

## DEPARTMENT OF NATURAL RESOURCES

### 21. Administration & Support Services / Mental Health Trust Lands Administration Mental Health Bill (CCS HB 55, Sec. 1)

*It is the intent of the legislature that the FY27 budget promote transparency by reflecting the existing maintenance and operations costs of the Trust and its lessees in the Cordova building and the Trust Authority building.*

The FY2027 budget will be reviewed to ensure transparency by separately reflecting the existing maintenance and operations costs of the Trust and its lessees in the Cordova building and the Trust Authority building.

**Legislative Fiscal Analyst Comment:** The FY27 Governor's budget proposal includes a new allocation for Mental Health Trust Lands Facility Operations and Maintenance with \$895.8 in Mental Health Trust Authority Authorized Receipt (MHTAAR) authority.

### 22. Fire Suppression, Land & Water Resources / Forest Management & Development Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)

*It is the intent of the legislature that the Department prepare a report of infrastructure projects related to expanding or improving access to timber. The report should include a list of all projects detailing what activities were performed and the costs incurred for each project in the past year. The report should also provide the available balance of Timber Sales Receipts with total annual expenditures and revenues. The report should be submitted to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.*

The Department of Natural Resources will provide a report of infrastructure projects related to expanding or improving access to timber to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.

**Legislative Fiscal Analyst Comment:** The Department of Natural Resources submitted a letter on December 19, 2025 (included in this packet as **Attachment 13**) that reports the active forestry infrastructure projects, recent activities, and approximate costs. The balance of the Timber Sale Receipts account was reported at \$7,296,714 as of November 12, 2025.



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Attachment 13**  
**Department of Natural Resources**

**OFFICE OF THE COMMISSIONER**

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December 19, 2025

The Honorable Andy Josephson  
Co-Chair, House Finance Committee  
Alaska State Capitol Room 505  
Juneau, AK 99801

The Honorable Calvin Schrage  
Co-Chair, House Finance Committee  
Alaska State Capitol Room 410  
Juneau, AK 99801

The Honorable Neal Foster  
Co-Chair, House Finance Committee  
Alaska State Capitol Room 511  
Juneau, AK 99801

The Honorable Lyman Hoffman  
Co-Chair, Senate Finance Committee  
Alaska State Capitol Room 518  
Juneau, AK 99801

The Honorable Bert Stedman  
Co-Chair, Senate Finance Committee  
Alaska State Capitol Room 516  
Juneau, AK 99801

The Honorable Donny Olson  
Co-Chair, Senate Finance Committee  
Alaska State Capitol Room 508  
Juneau, AK 99801

Re: FY2026 Legislative Intent Language

Dear Finance Committee Co-Chairs,

Please find below the Department of Natural Resources' response to legislative intent language from House Bill (HB) 53. The dollar figures presented in this document are in whole dollars.

**Fire Suppression, Land & Water Resources / Forest Management & Development  
Operating Bill (CCS HB 53(brf sup maj fld H), Sec. 1)**

*It is the intent of the legislature that the Department prepare a report of infrastructure projects related to expanding or improving access to timber. The report should include a list of all projects detailing what activities were performed and the costs incurred for each project in the past year. The report should also provide the available balance of Timber Sales Receipts with total annual expenditures and revenues. The report should be submitted to the Co-chairs of the Finance committees and to the Legislative Finance Division by December 20, 2025.*

The Division of Forestry & Fire Protection's (DOF) infrastructure work in fiscal year (FY) 2025 focused on road reconstruction and repair to ensure long-term access to timber. The bulk of this work was on the Tanana Valley State Forest, the largest of the state forests, where road reconstruction is a continual task due to permafrost and seasonal soil movement. The DOF's heavy equipment shop is located in Fairbanks to efficiently accomplish this work in-house. In FY2025, the DOF's heavy equipment also mobilized to the Houston/Willow area to reconstruct roads to

reliably access the two most active timber sale areas there. In Southeast, the FY2025 repair and replacement of water crossing structures ensured continued access to timber sales on the Haines State Forest.

The DOF's FY2025 infrastructure work, including 86 miles of road reconstruction, was completed for a total of \$244,000. Costs in FY2026 and FY2027 are anticipated to be higher because of planned road construction and bridge replacement projects. The bridge replacements will largely utilize federal funds which have already been secured, but State funds are required for engineering design and bridge approach work.

**Tanana Valley State Forest FY2025 infrastructure projects (\$158,000):**

- Road reconstruction and grading (62 miles): Cache Creek Road, Standard Creek Road, Two Rivers Road, Quartz Lake Road, Upper Grouse Trail, Bonanza Creek Road, and Nenana Ridge Road.
- Water bar construction (6 miles): Improved longevity of recently constructed Maisch Logging Road.
- Gravel source development (3,500 cubic yards): The Cache Creek Road site was developed as initial material for the FY2026 construction of a connector between Cache Creek Road and Standard East Road, which will open up 32 miles of currently inaccessible logging roads.
- Winter access maintenance (50 miles): Purpose is commercial timber sales and personal use wood cutting.
- Road brushing (28 miles): Bonanza Creek Road and Nenana Ridge Road.

**Haines State Forest FY2025 infrastructure projects (\$53,000):**

- Water crossing and drainage repairs and replacement (three sites): Clear Creek Bridge approach repair, Sunshine Mountain culvert replacement, Kelsall 100 Road ditch repair.
- Engineering design phase of the Riverview Road Access project was completed.

**Susitna Valley FY2025 infrastructure projects (\$33,000):**

- Road reconstruction (24 miles): Zero Lake Road and Willer-Kash Road.
- Road brushing (24 miles): Zero Lake Road and Willer-Kash Road.
- Gate maintenance to sustain road conditions for timber/fuels access: Sunset Gate.

As of November 12, 2025, the available balance of Timber Sale Receipts was \$7,296,714. The FY2025 total revenue was \$2,613,161 and the FY2025 total expenditures were \$922,725.

Please let me know if you have any questions or would like to discuss further.

Sincerely,



John Crowther  
Commissioner-designee

Finance Committee Co-Chairs

December 19, 2025

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cc: Alexei Painter, Director, Legislative Finance Division  
Jordan Shilling, Director, Governor's Legislative Office  
Lacey Sanders, Director, Office of Management and Budget  
Brent Goodrum, Deputy Commissioner, Department of Natural Resources  
Shannon Miller, Administrative Services Director, Department of Natural Resources