

State of Alaska

Department of Natural Resources

House Finance Committee
FY2019 Budget Overview



Andrew Mack, Commissioner

Heidi Hansen, Deputy Commissioner

Mark Wiggin, Deputy Commissioner

Fabienne Peter-Contesse, Support Services Director

January 30, 2018

In addition to this high level overview, we have also provided you with the DNR Program Guide which outlines each program within DNR.

DEPARTMENT OF NATURAL RESOURCES

Mission – Develop, conserve and maximize the use of Alaska’s natural resources consistent with the public interest.

Core Services & Division Measures

<https://www.omb.alaska.gov/html/performance/program-indicators.html?p=93>

- Foster responsible commercial development and use of state land and natural resources, consistent with the public interest, for long-term wealth and employment.
- Mitigate threat to the public from natural hazards by providing comprehensive fire protection services on state, private and municipal lands, and through identifying significant geologic hazards.
- Provide access to state lands for public and private use, settlement, and recreation.
- Ensure sufficient data acquisition and assessment of land and resources to foster responsible resource and community development and public safety.

Constitutional Authority: Article VIII – Natural Resources

<http://ltgov.alaska.gov/services/alaskas-constitution/>

Budget Details & Reports

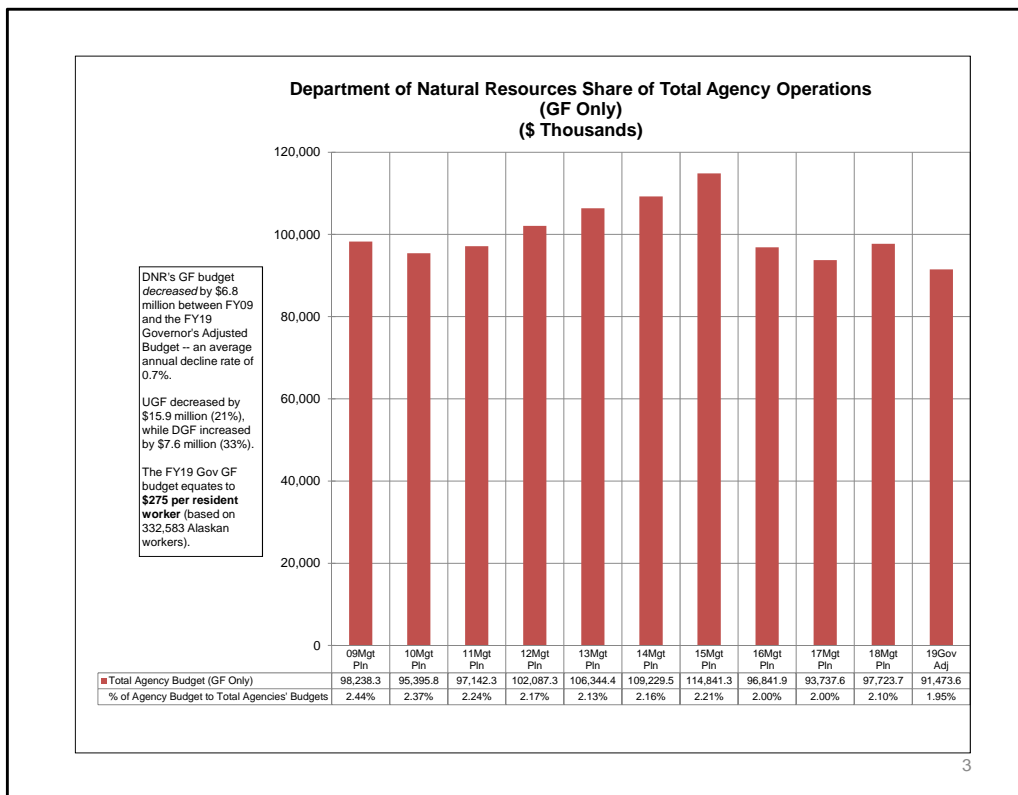
<https://www.omb.alaska.gov/html/budget-report/departments-table.html?dept=DNR&fy=19&type=Proposed>

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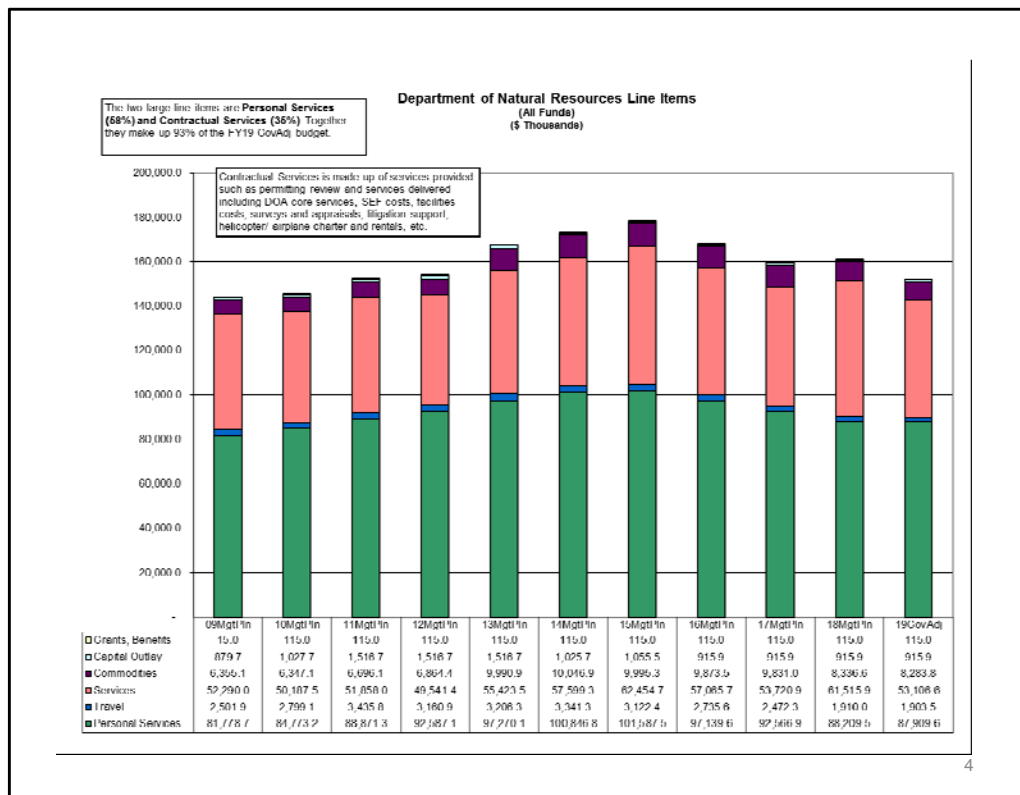
Since FY2015 we have eliminated programs not directly related to our mission and core services, and trimmed each remaining program.

Fund	FY2019	%	Change from FY2015
UGF	58.7 M	39%	-33%
DGF	32.8 M	22%	+24%
OTH	35.6 M	23%	-15%
FED	25.1 M	17%	+15%
	152.2 M		

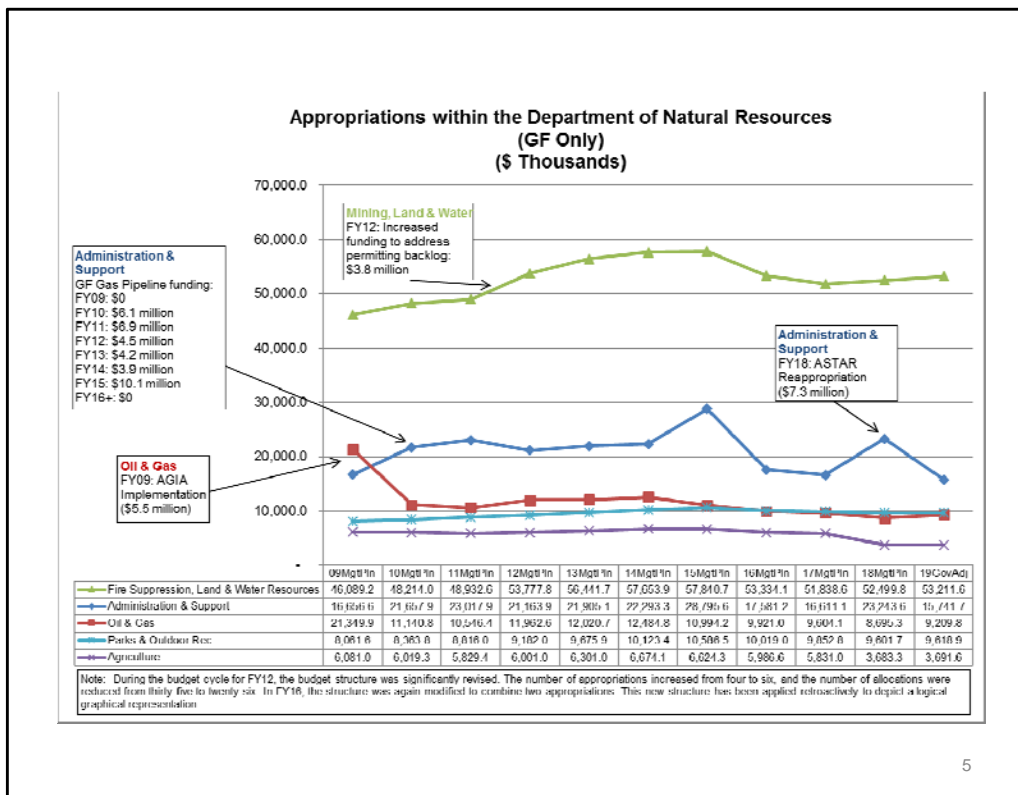
PCNs	900	-207, -19%
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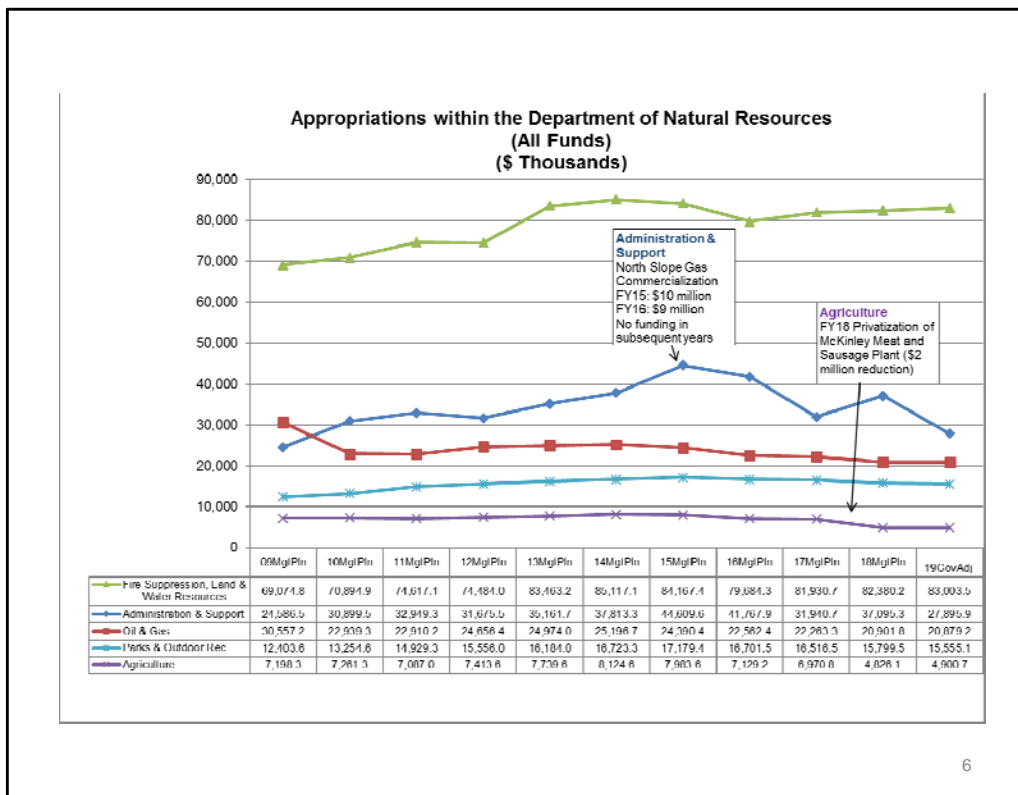
- GF includes Unrestricted General Funds (UGF) and Designated General Funds (DGF)
- The FY19 Gov Adjusted included two items that are not included in the Governor's budget
 - \$300.0 Boating Receipts reclassified from Other to DGF
 - \$1,125.0 Fire Crew Contingency Language in Fire Suppression Activity
- GF overall has decreased by \$6.8 M since FY2009
 - UGF (21%), 49% of budget in FY2015, 39% in FY2019
 - DGF +33%, 15% of budget in FY2015, 22% in FY2019
- Increased reliance on DGF, revenue DNR generates from fees
 - Parks passes, campground fees, PUCs, Material sales, mining leases, etc.
 - New fee regulations in place for DGGs to sell seismic data
 - New fee regulations for DMLW & Parks should be in place in the next month or so
 - \$7.7 M in fund source changes since FY2016 (DMLW, DGGs, FOR, Parks), \$5M from existing fees, \$2.7 M from new revenue
- FY2015 included AKLNG UGF \$10M, in FY2016 it was categorized as Other (ISPF)
- Bump in FY2018 is ASTAR multi-year operating of \$7.3M



- Personal services continue to make up the majority of our costs
 - FY2009 PCNs - 1,095 (avg cost 75.0)
 - FY2019 PCNs – 900 (avg cost 98.0) – 24% increase
 - Since FY2015 (207), -19%
- Contractual costs include air tanker and helicopter contracts for wildland firefighting, flying field surveys for data collection, core services (HR, IT, Leases, Risk Mgmt, etc.)
- Actual Travel expenditures are down 40% between FY2015 and FY2017 (excluding fire activity), and a significant portion of fire-related travel is federally reimbursed



- Steady decline in all RDUs since our high in FY2015 except for
 - \$1,125.0 Fire Crew Contingency Language
 - \$300.0 Boating Receipts reclassification to DGF
- RDU Fire Suppression, Land & Water Resources (FOR, DMLW, DGGS)
- RDU Administration & Support (CO, SSD, OPMP, EVOS, PIC, TLO, AKLNG, Chargeback & Facilities)
 - AKLNG \$10M in FY2015, \$9M in FY2016
 - ASTAR in FY2018
- RDU Oil & Gas = DOG
- RDU Parks & Outdoor Recreation (PKS, OHA)
- RDU Agriculture (Agr Dev, PMC, ARLF)
 - MMMS was eliminated in FY2018, hence the large drop in Division of Agriculture.
- Backlogged Applications in DMLW
 - FY2011 2600
 - FY2017 940



- \$2.4 M overall decrease in empty authority across the department in FY2019 (IA, CIP, Fed, SDPR)
- FED increases in FY2017 & FY2018 mainly from *Tongass Young Growth Cost Share Agreement* and *Forest Inventory & Analysis* funding.
- SPCO transferred from Admin & Support RDU in FY2015
- SPCS collapsed into DOG in FY2017

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF AGRICULTURE

By Program	Funding in Thousands	By Fund Category	Budgeted Positions/Filled Positions	Alaskans Served	Recovered From Fees	Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute	
Inspection	666.1	UGF: 361.2 DGF: 1.5 FED: 248.4 Other: 55.0	4 PFT/3 PFT	All	<1%	Important	2	Supports Article VIII	No	AS 03.05.010	
Marketing	815.9	UGF: 391.5 DGF: 424.4	5 PFT/4 PFT	All		Important	2	Supports Article VIII	No	AS 03.05.010	
Administration & Support	629.4	UGF: 207.7 DGF: 421.7	4 PFT/4 PFT	All		Beneficial	3	Supports Article VIII	No	AS 03.09.020; AS 03.09.040; AS 03.10.020	
Agricultural Land Sales	500.3	DGF: 500.3	2 PFT/2 PFT	All		Beneficial	3	Supports Article VIII	No	AS 03.09.050	
State Veterinarian	237.2	UGF: 123.5 DGF: 75.0 FED: 38.7	2 PFT/0 PFT	All		Important	2	Supports Article VIII	No	AS 03.05.11	
Farm to Institution	65.0	Other: 65.0	-	All		Important	2	Supports Article VIII	No	No	
Invasive Plant and Pest Program	330.1	UGF: 218.9 FED: 111.2	2 PFT/2 PFT	All		Beneficial	3	Supports Article VIII	No	AS 03.05.027	
Plant Materials Center Services	871.6	UGF: 696.2 FED: 81.0 Other: 94.4	4 PFT/4 PFT; 3 PPT/3 PPT	All		Critical	2	Supports Article VIII	No	AS 03.22.010	
Plant Materials Center Production	785.1	UGF: 677.5 DGF: 16.6 FED: 91.0	5 PFT/5 PFT; 2 PPT/2 PPT	All	3%	Critical	2	Supports Article VIII	No	AS 03.22.010	
Totals		4,900.7	28 PFT/24 PFT; 5 PPT/5 PPT								
By Component	TOTAL	UGF	DGF	FED	OTHER	Budgeted Positions/Filled Positions					
Agricultural Development	2,492.2	1,083.9	576.8	711.5	120.0	15 PFT/11 PFT					
Plant Materials Center	1,986.8	1,592.6	16.6	283.2	94.4	11 PFT/11 PFT; 5 PPT/5 PPT					
Agricultural Revolving Loan Fund	421.7	-	421.7	-	-	2 PFT/2 PFT					
Division of Agriculture		4,900.7	2,676.5	1,015.1	994.7	214.4	28 PFT/24 PFT; 5 PPT/5 PPT				

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Position Note: Data is as of 12/15/17 and changes daily. Of the 81 vacant positions shown in these tables the majority are filled, or in recruitment.

All vacancies are evaluated by the director for necessity or program consolidation, and requests to recruit are approved by the Commissioner.

Agriculture

9 programs, 33 PCNs

25% UGF reduction since FY2015

27% reduction in PCNs since FY2015

FY2019 UGF = No change

State Agriculture Vet will be focused on food security, and increasing meat and poultry based food production in Alaska. The program will complement DEC's program, which has a regulatory focus as well as food safety.

**DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND & WATER**

By Program	Funding in Thousands	By Fund Category	Budgeted Positions/Filled Positions	Alaskans Served	Recovered From Fees	Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Realty Services	1,646.9	UGF: 677.8 DGF: 701.5 FED: 90.9	15 PFT/12 PFT; 1 NP/1 NP	All		Critical	3	Supports Article VIII	No	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Resource Assessment and Development	1,309.5	DGF: 1,216.4 Other: 93.1	11 PFT/11 PFT	All		Critical	2	Supports Article VIII	No	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Surveys	2,503.9	UGF: 855.7 DGF: 1,529.2 Other: 119.0	18 PFT/17 PFT	All	1.5%	Critical	2	Supports Article VIII	No	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Appraisals	485.2	DGF: 485.2	4 PFT/4 PFT	All	<1%	Critical	2	Supports Article VIII	No	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Public Access Assertion and Defense	866.5	UGF: 745.0 DGF: 121.5	5 PFT/5 PFT	All		Critical	2	Supports Article VIII	No	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Land Sales	1,683.1	UGF: 101.6 DGF: 1,581.5	11 PFT/11 PFT	All		Critical	2	Supports Article VIII	No	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Municipal Entitlements	338.5	DGF: 338.5	3 PFT/3 PFT	All		Critical	3	Supports Article VIII	No	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Authorizations - Land Regional Offices	7,037.6	UGF: 303.6 DGF: 4,999.4 FED: 1,000.0 Other: 734.6	60 PFT/50 PFT	All	13%	Critical	2	Supports Article VIII	No	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Authorizations - Mining	3,204.8	UGF: 569.4 DGF: 1,969.1 FED: 435.4 Other: 230.9	23 PFT/21 PFT; 1 NP/1 NP	All	7%	Critical	2	Supports Article VIII	Yes	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Authorizations - Water	2,588.0	UGF: 815.1 DGF: 1,357.4 FED: 17.7 Other: 397.8	18 PFT/16 PFT	All	5%	Critical	2	Supports Article VIII	Yes	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Safety and Stewardship - Dam Safety	506.8	UGF: 109.6 DGF: 9.6 FED: 75.0 Other: 312.6	2 PFT/2 PFT	All		Critical	2	Supports Article VIII	No	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Safety and Stewardship - Abandoned Mine Lands	647.9	UGF: 20.5 FED: 627.4	3 PFT/3 PFT; 1 NP/1 NP	All		Critical	2	Supports Article VIII	Yes	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400

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18 programs, 206 PCNs

Of the 23 vacant positions shown in the table, all are either filled, being recruited, or will be deleted as part of the FY2019 Gov Budget

- 66% UGF reduction since FY2015
- 72% DGF increase since FY2015
- 6% reduction in PCNs since FY2015 (12)
- FY2019 cut
 - \$532.0 and 3 PCNs
 - \$1,000.0 fund change from new revenue

**DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND & WATER - CONTINUED**

By Program	Funding in Thousands	By Fund Category	Budgeted Positions/Filled Positions	Alaskans Served	Recovered From Fees	Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Authorizations - Mining	3,204.8	UGF: 569.4 DGF: 1,969.1 FED: 435.4 Other: 230.9	23 PFT/21 PFT; 1 NP/1 NP	All	7%	Critical	2	Supports Article VIII	Yes	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Authorizations - Water	2,588.0	UGF: 815.1 DGF: 1,357.4 FED: 17.7 Other: 307.8	18 PFT/16 PFT	All	5%	Critical	2	Supports Article VIII	Yes	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Safety and Stewardship - Dam Safety	506.8	UGF: 109.6 DGF: 9.6 FED: 75.0 Other: 312.6	2 PFT/2 PFT	All		Critical	2	Supports Article VIII	No	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Safety and Stewardship - Abandoned Mine Lands	647.9	UGF: 20.5 DGF: 627.4 Other: 10.3	3 PFT/3 PFT; 1 NP/1 NP	All		Critical	2	Supports Article VIII	Yes	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Safety and Stewardship - Land Stewardship	487.8	UGF: 309.5 DGF: 168.0 Other: 10.3	3 PFT/2 PFT	All	< 1%	Critical	2	Supports Article VIII	No	AS 27; AS 29; AS 38; AS 41; AS 46; AS 19.30.400
Shared Services	4,604.1	UGF: 102.3 DGF: 3,536.5 Other: 965.3	25 PFT/21 PFT; 2 NP/2NP	All	12%	Important	2	Supports Article VIII	No	AS 38

Component Totals 27,910.6 201 PFT/178 PFT;
5 NP/5 NP

By Component	TOTAL	UGF	DGF	FED	OTHER	Budgeted Positions/Filled Positions
Division of Mining, Land & Water	27,910.6	4,610.1	18,013.8	2,246.4	3,040.3	201 PFT/178 PFT; 5 NP/5 NP

DEPARTMENT OF NATURAL RESOURCES DIVISION OF FORESTRY

By Program	Funding in Thousands	By Fund Category	Budgeted Positions/Filled Positions	Alaskans Served	Recovered From Fees	Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Cooperative Forestry	1,099.9	FED: 1,099.9	7 PFT/6 PFT	All		Important	2	Supports Article VIII	No	No
Fire Activity	19,433.4	UGF: 5,973.0 FED: 11,960.4 Other: 1,500.0	-	All		Critical	2	Supports Article VIII	No	AS 41.15.010
Fire Preparedness	17,662.7	UGF: 15,268.9 FED: 1,498.8 Other: 895.0	26 PFT/24 PFT; 160 PPT/148 PPT	All		Critical	2	Supports Article VIII	No	AS 41.15.010
Fire Prevention	492.0	UGF: 492.0	9 PPT/5 PPT	All		Critical	2	Supports Article VIII	No	AS 41.15.040
Forest Management	3,786.5	UGF: 2,160.7 DGF: 997.3 Other: 628.5	20 PFT/20 PFT; 4 PPT/3 PPT	All	26%	Critical	3	Supports Article VIII	No	AS 41.17.010; AS 41.17.200
Forest Practices	227.0	UGF: 227.0	2 NP/2 NP	All		Critical	2	Supports Article VIII	No	AS 41.17.010
Tongass Challenge Cost Share Agreement & Good Neighbor Authority	1,253.1	FED: 1,253.1	3 NP/0 NP	All		Important	2	Supports Article VIII	No	No
Forestry Inventory and Analysis	1,102.0	FED: 1,102.0	2 PFT/2 PFT	All		Important	2	Supports Article VIII	No	No
Administration & Grants	581.0	UGF: 256.0 Other: 325.0	3 PFT/2 PPT	All		Critical	2	Supports Article VIII	No	No

Totals 45,637.6
58 PFT/54 PFT;
173 PPT/156 PPT;
5 NP/2 NP

By Component	TOTAL	UGF	DGF	FED	OTHER	Budgeted Positions/Filled Positions
Forest Mgmt & Development	7,731.8	2,387.7	997.3	3,455.0	891.8	29 PFT/ 28 PFT; 4 PPT/3 PPT; 5 NP/2 NP
Fire Suppression Preparedness	18,472.4	16,016.9	-	1,498.8	956.7	29 PFT/ 26 PFT; 169 PPT/153 PPT
Fire Suppression Activity	19,433.4	5,973.0	-	11,960.4	1,500.0	-

58 PFT/54 PFT;
173 PPT/156 PPT;
5 NP/2 NP

Division of Forestry 45,637.6 24,377.6 997.3 16,914.2 3,348.5

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- 3 components, 9 programs, 236 PCNs (21 vacancies are either filled or are seasonal and will be),
- 36% UGF reduction since FY2015
- 31% reduction in PCNs since FY2015
- FY2019 cut = 0
- Does not include the \$1,125.0 Fire Crew Contingency Language added by Legis Finance
- (e) If any portion of the federal receipts appropriated to the Department of Natural Resources for division of forestry wildland firefighting crews is not received, that amount, not to exceed \$1,125,000, is appropriated from the general fund to the Department of Natural Resources, fire suppression preparedness, for the purpose of paying costs of the division of forestry wildland firefighting crews for the fiscal year ending June 30, 2019.

**DEPARTMENT OF NATURAL RESOURCES
OFFICE OF PROJECT MANAGEMENT & PERMITTING**

By Program	Funding in Thousands	By Fund Category	Budgeted Positions/Filled Positions	Alaskans Served	Recovered From Fees	Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Compensatory Mitigation Program	200.0	UGF: 200.0	1 PFT/1 PFT	All		Important	2	Supports Article VIII	No	No
Coordinated Review of Federal Plans & Activities	320.0	UGF: 320.0	1 PFT/1 PFT	All		Critical	2	Supports Article VIII	No	No
Land Acquisition and Natural Resource Damage Assessment	569.6	FED: 569.6	3 PFT/3 PFT	All		Important	2	Supports Article VIII	No	No
Alaska Geospatial Council	150.0	Other: 150.0	1 PFT/1 PFT; 1 NP/0 NP	All		Critical	2	Supports Article VIII	No	No
Large Project Coordination	5,060.2	UGF: 375.3 Other: 4,684.9	7 PFT/5 PFT	All		Critical	2	Supports Article VIII	No	No

Component Totals 6,299.8 13 PFT/11 PFT;
1 NP/0 NP

By Component	TOTAL	UGF	DGF	FED	OTHER	Budgeted Positions/Filled Positions
Office of Project Management & Permitting	6,299.8	895.3	-	569.6	4,834.9	13 PFT/11 PFT; 1 NP/0 NP

- 5 programs, 14 positions
- 9% UGF reduction since FY2015
- 30% reduction in PCNs since FY2015 (5)
- FY2019 cut of 5%, -47.0 UGF

**DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS & OUTDOOR RECREATION**

By Program	Funding in Thousands	By Fund Category	Budgeted Positions/Filled Positions	Alaskans Served	Recovered From Fees	Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Director's Office and Support	2,226.1	UGF: 56.8 DGF: 1,708.8 Other: 460.5	14 PFT/13 PFT	All		Important	2	Supports Article VIII	No	No
Design & Construction	1,744.1	DGF: 276.2 Other: 1,467.9	13 PFT/12 PFT; 3 NP/2 NP	All		Beneficial	2	Supports Article VIII	No	No
Field Operations	7,643.0	UGF: 1,424.5 DGF: 5,198.9 Other: 1,019.6	40 PFT/38 PFT; 30 PPT/29 PPT; 36 NP/0 NP	All	51%	Critical	2	Supports Article VIII	No	AS 41.21.020
Office of Boating Safety	1,357.3	FED: 1,057.3 Other: 300.0	5 PFT/4 PFT; 2 NP/2 NP	All		Beneficial	2	Supports Article VIII	No	No
Office of History and Archaeology	2,384.6	UGF: 437.9 DGF: 15.8 FED: 1,060.0 Other: 870.9	15 PFT/14 PFT; 3 PPT/3 PPT	All		Critical	2	Supports Article VIII	No	AS 41.35
Alaska State Trails Program	200.0	DGF: 200.0	2 PFT/2 PFT	All		Beneficial	2	Supports Article VIII	No	No

Totals 15,555.1
89 PFT/83 PFT;
33 PPT/32 PPT;
41 NP/4 NP

By Component	TOTAL	UGF	DGF	FED	OTHER	Budgeted Positions/Filled Positions
Parks Management & Access	13,170.5	1,481.3	7,383.9	1,057.3	3,248.0	74 PFT/69 PFT; 30 PPT/29 PPT; 41 NP/4 NP
Office of History & Archaeology	2,384.6	437.9	15.8	1,060.0	870.9	15 PFT/14 PFT; 3 PPT/3 PPT
Division of Parks & Outdoor Recreation	15,555.1	1,919.2	7,399.7	2,117.3	4,118.9	89 PFT/83 PFT; 33 PPT/32 PPT; 41 NP/4 NP

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- 2 components, 6 programs, 163 PCNs (seasonal vacancies)
- 52% UGF reduction since FY2015
- 17% DGF increase since FY2015
- 13% reduction in PCNs since FY2015 (25)
- FY2019 \$500.0 UGF to DGF fund source change from new revenue
- Numbers do not include the \$300.0 Boating Receipts fund source change from Other to DGF added by Legis Finance

**DEPARTMENT OF NATURAL RESOURCES
SUPPORT SERVICES DIVISION**

By Component	Funding in Thousands	By Fund Category	Budgeted Positions/Filled Positions	Alaskans Served	Recovered From Fees	Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Information Resource Management	3,762.9	UGF: 3,183.4 Other: 579.5	8 PFT/6 PFT 35 PFT/30 PFT; 3 PPT/2 PPT	All		Critical	2	Supports Article VIII	No	No
Recorder's Office/Uniform Commercial Code	3,808.7	DGF: 3,808.7	UGF: 2,349.8 Other: 1,201.5	All	100%	Critical	2	Supports Article VIII	No	AS 40.17
Administrative Services	3,551.3		25 PFT/ 24 PFT	All		Important	2	Supports Article VIII	No	No
Totals	11,122.9		68 PFT/60 PFT; 3 PPT/2 PPT							

By Division	TOTAL	UGF	DGF	FED	OTHER	Budgeted Positions/Filled Positions
Support Services Division	11,122.9	5,533.2	3,808.7	-	1,781.0	68 PFT/60 PFT; 3 PPT/2 PPT

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- 3 components, 71 positions
- 5% UGF reduction since FY2015
- 24% DGF reduction since FY2015 (Recorder's Office)
- 23% reduction in PCNs since FY2015, deleted 27 PCNs (not including the transfer of 37 positions to SSoA and OIT)
- FY2019 cut = 50.0 UGF (1%)

Positions

Transferred to OIT -25

Transferred to SSoA -6

Transferred to DMLW -4

IRM Deletes -10

Admin Services Deletes -2

Recorder's Office Deletes -15

Total PCN Reduction-62

DEPARTMENT OF NATURAL RESOURCES OTHER COMPONENTS

By Component	Funding in Thousands	By Fund Category	Budgeted Positions/Filled Positions	Alaskans Served	Recovered From Fees	Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Commissioner's Office	1,569.7	UGF: 1,181.1 Other: 388.6	9 PFT/8 PFT	All		Critical	2	Supports Article VIII	No	No
Public Information Center	632.6	UGF: 529.4 DGF: 20.0 Other: 83.2	5 PFT/4 PFT	All		Important	2	Supports Article VIII	No	No
EVOS Trustee Council Projects	133.0	Other: 133.0	-	All		Important	2	Supports Article VIII	No	AS 37.14.400
Mental Health Trust Land Office	4,213.2	Other: 4,213.2	19 PFT/17 PFT	All		Critical	2	Supports Article VIII	AK Mental Health Enabling Act	AS 38.05.801; AS 44.37.50
Facilities Maintenance	2,592.9	UGF: 2,592.9	-	All		Important	2	Supports Article VIII	No	No
Interdepartmental Chargebacks	1,331.8	UGF: 1,181.1 Other: 150.7	-	All		Important	2	Supports Article VIII	No	No
Totals	10,473.2		33 PFT/29 PFT							

By Component	TOTAL	UGF	DGF	FED	OTHER	Budgeted Positions/Filled Positions
Other Components Total	10,473.2	5,484.5	20.0	-	4,968.7	33 PFT/29 PFT

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- 6 components
- Commissioner's Office 32% UGF reduction since FY2015, 10% in PCNs
- FY2019 Facilities reduction \$125.0 UGF Atwood Building Consolidation

**DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL & GAS**

By Program	Funding in Thousands	By Fund Category	Budgeted Positions/Filled Positions	Alaskans Served	Recovered From Fees	Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Audit	1,417.2	UGF: 815.9 FED: 197.6 Other: 403.7	9 PFT/8 PFT	All		Important	2	Supports Article VIII	No	A.S. 38.05
Commercial	1,387.4	UGF: 1,016.2 Other: 371.2	6 PFT/5 PFT	All		Critical	2	Supports Article VIII	No	A.S. 38.05
Leasing	1,155.9	UGF: 752.0 Other: 403.9	9 PFT/8 PFT	All		Critical	2	Supports Article VIII	No	A.S. 38.05
Permitting	1,027.2	UGF: 533.5 DGF: 235.4 Other: 258.3	8 PFT/8 PFT	All	18%	Critical	2	Supports Article VIII	No	A.S. 38.05
Resource Evaluation	3,962.2	UGF: 2,716.5 Other: 1,245.7	17 PFT/17 PFT	All		Critical	2	Supports Article VIII	No	A.S. 38.05
Royalty Accounting	723.0	UGF: 465.3 Other: 257.7	5 PFT/5 PFT	All		Critical	2	Supports Article VIII	No	A.S. 38.05
State Pipeline Coordinator	7,674.2	DGF: 453.3 Other: 7,220.9	20 PFT/19 PFT; 1 NP/0 NP	All		Critical	2	Supports Article VIII	No	A.S. 38.35
Unit Section	824.8	UGF: 537.0 Other: 287.8	5 PFT/5 PFT	All		Critical	2	Supports Article VIII	No	A.S. 38.05
Shared Services	2,557.3	UGF: 1,684.7 Other: 872.6	19 PFT/18 PFT	All		Important	2	Supports Article VIII	No	A.S. 38.05
Cook Inlet	150.0	Other: 150.0				Status quo		No	No	No
Component Totals		20,879.2	98 PFT/93 PFT; 1 NP/0 NP							
By Component	TOTAL	UGF	DGF	FED	OTHER	Budgeted Positions/Filled Positions				
Division of Oil & Gas	20,879.2	8,521.1	688.7	197.6	11,471.8	98 PFT/93 PFT; 1 NP/0 NP				

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- 10 programs, 99 PCNs
- 17% UGF reduction since FY2015
- 22% reduction in PCNs since FY2015 (28)
- No FY2019 cuts proposed, two increments:

The division regularly uses reservoir models on the North Slope and Cook Inlet for the purpose of determining that royalty interest is correctly divided among the state and other royalty owners as field developments expand over time. In some cases, these royalty redeterminations are stipulated in unit agreements; in other instances they may be initiated either by the state, the other royalty owner(s), or the operating company.

A 2009 CIP was appropriated for this purpose and has been used to hire consultants and pay licensing costs for sophisticated software. In FY2018 the majority of the capital project was reappropriated. \$500.0 remained in the project to fund FY2018 efforts with the understanding that operating increments would be requested in FY2019.

- 250.0 OTI to hire outside contractors for imminent redeterminations (6 scheduled in FY2018 & FY2019)
- 250.0 INC for reservoir modeling software licensing

Without these increments the division will not be able to perform this critical work and the state may forego significant revenue.

**DEPARTMENT OF NATURAL RESOURCES
DIVISION OF GEOLOGICAL & GEOPHYSICAL SURVEYS**

By Program	Funding in Thousands	By Fund Category	Budgeted Positions/Filled Positions	Alaskans Served	Recovered From Fees	Importance to Mission	Rating of Effectiveness	Constitutionally Required	Federally Required	Required by Statute
Energy Resources	1,172.7	UGF: 524.2 FED: 235.6 Other: 412.9	6 PFT/6 PFT; 1 NP/0 NP	All		Critical	2	Supports Article VIII	No	AS 41.08.020
Mineral Resources	739.4	UGF: 437.5 FED: 29.0 Other: 272.9	6 PFT/6 PFT; 3 NP/3 NP	All		Critical	2	Supports Article VIII	No	AS 41.08.020
Engineering Geology	1,735.6	UGF: 605.8 FED: 191.5 Other: 938.3	6 PFT/6 PFT; 2 NP/1 NP	All		Critical	2	Supports Article VIII	No	AS 41.08.017; AS 41.08.020
Volcanology	1,480.6	FED: 1,480.6	4 PFT/4 PFT; 1 NP/0 NP	All		Critical	2	Supports Article VIII	No	AS 1.08.017; AS 41.08.020
Geologic Materials Center	853.0	UGF: 219.8 DGF: 519.0 Other: 114.2	3 PFT/3 PFT; 1 NP/1 NP	All	75%	Critical	2	Supports Article VIII	No	AS 41.08.020; AS 41.08.045
Geologic Information Center	1,260.3	UGF: 841.3 DGF: 10.0 FED: 167.8 Other: 241.2	6 PFT/6 PFT; 1 PPT/1 PPT	All	<1%	Critical	2	Supports Article VIII	No	AS 41.08.017; AS 41.08.020; AS 41.08.030
Administration & Grants	1,088.7	UGF: 930.2 Other: 158.5	5 PFT/5 PFT	All		Critical	2	Supports Article VIII	No	AS 41.08.010; AS 41.08.015; AS 41.08.040
Totals	8,330.3		36 PFT/36 PFT; 1 PPT/1 PPT; 8 NP/5 NP							

By Component	TOTAL	UGF	DGF	FED	OTHER	Budgeted Positions/Filled Positions
Division of Geological and Geophysical Surveys	8,330.3	3,558.8	529.0	2,104.5	2,138.0	36 PFT/36 PFT; 1 PPT/1 PPT; 8 NP/5 NP

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- 7 programs, 45 PCNs
- 36% UGF reduction since FY2015
- 20% reduction in PCNs since FY2015 (11)
- \$200.0 UGF to DGF fund source change from seismic data in FY2019

**DEPARTMENT OF NATURAL RESOURCES
FIVE-YEAR HEALTH CARE TRENDS**

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Employer Health Contribution UGF	7,489.7	7,587.5	6,636.7	5,707.7	5,334.2	5,026.1
Employer Health Contribution All Other Funds	7,084.1	6,896.2	6,876.1	7,188.1	7,536.5	7,863.2
Workers' Compensation	1,763.1	1,624.2	1,335.8	1,443.0	1,247.2	1,276.5
Budgeted Health Care Total Costs	16,336.9	16,108.0	14,848.5	14,338.8	14,117.9	14,165.8
UGF Budget	83,043.3	88,072.8	70,326.0	84,766.1	66,729.5	57,576.3
All Other Funds Budget	89,931.7	90,257.6	97,518.0	116,661.7	94,570.4	93,533.1
Natural Resources Total Budget	172,975.0	178,330.4	167,844.0	201,427.8	161,299.9	151,109.4
% of Total Budget	9.4%	9.0%	8.8%	7.1%	8.8%	9.4%
Personal Services Budget	100,846.8	101,587.5	97,138.3	92,566.9	88,209.5	87,909.6
% of Personal Services	16.2%	15.9%	15.3%	15.5%	16.0%	16.1%
Budgeted Permanent Positions (PFT & PPT)	1,000	997	939	912	845	839
Estimated Health Care Costs Per Position	16.3	16.2	15.8	15.7	16.7	16.9

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- UGF Health contribution down as our total UGF has gone down from 48% to 38%
- Workers' Comp is down and partially within our control. DNR, DOC, DPS and DOTPF have highest WC rates
- Cost per position is fairly steady, as is % of personal services
- Commissioner and department leadership encourage and support healthy initiatives including participating in State Parks events, team challenges such as the American Heart Association races, walking clubs, flexible schedules for exercising, healthy eating initiatives, and vitamin D supplements.

THANK YOU

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