for the Rex Trail and other areas.												
Not funding this increment will result in continued access problems in this region. Miners can be deprived of access to valid state mining claims. Areas of state land can become inaccessible as RS 2477s are blocked or restricted. Hunters and guide industry can be restricted by limiting access by the federal government and Native corporations. Future potential mineral exploration and development could be curtailed if access is not available.												
1004 Gen Fund (UGF) 599.0												
FY2012 Remove I/A Receipts after GF transfer from Legislative Budget and Audit Committee	Dec	**-75.7**	-75.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other) -75.7												
*** Allocation Total ***		**1,764.2**	22.4	39.8	1,672.0	30.0	0.0	0.0	0.0	0	0	-1
*** * Appropriation Total * ***		**1,764.2**	22.4	39.8	1,672.0	30.0	0.0	0.0	0.0	0	0	-1

2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncDecF Column

Numbers and Language

Agency: Department of Natural Resources

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agency Unallocated Appropriation												
Agency Unallocated Appropriation												
FY2015 Unallocated Travel Reduction	Unalloc	**-180.0**	0.0	-180.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -180.0												
FY2015 CC: Restore portion of the $180.0 UGF Unallocated Travel Reduction	Unalloc	**90.0**	0.0	90.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 90.0												
FY2016 Target Reduction	Unalloc	**-1,100.0**	0.0	0.0	0.0	0.0	0.0	0.0	-1,100.0	0	0	0
1004 Gen Fund (UGF) -1,100.0												
FY2016 AMD: Allocation Reduction to Components	Unalloc	**1,100.0**	0.0	0.0	0.0	0.0	0.0	0.0	1,100.0	0	0	0
The unallocated UGF reductions were allocated as follows:												
($70.0 and 1 PCN) - Commissioner's Office - Delete Special Assistant to the Commissioner I												
($85.0 and 1 PCN) - Information Resource Management (IRM) - Centralize Information Resource Technology Functions and Services												
($644.0 and 6 PCNs) - Oil and Gas - Restructure of Permitting Section and Project Support as a Result of Work Process Improvements												
($28.1) - Forest Management & Development - Consolidation of Regional Management in Area Office												
($25.0 and 1 PCN) - Office of History and Archaeology (OHA)												
($21.9 and 1 PCN) - Fire Suppression Preparedness - Consolidation of Regional Management in Area Office												
($226.0 and 2 PCNs) - Office of Project Management and Permitting (OPMP) - Delete Alaska National Interest Lands Conservation Act (ANILCA) coordination												
1004 Gen Fund (UGF) 1,100.0												
FY2016 Reduce UGF Travel by 20%	Unalloc	**-277.5**	0.0	-277.5	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) -277.5												
FY2017 Reduction Equal to the UGF Portion of FY16 Salary OTIs that the Governor Restored in the FY2017 Budget Request	Unalloc	**-1,062.0**	-1,062.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Administrative Services (424) = 70.8												
Agr Revolving Loan Pgm Admin (2235) = 10.3												
Agricultural Development (455) = 30.4												
Citizen's Advisory Commission (2225) = 5.1												
Commissioner's Office (423) = 33.9												
Fire Suppression Preparedness (2705) = 165.8												
Forest Management & Develop (435) = 97.6												
Geological & Geophysical Surveys (1031) = 130.5												
History and Archaeology (451) = 42.9												
Information Resource Mgmt. (427) = 98.9												
Mental Health Lands Admin (1635) = 0.0												
Mining, Land & Water (3002) = 483.5												
N. Latitude Plant Material Ctr (2204) = 28.3												
NorthSlope Gas Commercialization (3082) = 40.0												
Oil & Gas (439) = 282.7												
Parks Management & Access (3001) = 215.2												
Petroleum Systems Integrity Off (2847) = 11.7												
Project Management & Permitting (2733) = 58.1												

2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncDecF Column

Numbers and Language

Agency: Department of Natural Resources

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agency Unallocated Appropriation (continued)												
Agency Unallocated Appropriation (continued)												
FY2017 Reduction Equal to the UGF Portion of FY16 Salary OTIs that the Governor Restored in the FY2017 Budget Request (continued)												
Public Information Center (2441) = 8.3												
Recorder's Office/UCC (802) = 80.7												
State Pipeline Coordinator (1191) = 70.2												
Trustee Council Projects (1199) = 1.3												
1003 G/F Match (UGF) -15.1												
1004 Gen Fund (UGF) -1,046.9												
FY2017 AMD: Reverse FY2017 Unallocated Reduction due to FY2016 One-Time Salary Adjustment	Unalloc	**1,005.2**	1,005.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Align Authority for unallocated reduction.												
FY2017 December Budget: -$1,005.2												
FY2017 Total Amendments: $1,005.2												
FY2017 Total: $0.0												
1003 G/F Match (UGF) 15.1												
1004 Gen Fund (UGF) 990.1												
*** Allocation Total ***		**-424.3**	-56.8	-367.5	0.0	0.0	0.0	0.0	0.0	0	0	0
*** * Appropriation Total * ***		**-424.3**	-56.8	-367.5	0.0	0.0	0.0	0.0	0.0	0	0	0
*** * * Agency Total * * ***		**97,726.6**	22,994.9	1,402.6	63,528.9	10,409.7	450.5	-1,060.0	0.0	-57	-21	-11
*** * * * All Agencies Total * * * ***		**97,726.6**	22,994.9	1,402.6	63,528.9	10,409.7	450.5	-1,060.0	0.0	-57	-21	-11

Column Definitions

06-19GIncDecF (09-19Gov IncDecFundChgs) - [19GIncDecFnd+10Inc/Dec/F+09Inc/Dec/F+11Inc/Dec/F+12Inc/Dec/F+13IncDecFnd+14IncDecFnd+15Inc/Dec/F+16Inc/Dec/F+17IncDecFnd+18 IncDecFnd+06Inc/Dec/F+07Inc/Dec/F+08Inc/Dec/F]