

DEPARTMENT OF NATURAL RESOURCES

Department of Natural Resources

Operating Budget (CCS HB 256) and Mental Health (CCS HB 257)

55. It is the intent of the legislature that the Department of Natural Resources not purchase vehicles unless they are essential to work safety.

DNR continues to evaluate our vehicle fleet in concert with DOTPF's State Equipment Fleet to ensure only the necessary vehicles are retained, and replacement vehicles are purchased only when essential to work and public safety.

Fire Suppression, Land & Water Resources / Mining, Land & Water

Operating Budget (CCS HB 256)

56. It is the intent of the legislature that the Department of Natural Resources improve efficiencies in permitting and consider the economic impacts of increasing permit fees before imposing them on users.

DNR continues to make improvements in permitting processes, and evaluates the economic impacts of fee increases before implementation.

57. It is the intent of the legislature that the Division of Mining, Land and Water will accelerate its review and acquisition of its remaining statehood land entitlement to ensure that the state is in a position to receive lands with the highest economic and revenue-generating potential.

This intent language accompanied a Legislative one-time increment (\$78.5 and a PCN) that was vetoed by the Governor. While this increment would have increased our capacity for a short time to work on our statehood land entitlement, this work is still a priority within the division, and we will continue to review and acquire land for our remaining statehood land entitlement and will make sure we receive those lands with the highest economic and revenue generating potential. Currently the division's capacity is not the bottleneck holding up our land entitlement. The bottleneck is the Federal government, which has encumbered much of the available land with obsolete public land orders which prevent us from obtaining these lands. Until these land orders are lifted, we cannot fully complete our land entitlement.

<p>Legislative Fiscal Analyst Comment: The resolution of the federal land orders requires changes on the federal level, which is beyond the department's control. The department could accelerate land claims without the lifting of the orders, but this would result in Alaska claiming less-valuable land than the preferred parcels.</p>

Agriculture/ North Latitude Plant Material Center

Operating Budget (CCS HB 256)

58. *It is the intent of the legislature that the Division of Agriculture's Plant Material Center evaluate its programs to determine which of its functions can be performed by other entities, such as the private sector or non-profits. Programs should also be evaluated to determine if there are additional cost-recovery methods that can be implemented, such as additional fees or fee increases.*

The Division of Agriculture is creating a committee to evaluate Plant Materials Center (PMC) programs for privatization, and additional cost recovery methods, and will include representation from industry, state and federal partners, university staff and other non-traditional user groups.

The division evaluated its fees for services against a national average of similar services and deemed it necessary to increase fees by 20 percent at the beginning of FY2017. The committee will evaluate fee schedules for further increases.

Agriculture/ Agriculture Revolving Loan Program Administration

Operating Budget (CCS HB 256)

59. *It is the intent of the legislature to allow for a one-time increment funding of Mt. McKinley Meat & Sausage (MMM&S) with the purpose of allowing appropriate time for negotiations between a private entity and the Board of Agriculture for the lease or sale of MMM&S.*

The Board of Agriculture and Conservation (BAC) issued an initial request for proposal for Lease with Option to Purchase in May 2016 with the stipulation that the facility remain a USDA inspected slaughter facility. The BAC declined the only proposal received and is in the process of reissuing an RFP that will not require the property remain a USDA inspected slaughter facility or have specific lease terms. The BAC will consider the lease proposal with the best terms. If a buyer is not found, the plant is anticipated to close no later than July 1st, 2017. This property is an asset of the Agricultural Revolving Loan Fund, any proceeds from the sale of the property will become available to finance new loans.

Legislative Fiscal Analyst Comment: The department sold the McKinley Meat and Sausage plant to a private buyer in December of 2016.
--

Parks & Outdoor Recreation / Parks Management & Access

Operating Budget (CCS HB 256)

60. *It is the intent of the legislature that the Department of Natural Resources work with the Alaska Department of Fish & Game to identify qualifying projects and non-federal matching funds for Pittman-Robertson monies. If not all Pittman-Robertson funds are expended through DNR partnerships, it is further the intent of the legislature that DF&G partner with municipalities and nonprofit outdoors, sporting, and trail organizations to identify qualifying projects and nonprofit sector matching funds to expend remaining Pittman-Robertson monies. It is intent of the legislature*

that Alaska Department of Natural Resources assist the Department of Fish & Game in working collaboratively with partner agencies, governments, and organizations to ensure that no Pittman-Robertson monies are returned to the federal government unspent.

The Division of Parks and Outdoor Recreation (DPOR) continues to coordinate with the Department of Fish and Game (DFG) to identify Pittman-Robertson (PR) qualified projects. In addition to the first round of DPOR projects awarded in FFY2015 (DPOR secured \$2,400.0 in PR funds), DPOR submitted a second round of projects (~\$1,000.0 for two State Parks projects) helping DFG allocate all of its FFY2016 PR apportionment.

61. *It is the intent of the legislature that the Division of Parks and Outdoor Recreation reduce its dependence on unrestricted general funds by increasing park fees, increasing the number of park facilities where fees are charged and by pursuing the statutory change needed to sell park merchandise for profit, all of which would result in an increase of general fund program receipts available for appropriation.*

The Division of Parks and Outdoor Recreation will increase fees and permit costs on January 1, 2017, as well as increase the number of areas where Alaska Statutes will allow the division to charge a parking fee. Beginning September 20, 2016, 90 days after the Governor signed Senate Bill 101 allowing the division to sell park themed merchandise for a profit, the division began selling merchandise. These revenue generating efforts should result in an increase of general fund program receipts available for appropriation.

<p>Legislative Fiscal Analyst Comment: The FY18 Governor's budget includes a fund source change of \$500.0 UGF to GF/Program receipts, reflecting the increased fee revenue.</p>
