

Department of Natural Resources

Overview

House Finance Subcommittee
February 7, 2024



Presented by:

- John C. Boyle III, Commissioner
- Brent Goodrum, Deputy Commissioner
- John Crowther, Deputy Commissioner
- Theresa Cross, Administrative Services Director



In Memoriam

Division of Geological & Geophysical Surveys



Ronnie Daanen

May 10, 1972 – July 20, 2023

Cold-climate hydrology, permafrost, slope stability, programming & modeling, drainage systems, groundwater resources, and water flow in snow



Justin Germann

September 14, 1995 – July 20, 2023

Alternative energy, hydrated minerals, cold climate hydrology and geomorphology, and planetary evolution



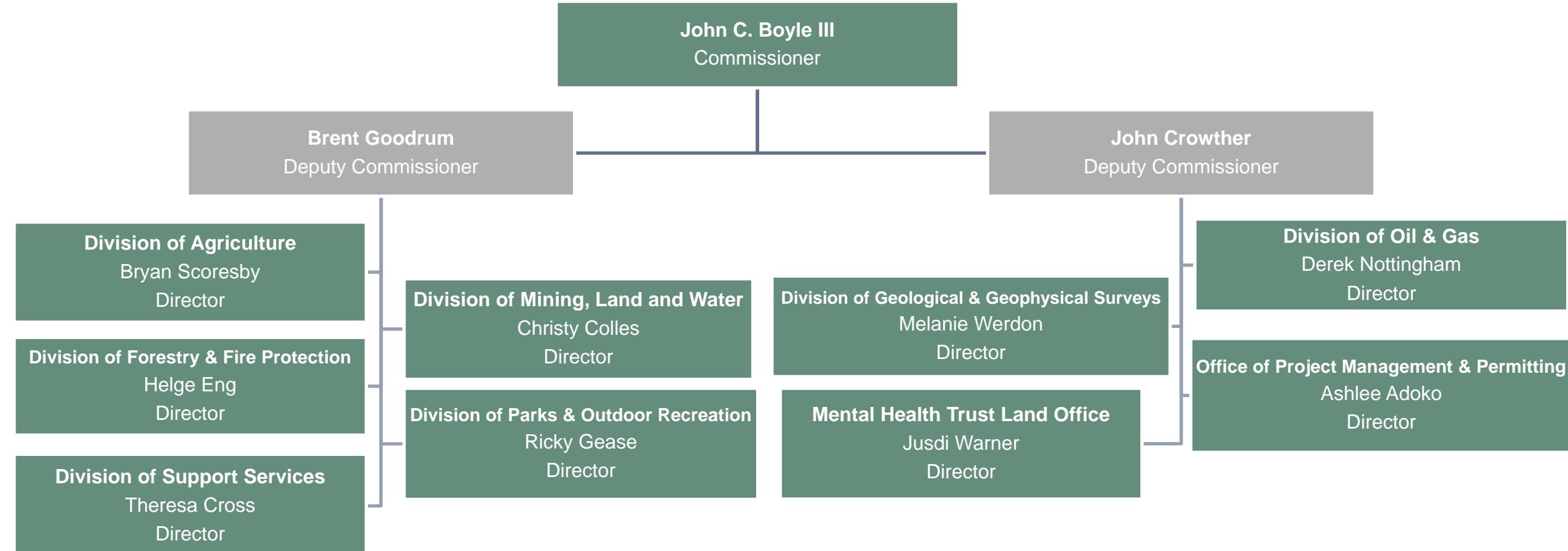
Tori Moore

January 18, 1997 – July 20, 2023

Geochemistry, planetary science, environmental science, microbiology, and field geology



Organizational Chart



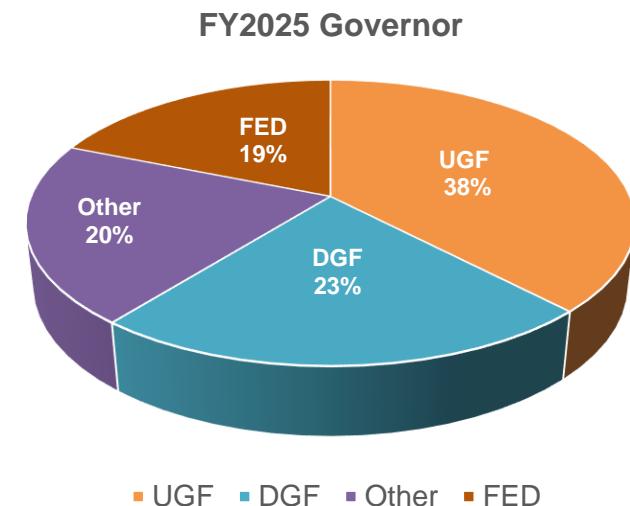
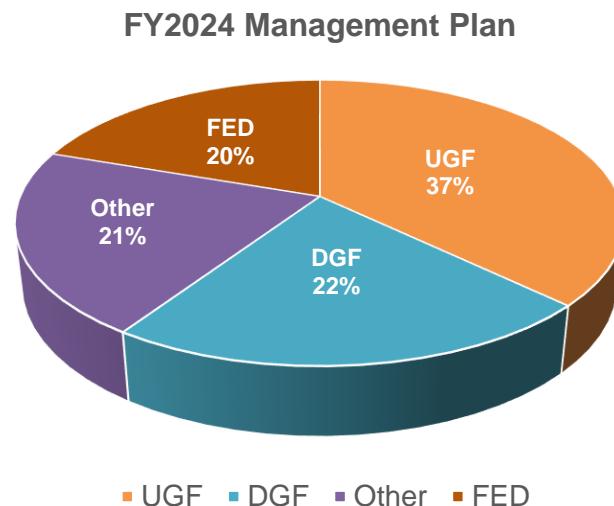
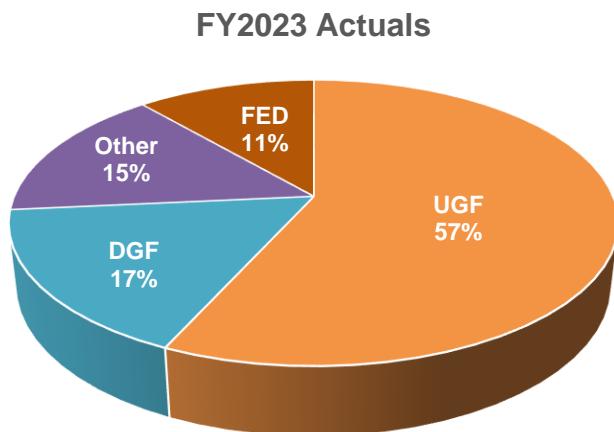
DNR FY2025 Operating Budget Comparison (\$ in thousands)



	FY2023 Actuals*	FY2024 Management Plan	FY2025 Governor	Difference (FY24 vs FY25)	% Change (FY24 vs FY25)
UGF	126,305.8	73,353.7	78,551.3	5,197.6	7.1%
DGF	37,243.6	43,890.1	47,429.1	3,539.0	8.1%
Other	33,835.4	41,307.4	42,425.9	1,118.5	2.7%
FED	25,155.1	38,930.9	39,116.2	185.3	0.5%
Total	222,539.9	197,482.1	207,522.5	10,040.4	5.1%

	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor	Difference (FY24 vs FY25)
PFT	727	738	743	5
PPT	230	234	234	-
NP	56	73	74	1
	1,013	1,045	1,051	6

*FY2023 UGF fire emergency declaration was \$58 million





FY2025 Fund Source Breakdown by Fund Category (\$ in thousands)

Agency Operating	UGF	DGF	GF Total	Other	Fed	Total
Non-Formula	78,551.3	47,429.1	125,980.4	42,425.9	39,116.2	207,522.5

	PFT	PPT	NP
PCN Count	743	234	74

General Funds = 61% of Department Budget (UGF 38% DGF 23%)

10-Year Average: \$22 in revenue for every general fund dollar appropriated

UGF	General Fund General Fund Match	77,695.6 855.7
DGF	General Fund Program Receipts State Land Disposal Income Fund Vehicle Rental Tax Timber Sales Receipts Shore Fisheries Lease Agriculture Revolving Loan Fund Boat Registration Fees	34,122.3 5,495.3 5,875.6 1,130.5 493.0 312.4 0.0
Other	Statutory Designated Program Receipts Inter-Agency Receipts Permanent Fund Receipts Capital Funds Mental Health Trust Authority Alaska Liquified Natural Gas I/A Exxon Valdez Oil Spill Settlement Non-General Fund Earnings Oil & Hazard Water I/A Mine Reclamation Trust Fund	13,387.6 7,987.8 6,902.2 8,048.1 5,156.6 542.8 170.7 150.0 50.1 30.0
FED	Federal	39,116.2



FY2025 Governor Budget Changes (\$ in thousands)

Line	Division	Change Record Title	Fund Source	Amount / PCN
1	Forestry & Fire Protection	Mission Critical Incentive Pay to Invest in Alaskan Wildland Firefighters	Unrestricted General Funds (1004)	\$1,800.0
2	Forestry & Fire Protection	Northern Region Warehouse and Southcentral Crew Facility Leases	Unrestricted General Funds (1004)	\$1,500.0
3	Forestry & Fire Protection	Fully Fund Foresters and Prioritize Forestry Road Infrastructure	Unrestricted General Funds (1004)	\$900.0
4	Forestry & Fire Protection	Annual Maintenance on Heavy Equipment for the Safety of Alaskans	Unrestricted General Funds (1004)	\$84.0
5	Parks & Outdoor Recreation	Maintain Fleet to Ensure Reliable Emergency Response for Alaskan's Safety	General Fund Program Receipts (1005)	\$300.0
6	Parks & Outdoor Recreation	Add Two Engineering Assistant 2 & Engineer/Architect 2 to Meet the Demand of Design & Construction Infrastructure Work	Capital Improvement Projects (1061)	\$375.0 3 PFT
7	Parks & Outdoor Recreation	Add Park Ranger 1 and Park Specialist to Restore Management of Delta Area Parks and Recreation	General Fund Program Receipts (1005)	\$210.0 2 PFT
8	Parks & Outdoor Recreation	Boating Safety Receipts	Unrestricted General Funds (1004) Boating Safety Program Receipts (1216)	\$281.3 UGF -\$306.3 BRF



FY2025 Governor Budget Changes (\$ in thousands)

Line	Division	Change Record Title	Fund Source	Amount / PCN
9	Mining, Land & Water	Advancing State's Rights in Navigability and Revised Statute 2477	General Fund Program Receipts (1005)	\$741.0
10	Mining, Land & Water	Increase Capital Receipt Authority to Accommodate Additional Project Activity	Capital Improvement Projects (1061)	\$500.0
11	Mining, Land & Water	Realign Personal Services Funding to Assist with Employee Retention Efforts	General Fund Program Receipts (1005) Statutory Designated Program Receipts (1108) Federal Receipts (1002)	\$400.0 GFPR -\$100.0 SDPR -\$300.0 FED
12	Oil & Gas	Oil & Gas Program Receipt Fund Change	General Fund Program Receipts (1005) Unrestricted General Funds (1004) Statutory Designated Program Receipts (1108)	\$685.0 GFPR -\$500.0 UGF -\$185.0 SDPR
13	Oil & Gas	Increase Efficiency in Easement Inspection Workloads	General Fund Program Receipts (1005) Statutory Designated Program Receipts (1108)	\$200.0 GFPR -\$200.0 SDPR
14	Oil & Gas	Replace Statutory Designated Program Receipts with Federal Receipt Authority	Federal Receipts (1002) Statutory Designated Program Receipts (1108)	\$100.0 FED -\$100.0 SDPR
15	Office of Project Management & Permitting	Administrative Support for Carbon Offset Program	Unrestricted General Funds (1004)	\$176.0 1 PFT
16	Mental Health Trust Land Office	Maintain Trust Land Office Administration Budget	Mental Health Trust Receipts (1092)	\$5,156.6



Division of Agriculture

Mission: To promote and encourage development of an agriculture industry in the State.

FY2023 Accomplishments – Agricultural Development:

- Agricultural Revolving Loan Fund – provided over \$1.3 million in loans which supported new, expanded, agricultural and mariculture operations
- United States Department of Agriculture (USDA) Grants - administered over \$6 million grants such as Microgrants for Food Security, Specialty Crop Block Grant and Local Food Purchase
- Inspections - food audits and phytosanitary inspections on \$140 million of agricultural products to ensure safety from pest and diseases
- Future Farmers of America (FFA) - six new schools, 19 programs and over 300 enrollees
- Partnerships - hosted six international trade activities with the Western U.S. Agricultural Trade Association (WUSATA) and the Washington and Hawaii State Departments of Agriculture





Division of Agriculture

FY2023 Accomplishments - North Latitude Plant Materials Center:

- Cleaned 27,741 lbs. of native seed and 30,572 lbs. of seed grain for commercial growers
- Maintained disease-free tissue culture
- Provided 42 varieties of seed potatoes for Alaska commercial potato producers



FY2024 Priorities:

- Feed Grain Reserve – partner with Alaska Farmers' Cooperative on the development of a \$1 million Feed Grain Reserve
- Prepare for the 2,600-acre Nenana Totchaket land sale
- Administer the \$2.2 million Regional Food Systems Infrastructure Grant





Division of Forestry & Fire Protection

The Division has two core functions – fire protection to keep Alaskans safe and forest management to drive economic activity.

Alaska's Fire Management Program Mission: Safely manage wildland fires that pose a threat to life, property, and critical infrastructure on 150 million acres of land throughout the State of Alaska.

The Fire Management Program's four primary functions are **preparedness, prevention, mitigation and suppression**.

Public safety increases with communities that are:

- Better prepared and adapted to wildland fire
- Seeing a reduction in human caused fires through education and prevention
- Seeing a reduction of suppression costs by having a highly-trained and available firefighting workforce
- Reducing reliance on costly resources from outside Alaska





Division of Forestry & Fire Protection

Preparedness:

- 151 new trained firefighters in five wildland fire academies
- 128 Emergency Firefighters (EFF) performed statewide non-emergency hazardous fuels work
 - Stable employment for rural Alaskans and rebuild responsive village fire crews
- \$2.5 million received in federal funding to support firefighter training, enhanced technologies, and volunteer fire departments
- DOF is the State's Community Wildfire Defense Grant manager – assisted 13 communities to request over \$24 million to develop fire preparedness adaptations



Prevention:

- 38 events and over 2,100 announcements delivered with a focus on public education, outreach and fire awareness



Division of Forestry & Fire Protection

Mitigation:

- Implemented 22 hazardous fuel projects combining private sector contractors, Alaskan fire crews and local government agreements
- Created resilient landscapes (hazardous fuels treatments) around communities and increased public safety, protection of infrastructure and reduced suppression costs

Suppression:

- 2023 slow start – less than 2,000 acres burned before July 15, 2023
- Late July 2023 fire bust – over 40,000 lightning strikes in five days across Interior Alaska ignited 115 new fires, burned 295,767 acres
- Values protected: Alaska Pipeline, Clear Space Force Station, Pogo Mine, subdivisions within North Star and Denali Boroughs and over 100 remote cabins





Division of Forestry & Fire Protection

Forest Management and Development Mission: Develop, conserve, and enhance Alaska's forests to provide a sustainable supply of forest resources.

Timber Management:

- Passed Alaska Lumber Grading bill, established mill operator training, and implemented the Forest Resources and Practices Act
- Timber sales totaled 14.9 million board feet, collected \$1.5 million in revenues
- Maintained 90 miles of forest road, upgraded two main roads, and replaced the Fortune Creek bridge in the Tanana Valley State Forest opening 14,000 acres of state forest



Growing the Forestry Economic Sector in Alaska:

- Increasing sustainable timber supply, expanding State Forests, increasing road access, long-term timber sales, reforestation
- Timber industry contributes approximately 1,600 jobs and over \$100 million to Alaska's economy



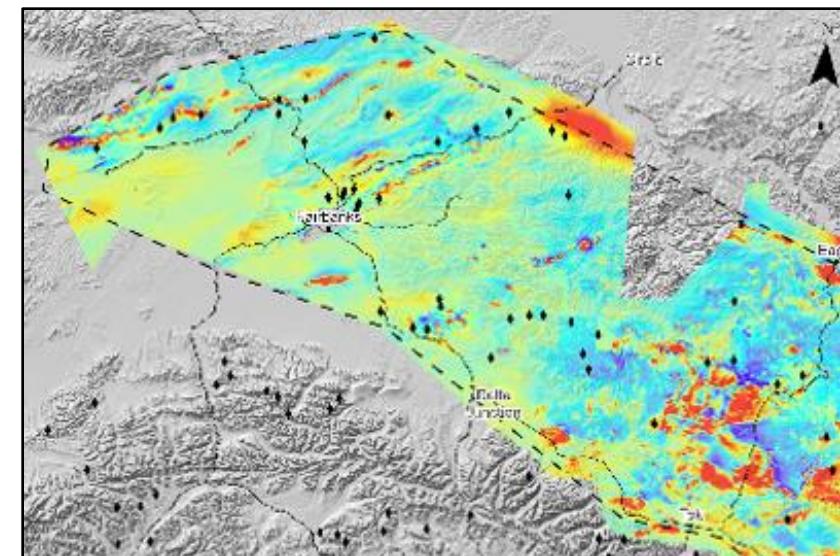


Division of Geological & Geophysical Surveys

Mission: To determine the potential of Alaska land for production of metals, minerals, fuels, and geothermal resources; the locations and supplies of groundwater and construction material; and the potential geologic hazards to buildings, roads, bridges, and other installations.

Mineral Resources:

- Initiated major airborne geophysical survey of Kuskokwim Mineral Belt including Donlin, Nixon Fork, and Illinois Creek deposits
- Initiated survey of graphite-prospective regions on Seward Peninsula
- Completed 85 days of geologic mapping of 4,000 square miles in Yukon Tanana Upland
- Published new data used by mineral-exploration companies, scientific researchers, and land managers

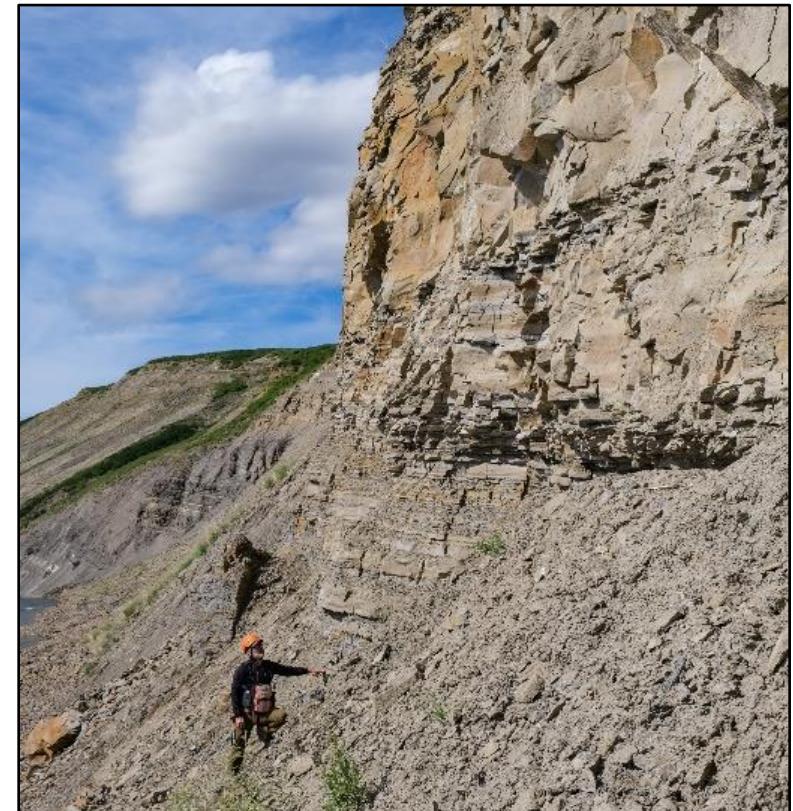




Division of Geological & Geophysical Surveys

Energy Resources:

- Conducted 49 days of helicopter-supported applied geologic studies of the North Slope petroleum system
- Submitted 500 square miles of energy related geologic mapping of the central North Slope to the U.S. Geological Survey and published new data relevant to Nanushuk exploration
- Led the geoscience component of the Department of Energy-funded Carbon Ore Rare Earth - Critical Minerals (CORE-CM) project to assess the potential of Alaska coals as an unconventional source of Rare Earth Elements (REE) and critical minerals





Division of Geological & Geophysical Surveys

Geologic Hazards:

- Responded to over 50 requests for assessment of geologic hazards, including responses from Division of Geologic & Geophysical Surveys (DGGS) Landslide Hazards program
- Collected 223 square miles of new lidar, nearshore bathymetry and other elevation data
- Conducted 352 square miles of hazard assessments
- Published four DGGS coastal hazard and tsunami inundation reports, five elevation datasets, and a guidebook on permafrost hazards in Fairbanks area

Hydrology and Surficial Geology:

- Visited 138 sites as part of the Arctic Strategic Transportation and Resources (ASTAR) construction materials and hydrology investigations on North Slope



Flooding in Golovin due to Merbok

Division of Geological & Geophysical Surveys

(\$ in thousands)



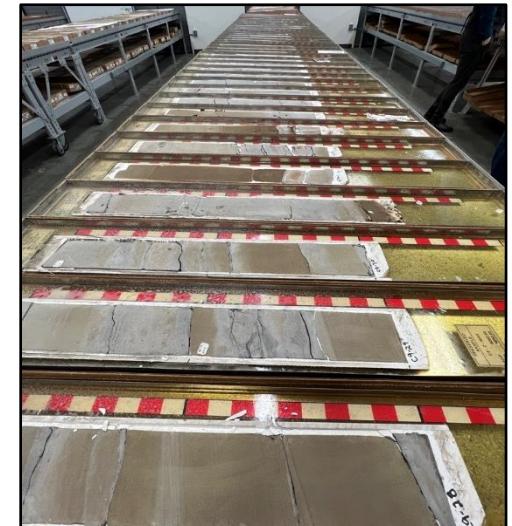
Geologic Information Center:

- Distributed 49 new geologic publications, 112 geographic information system (GIS) data packages, and over 490 square miles of new geologic mapping
- Served over 26 terabytes of digital geologic data and information from the DGGS website and geoportals
- Supported 33 field-mapping campaigns and emergency response activities with data, hardware, software and safety equipment
- Archived 2,643 images of photos, samples, and photomicrographs in interactive database



Geologic Materials Center:

- Hosted a two-week Santos core workshop focusing on Nanushuk oil
- Received \$224.0 federal match grant to offset costs for hyperspectral core-scanning project





Division of Geological & Geophysical Surveys

Volcanology:

- Fieldwork maintaining new digital monitoring network included visiting over 76 stations across 28 monitoring networks
- Installed three seismic stations and GPS monuments at Mount Edgecumbe to create full monitoring network, concurrent with gas-measurement and geologic-studies fieldwork
- Issued 402 volcanic activity notices, responding to eruptions at three volcanoes, unrest at seven others
- Additional significant eruption of Shishaldin began July 11, 2023



Alaska Geospatial Office:

- Received \$5 million from the National Oceanic and Atmospheric Administration to support Coastal Mapping Initiative
- Contracted \$2 million in lidar data (detailed elevation information) to support Environmentally Threatened Communities
- Provided recommendations to the 911 Advisory Board which reports to the Governor's Office



Division of Geological & Geophysical Surveys

FY2024 Priorities – Resource Development:

- Continue to advance multi-year airborne geophysical surveying in Southwest Alaska and Seward Peninsula
- Continue bedrock geologic mapping in the mineral-rich Yukon-Tanana Upland (Interior Alaska) and publish two new geologic maps (Western Tanacross & Taylor Mountain)
- Drill two bedrock cores to capture important North Slope petroleum reservoir and source rock data
- Conduct field work on North Slope and Cook Inlet petroleum systems to attract new exploration investment and characterize carbon sequestration potential
- Publish North Slope construction materials resource maps and databases
- Establish renewable energy program to collect baseline data for hydro-electric power





Division of Mining, Land & Water

Mission: Provides for the appropriate use and management of Alaska's state-owned land and water, aiming towards maximum use consistent with the public interest.

The Division of Mining, Land and Water (DMLW) manages more than 165 million acres – a land base comparable in size to California and most of Oregon combined.

DMLW supports the Department's core mission by:

- Acquiring and disposing of land and resources
- Providing use of and access to state lands for the public
- Fostering responsible development of lands
- Managing resource data
- Protecting the State's natural resource assets consistent with the public interest





Division of Mining, Land & Water

FY2023 Accomplishments:

- Generated \$34.9 million in revenues through authorizations for use of state lands and waters, royalty payments, and land sales
- A total of 762 acres of municipal entitlement land were conveyed to five different municipalities
- Sold 144 parcels of land to the public totaling approximately 2,283 acres
- Offered approximately 2,000 acres of agricultural land in the Nenana-Totchaket Agricultural Project and featured approximately 27 parcels ranging in size from 20-320 acres each
- Generated \$5.4 million in revenue for the Land Disposal Income Fund





Division of Mining, Land & Water

FY2024 Priorities:

- Continue the implementation of the Governor's "Unlocking Alaska" initiative
- Make navigability determinations for all navigable waters falling within the boundaries of all U.S. Fish and Wildlife Service (USFWS) areas and Bureau of Land Management (BLM) areas
- Continue building on previous work done on navigable waters within the National Park Service (NPS) areas and Tongass National Forest and over RS 2477 rights-of-way and other state easements across Alaska





Division of Oil & Gas

Mission: Manage lands for oil, gas & geothermal exploration and development in a fair and transparent manner to maximize prudent use of resources for the greatest benefit of all Alaskans; facilitate safe & environmentally conscious operation & maintenance of common carrier pipelines.

- The Division of Oil and Gas (DO&G) conducts lease sales, collects royalties, authorizes oil and gas activities, and regulates common-carrier pipelines on state land.
- DO&G provides commercial analysis, economic modeling, financial risk assessments, audits, and other professional services to ensure the State receives maximum value for its oil and gas resources.





Division of Oil & Gas

FY2023 Accomplishments:

- Verified and received \$1.8 billion in royalty, net profit share lease revenues, rents, bonus bids, unit actions and federal payments
- Oversaw activities on 41 oil and gas units and five lease operations
- Conducted 6 areawide lease sales and managed 1,191 lease actions
 - Area-wide lease sales resulted in \$5.5 million in bonus bids and more than 164,600 acres leased
 - Collected \$195,000 in leasing application fees and \$17.7 million in lease rent payments
- Royalty audits recovered \$3.4 million in royalty and Net Profit Share Lease revenue including interest
- Continued releasing seismic and well datasets for oil and gas exploration projects that received tax credits under AS 43.55.023 and .025 through the Alaska Geologic Materials Center in coordination with DGGS





Division of Oil & Gas

FY2023 Accomplishments (continued):

- Reviewed comprehensive interpretation and analysis of geological, geophysical, and engineering data leading to the formation of three new units encompassing over 190,000 acres of State of Alaska oil and gas leases
- Received two new pipeline Right-of-Way lease applications
- Issued 14 land permits, 50 habitat permits, 10 temporary water use authorizations, nine material sales contracts, two lease compliance reports, and provided other Right-of-Way (ROW) lease support for transportation pipeline systems and pipeline work on state lands
- Performed 126 ROW lease compliance and oversight monitoring actions
- Delivered oil production forecasts to the Department of Revenue to generate the state's oil revenue forecast
- Published a forecast of Cook Inlet natural gas resources



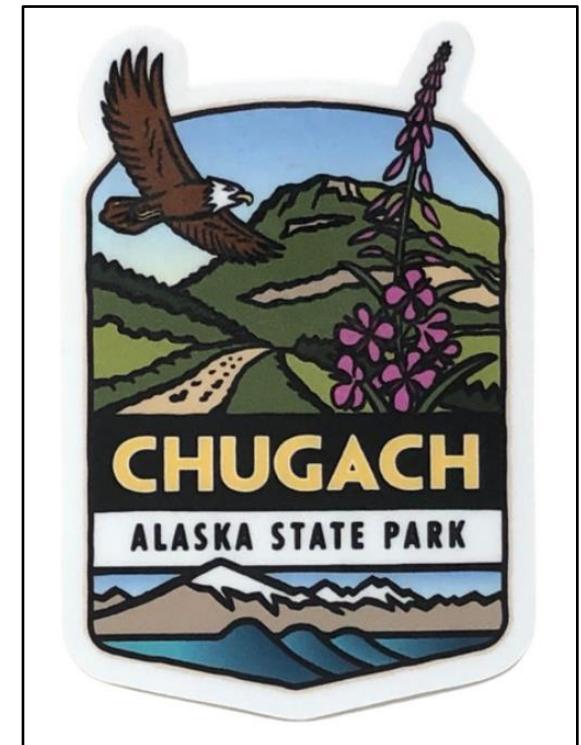


Division of Parks & Outdoor Recreation

Mission: Provides outdoor recreation opportunities and conserves and interprets natural, cultural, and historical resources for the use, enjoyment, and welfare of the people.

FY2023 Accomplishments:

- Self-funded at a rate of 51% via fees, electronic fee stations, public use cabins, and admissions
- 90 electronic fee stations installed, with 23 pending installation, will increase efficiency and revenue
- Record visitation that continues to climb from 2021, primarily from Alaska resident use
- Issued 608 commercial permits, 270 special use permits, 108 active and pending outdoor recreation grants
- Park Rangers responded to over 32 search and rescue missions





Division of Parks & Outdoor Recreation

Office of Boating Safety:

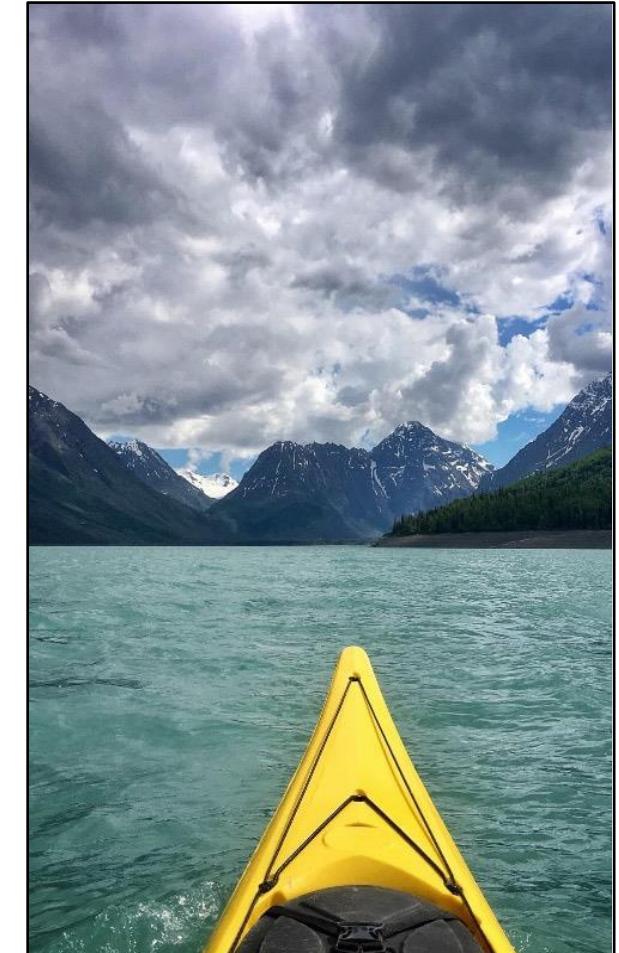
- Held 429 classes
- 54 pool session reached a total of 13,252 participants – a significant increase of 235,171 since inception in 2000

Office of History & Archaeology:

- State Historic Preservation Office reviewed 1,738 projects, signed nine major agreements, amended eight other major agreements

Design and Construction Section:

- Awarded \$4.6 million in FY2023
- Completed seven construction projects in CY2023





Office of Project Management & Permitting

Mission: Coordinates State multi-agency regulatory reviews and authorizations, while collaboratively engaging federal agencies on land use planning and policy initiatives to maintain and enhance the state's economy, quality of life, and maximize the value of Alaska's vast natural resources.

The Office of Project Management & Permitting (OPMP) supports private industry, regulatory agencies, and the Alaskan public by implementing a multi-agency permit coordination program to ensure consistent, defensible, transparent, and timely permit decisions.





Office of Project Management & Permitting

FY2023 Accomplishments:

- Large Project Coordination – OPMP provided multi-agency state, federal, and local permit coordination on large natural resource development projects such as:

Mining	
Red Dog	Anarraaq-Aktigiruq
Fort Knox	Arctic
Gil	Mahn Choh
Pogo	Illinois Creek
Kensington	Livengood
Greens Creek	Palmer
Donlin	Niblack
Pebble	Transboundary (Canadian) mining

Oil & Gas
Pikka
Willow Master Development Plan
Transportation
Ambler Access Road





Office of Project Management & Permitting

Federal Plans & Activities:

OPMP monitors federal actions and facilitates state and federal coordination, consultation, review, and consolidation of state comments asserting the State's legal rights and interests

- National Petroleum Reserve-Alaska (NPR-A) Integrated Activity Plan and Proposed Rule
- Bureau of Land Management (BLM) Resource Advisory Council
- ANWR Coastal Plain Oil & Gas Leasing Program Supplemental Environmental Impact Statement (SEIS)
- Ambler Access Road SEIS
- Outer Continental Shelf planning and lease sales
- Alaska National Interest Lands Conservation Act (ANILCA) reviews
- BLM Conservation and Landscape Health Proposed Rule
- Alaska Native Claims Settlement Act (ANCSA) 17(d)(1) SEIS
- Interagency Arctic Research Policy Committee (IARPC)
- Proposed Changes to National Environmental Policy Act (of 1969)(NEPA)



Office of Project Management & Permitting

Arctic Strategic Transportation and Resources (ASTAR):

- Partners with DOT&PF and the North Slope Borough (NSB); OPMP to identify and advance community and regional infrastructure and resources needs that offer the most cumulative benefit to the region

Federal Program and Grants:

- Provides coordination services for grant opportunities such as Natural Resource Damage Assessment (NRDA), Exxon Valdez Oil Spill (EVOS) Habitat Restoration Program, National Coastal Wetland Conservation Grant Program, and Compensatory Mitigation Plan

Carbon Offset Projects:

- OPMP was authorized in FY2023 to coordinate the Carbon Offset Program, which is under active development. The program allows DNR to develop carbon management projects on state lands and generate state revenue by selling carbon offset credits



Trust Land Office

Mission: Protect and enhance the value of Alaska Mental Health Trust Lands, including minerals, coal, oil and gas, timber and real estate, while maximizing revenue from those lands over time to support mental health services.

FY2023 Accomplishments:

- Generated over \$16 million to fund programs for an estimated 100,000 Alaska Mental Health Trust beneficiaries
- Timber assets generated over \$2 million in revenue and supported roughly 150 jobs in Southeast Alaska
- Minerals and energy assets generated over \$3.2 million in revenue and supported approximately 732 jobs across the state
- Financed land contracts and outright land purchases are projected to earn the Trust Land Office (TLO) more than \$10.5 million over the lifetime of the contracts, not including interest





Support Services Division

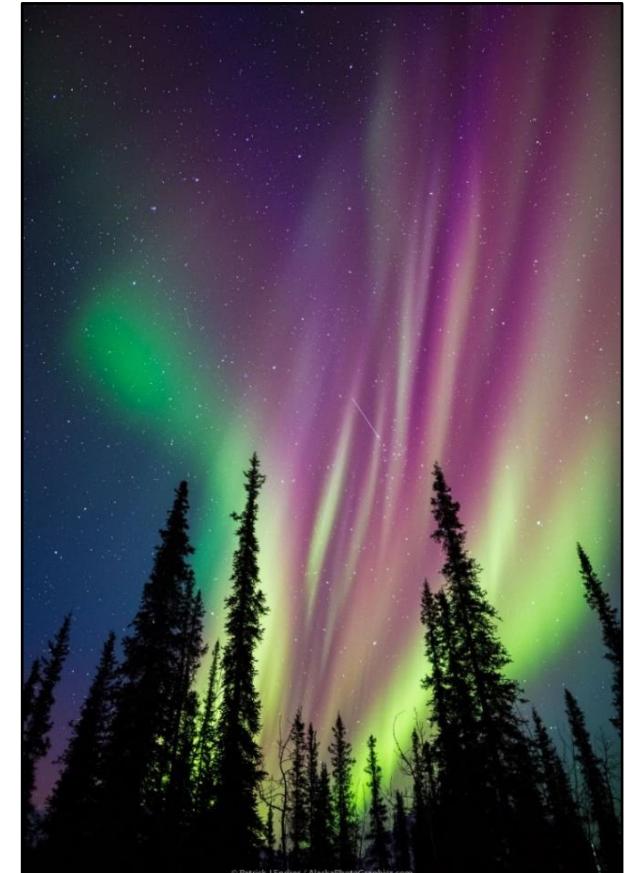
Mission: Provide client-focused, efficient and cost-effective financial, budget, procurement, human resource, information technology and recording services to the Department of Natural Resources and the public.

FY2023 Accomplishments:

- DNR Future Leaders Summit – facilitation, mentorship and coordination
- Implementation of portal ticketing system for fiscal processes – increased efficiency, data collection and transparency
- Creation and delivery of diverse training resources – reduced errors and increased efficiency

Recorder's Office:

- Focused on expanding customer access through eRecording and online search functions for customers to easily locate records
- Continue to provide secure and accurate records which is vital to our community and economy

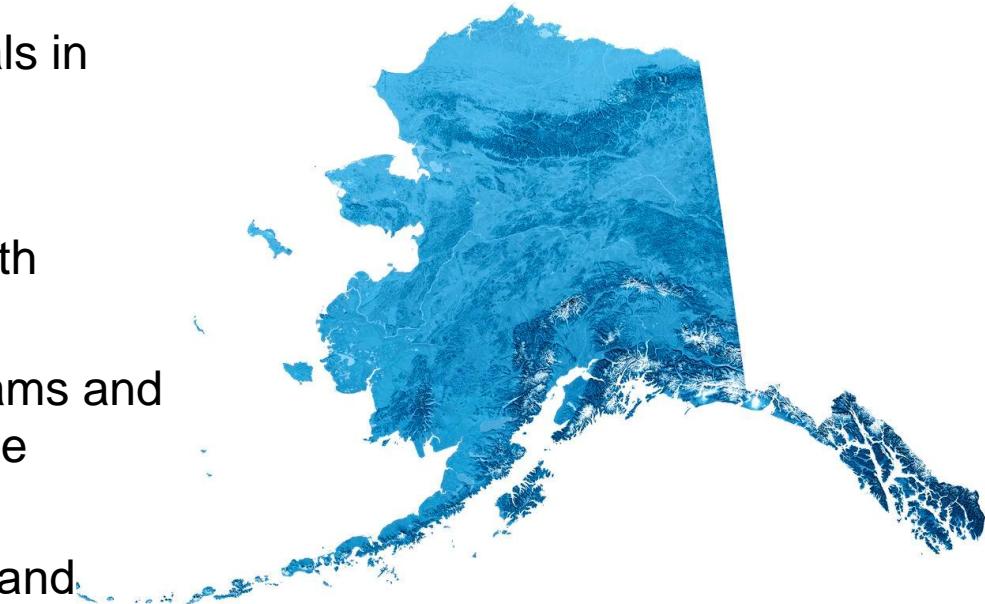




Office of the Commissioner

FY2023 Accomplishments:

- Reduced backlog of administrative appeals - adjudicated 35 appeals in FY2023
- Actively promoting Alaska resources to global investors
- Continuing to advance Statehood Defense issues while working with senior federal agency leadership
- Providing consistent and timely guidance to Division leadership teams and communicating DNR activities to the public, stakeholders, and State agencies
- Developing Alaska's natural resources through effective, thorough and streamlined permitting processes



Questions?



Thank you!





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