

Department of Natural Resources

FY10 Long Range Plan

Notes for FY09 baseline appropriations and department assumptions for FY10 and beyond

Through operating budget one-time-item continuations and increments and capital project requests, the Department will continue to seek funding to support:

Resource Development

- Services provided by the Division of Oil and Gas
- Royalty valuation, allowing re-negotiation of royalty settlement agreements when it is advantageous to the State
- Airborne mineral surveys
- Abandoned Mine Reclamation (Fed)
- New Geologic Materials Center

Water Resources

- Cooperative Water Resource Program (SDPR)

Coastal Management

- Alaska Coastal Management pass-through grants (Fed)

Land acquisition and sales

- Land acquisition as per statehood entitlement
- Forward funding of surveys for remote recreational cabin sites (LDIF)
- New subdivision development and remote recreational cabin program (LDIF)

Wildland Firefighting

- Shared costs at the Interagency Coordinator Center
- Increases in helicopter and air tanker costs when contracts come up for renewal

Parks Facilities and Programs

- Design phase of the South Denali Access Road and other capital projects in State Parks
- Maintain the Boating Safety Program and expand the education portion (mostly Fed)
- Acquire outdoor recreation lands and develop facilities through the Land and Water Conservation Fund (Fed)
- National Historic Preservation Program (Fed)
- National Recreation Trails Grant (Fed)

Forest Management

- Reforestation of State forest lands following harvests and burns
- Forest road maintenance
- Timber inventories

- Technical forestry assistance program (Fed)
- Private and public forest assessment

Agricultural Industry

- Foundation seed program and other functions of the Plant Material Center that support the agricultural industry in Alaska

Guide Concession Area Program

- Initial planning work for guide concession area program, with additional general funds needed in subsequent years to develop regulations and implement the program until it is self-supporting through fees

Administrative and Information Technology

- Information technology infrastructure upgrades and contract increases
- Increases in chargebacks and core service costs

Anticipated need for replacement of federal funds:

- Funds to support critical services of the Alaska Volcano Observatory will decline, starting in FY10
- Federal funding for BLM2009 is scheduled to end in FY09, but continuing general funds will be needed for surveys, audits, and settlement of discrepancies

Increased demand for services and information:

- Over the next ten years we expect oil, gas and mineral exploration and development to continue to increase, based on the potential of Alaska's undeveloped resources
- General fund support for Large Project programs will be needed to allow advanced planning and staffing necessary to meet industry needs and facilitate projects that create jobs and generate state revenue
- The Pebble Project, if permitted, will require a full-time coordinator. Industry will support the position, although some general funds will be needed in the initial planning stage.
- Information needs will include geohydrology for water resource conservation, management and development; coastal hazards and development data; improved Geographic Information System (GIS) capability; a Statewide parcel database; and increased demand for programming and electronic solutions
- Increasing complexity of borough and other restrictions will require increased staffing in the Land Sales Program
- Increased demand for roads to access forest resources for firewood and timber sales
- Increased support for the agricultural industry will be proposed including erosion control and land conservation, a wetlands research unit, and horticulture evaluation program

Continual need for replacement/upgrade of facilities, equipment, and IT infrastructure including:

- Wildland fire truck replacement and fleet maintenance cost increases
- Trunk Road Facility move in FY10

- State Parks deferred and annual maintenance, with deferred maintenance balance currently at \$60 million
- Plant Material Center facilities, grounds and equipment
- Deferred and ongoing maintenance of other buildings
- Replacement of Northern Region Facility and Kenai/Kodiak Area Forestry Facility, and site studies for various fire and resource management facilities
- Replace state-owned tactical aircraft in FY11

Other expected increases:

- Increased responsibilities of the Petroleum Systems Integrity Office based on completion of the gap analysis and risk assessment
- Need for Oil and Gas leasing program improvements
- Twenty permanent seasonal initial attack firefighting positions are currently paid with soft funding. To assure continuation of these positions, it will be necessary to replace this with general funds starting in FY11

Expected project completions:

- Mat-Su Hydrogeology assessment in FY11
- Electronic document management system in FY11 - creating electronic land management case files with search capability
- Unified Permit Project to streamline application and approval processes in FY11
- Statewide digital mapping initiative in FY13
- Electronic recording of titles and UCC for the Recorder's Office, resulting in savings as the need for regional offices will decrease

Department assumptions for gasoline appropriation estimates

Continuation of funding to support:

- AGIA license management
- Pipeline corridor geologic hazards identification

Increased demand for services and information:

- Surveys, rights-of-way, inspection and administrative staff through FY17 as pipeline(s) are completed
- Geological trench mapping starting in FY13 (part SDPR)
- Upon completion of gasoline in FY18, funds will be needed for multi-agency oversight of the completed project, and will require some level of funding for the life of the pipeline

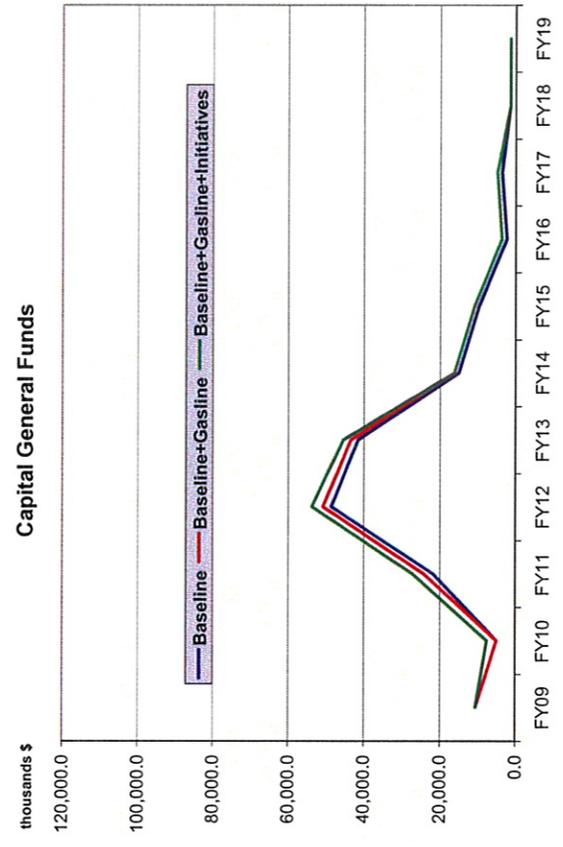
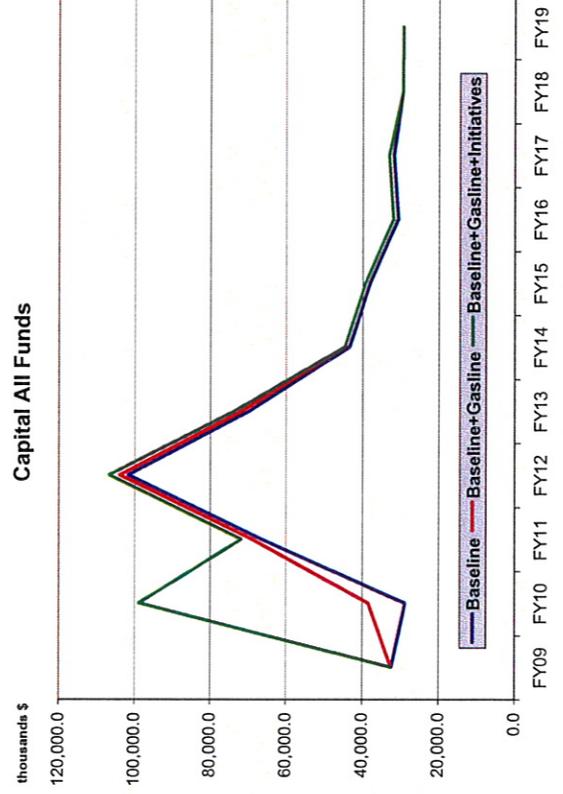
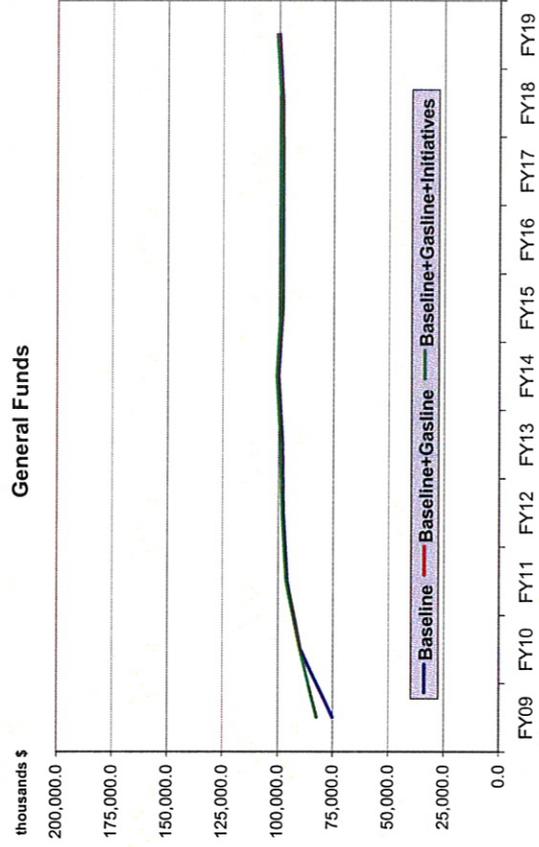
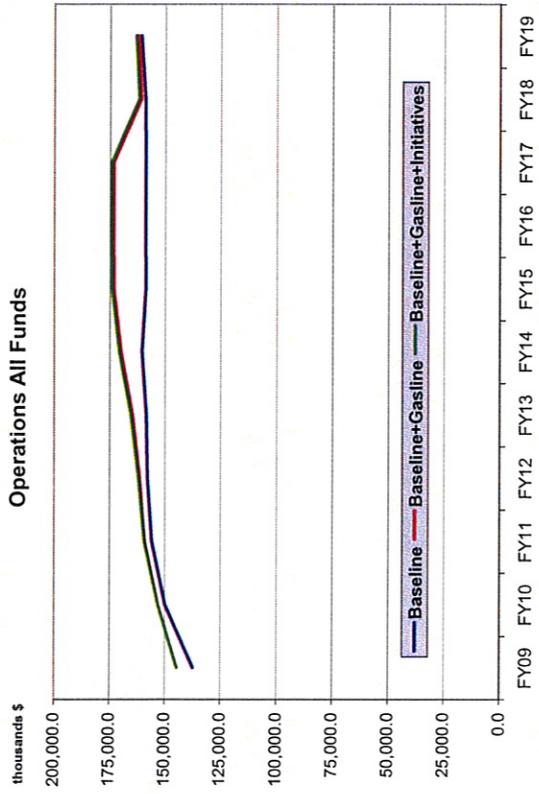
Expected project completion:

- North Slope Reservoir Studies to determine the best use of natural gas resources

Department assumptions for new initiatives except gasoline:

- Major influx of formula funds from the federal government for the Coastal Impact Assessment Program. Increase is based on federal offshore drilling leases. (Fed)
- Need to address the potentially dangerous situation of bear/human interaction at the Chilkoot River in Haines by managing the area to allow road-accessible brown bear viewing
- Construction of South Denali Visitors Center, estimated to start in FY12 (Fed)

Natural Resources



Natural Resources

Baseline Budget Growth 1/

(thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Appropriations	169,697.3	178,701.7	222,398.1	259,604.7	228,181.9	203,854.4	196,704.6	189,488.7	190,570.7	188,446.7	190,227.7
General Fund	83,332.7	92,495.7	115,302.2	143,919.8	137,275.0	112,520.6	105,461.8	98,254.9	99,372.9	97,283.9	99,093.9
General Fund Match	2,177.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	34,211.5	26,695.0	27,023.0	52,073.0	26,990.0	26,790.0	26,340.0	26,140.0	25,940.0	25,740.0	25,540.0
Other State Funds	49,975.6	57,383.5	77,945.4	61,484.4	61,789.4	62,416.3	62,775.3	62,966.3	63,130.3	63,295.3	63,466.3
Operations	137,370.8	149,944.7	155,911.1	157,849.6	158,403.6	160,504.7	158,768.7	158,859.7	158,841.7	159,017.7	160,898.7
General Fund	72,932.7	87,555.7	93,552.2	95,401.7	95,750.7	97,592.1	95,847.1	95,847.1	95,765.1	95,876.1	97,686.1
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	44,376.5	44,818.4	44,907.4	45,112.4	45,372.1	45,631.1	45,722.1	45,786.1	45,851.1	45,922.1
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	137,370.8	149,944.7	155,911.1	157,849.6	158,403.6	160,504.7	158,768.7	158,859.7	158,841.7	159,017.7	160,898.7
General Fund	72,932.7	87,555.7	93,552.2	95,401.7	95,750.7	97,592.1	95,847.1	95,847.1	95,765.1	95,876.1	97,686.1
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	44,376.5	44,818.4	44,907.4	45,112.4	45,372.1	45,631.1	45,722.1	45,786.1	45,851.1	45,922.1
Capital	32,326.5	28,757.0	66,487.0	101,755.1	69,778.3	43,349.7	37,935.9	30,629.0	31,729.0	29,429.0	29,329.0
General Fund	10,400.0	4,940.0	21,750.0	48,518.1	41,524.3	14,928.5	9,614.7	2,407.8	3,607.8	1,407.8	1,407.8
General Fund Match	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	18,376.5	10,810.0	11,610.0	36,660.0	11,577.0	11,377.0	11,177.0	10,977.0	10,777.0	10,577.0	10,377.0
Other State Funds	3,500.0	13,007.0	33,127.0	16,577.0	16,677.0	17,044.2	17,144.2	17,244.2	17,344.2	17,444.2	17,544.2

1. Baseline wage and benefit increases are handled in the statewide spreadsheet.

Notes for FY09 Baseline Appropriations and department assumptions for FY10 and beyond

See cover sheet.

Natural Resources

Gasline Related Budget Growth (thousands \$)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Total Appropriations	7,209.8	12,680.2	5,555.2	5,655.2	8,080.2	10,530.2	15,530.2	15,530.2	15,530.2	1,891.7	1,391.7
General Fund	7,209.8	391.7	2,766.7	2,566.7	2,491.7	1,841.7	1,841.7	1,841.7	1,841.7	591.7	591.7
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	12,288.5	2,788.5	3,088.5	5,588.5	8,688.5	13,688.5	13,688.5	13,688.5	1,300.0	800.0
Operations	7,209.8	3,180.2	3,180.2	3,480.2	6,180.2	9,280.2	14,280.2	14,280.2	14,280.2	1,891.7	1,391.7
General Fund	7,209.8	391.7	391.7	391.7	591.7	591.7	591.7	591.7	591.7	591.7	591.7
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	2,788.5	2,788.5	3,088.5	5,588.5	8,688.5	13,688.5	13,688.5	13,688.5	1,300.0	800.0
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	7,209.8	3,180.2	3,180.2	3,480.2	6,180.2	9,280.2	14,280.2	14,280.2	14,280.2	1,891.7	1,391.7
General Fund	7,209.8	391.7	391.7	391.7	591.7	591.7	591.7	591.7	591.7	591.7	591.7
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	2,788.5	2,788.5	3,088.5	5,588.5	8,688.5	13,688.5	13,688.5	13,688.5	1,300.0	800.0
Capital	0.0	9,500.0	2,375.0	2,175.0	1,900.0	1,250.0	1,250.0	1,250.0	1,250.0	0.0	0.0
General Fund	0.0	0.0	2,375.0	2,175.0	1,900.0	1,250.0	1,250.0	1,250.0	1,250.0	0.0	0.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	9,500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Describe department assumptions for gasline appropriations estimates below

FY09: Includes Special Session appropriation for AGIA Implementation. See attached for further explanation.

Natural Resources

Initiatives (Except Gasline)

(thousands \$)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Total Appropriations	0.0	60,745.0	3,250.0	3,666.0	2,870.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0
General Fund	0.0	2,625.0	3,070.0	3,085.0	2,275.0	330.6	330.6	330.6	330.6	330.6	330.6
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	58,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	120.0	180.0	581.0	595.0	689.4	689.4	689.4	689.4	689.4	689.4
Operations	0.0	120.0	270.0	766.0	870.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0
General Fund	0.0	0.0	90.0	185.0	275.0	330.6	330.6	330.6	330.6	330.6	330.6
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	120.0	180.0	581.0	595.0	689.4	689.4	689.4	689.4	689.4	689.4
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	0.0	120.0	270.0	766.0	870.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0
General Fund	0.0	0.0	90.0	185.0	275.0	330.6	330.6	330.6	330.6	330.6	330.6
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	120.0	180.0	581.0	595.0	689.4	689.4	689.4	689.4	689.4	689.4
Capital	0.0	60,625.0	2,980.0	2,900.0	2,000.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund	0.0	2,625.0	2,980.0	2,900.0	2,000.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	58,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Describe department assumptions for new initiatives (except gasoline) appropriations estimates below

See assumptions on cover sheet.

Natural Resources

Baseline plus Gasline

(thousands \$)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Total Appropriations	176,907.1	191,381.9	227,953.3	265,259.9	236,262.1	214,384.6	212,234.8	205,018.9	206,100.9	190,338.4	191,619.4
General Fund	90,542.5	92,887.4	118,068.9	146,486.5	139,766.7	114,362.3	107,303.5	100,096.6	101,214.6	97,875.6	99,685.6
General Fund Match	2,177.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	34,211.5	26,895.0	27,023.0	52,073.0	26,990.0	26,790.0	26,340.0	26,140.0	25,940.0	25,740.0	25,540.0
Other State Funds	49,975.6	69,672.0	80,733.9	64,572.9	67,377.9	71,104.8	76,463.8	76,654.8	76,818.8	64,595.3	64,266.3
Operations	144,580.6	153,124.9	159,091.3	161,329.8	164,583.8	169,784.9	173,048.9	173,139.9	173,121.9	160,909.4	162,290.4
General Fund	80,142.5	87,947.4	93,943.9	95,793.4	96,342.4	98,183.8	96,438.8	96,438.8	96,356.8	96,467.8	98,277.8
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	47,165.0	47,606.9	47,995.9	50,700.9	54,060.6	59,319.6	59,410.6	59,474.6	47,151.1	46,722.1
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	144,580.6	153,124.9	159,091.3	161,329.8	164,583.8	169,784.9	173,048.9	173,139.9	173,121.9	160,909.4	162,290.4
General Fund	80,142.5	87,947.4	93,943.9	95,793.4	96,342.4	98,183.8	96,438.8	96,438.8	96,356.8	96,467.8	98,277.8
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	47,165.0	47,606.9	47,995.9	50,700.9	54,060.6	59,319.6	59,410.6	59,474.6	47,151.1	46,722.1
Capital	32,326.5	38,257.0	68,862.0	103,930.1	71,678.3	44,599.7	39,185.9	31,879.0	32,979.0	29,429.0	29,329.0
General Fund	10,400.0	4,940.0	24,125.0	50,693.1	43,424.3	16,178.5	10,864.7	3,657.8	4,857.8	1,407.8	1,407.8
General Fund Match	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	18,376.5	10,810.0	11,610.0	36,660.0	11,577.0	11,377.0	11,177.0	10,977.0	10,777.0	10,577.0	10,377.0
Other State Funds	3,500.0	22,507.0	33,127.0	16,577.0	16,677.0	17,044.2	17,144.2	17,244.2	17,344.2	17,444.2	17,544.2

Natural Resources

Baseline plus Gasline plus Initiatives (thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Appropriations	176,907.1	252,126.9	231,203.3	268,925.9	239,132.1	215,404.6	213,254.8	206,038.9	207,120.9	191,358.4	192,639.4
General Fund	90,542.5	95,512.4	121,138.9	149,571.5	142,041.7	114,692.9	107,634.1	100,427.2	101,545.2	98,206.2	100,016.2
General Fund Match	2,177.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	34,211.5	84,695.0	27,023.0	52,073.0	26,990.0	26,790.0	26,340.0	26,140.0	25,940.0	25,740.0	25,540.0
Other State Funds	49,975.6	69,792.0	80,913.9	65,153.9	67,972.9	71,794.2	77,153.2	77,344.2	77,508.2	65,284.7	64,955.7
Operations	144,580.6	153,244.9	159,361.3	162,095.8	165,453.8	170,804.9	174,068.9	174,159.9	174,141.9	161,929.4	163,310.4
General Fund	80,142.5	87,947.4	94,033.9	95,978.4	96,617.4	98,514.4	96,769.4	96,769.4	96,687.4	96,798.4	98,608.4
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	47,285.0	47,786.9	48,576.9	51,295.9	54,750.0	60,009.0	60,100.0	60,164.0	47,840.5	47,411.5
Formula Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-formula Programs	144,580.6	153,244.9	159,361.3	162,095.8	165,453.8	170,804.9	174,068.9	174,159.9	174,141.9	161,929.4	163,310.4
General Fund	80,142.5	87,947.4	94,033.9	95,978.4	96,617.4	98,514.4	96,769.4	96,769.4	96,687.4	96,798.4	98,608.4
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	47,285.0	47,786.9	48,576.9	51,295.9	54,750.0	60,009.0	60,100.0	60,164.0	47,840.5	47,411.5
Capital	32,326.5	98,882.0	71,842.0	106,830.1	73,678.3	44,599.7	39,185.9	31,879.0	32,979.0	29,429.0	29,329.0
General Fund	10,400.0	7,565.0	27,105.0	53,593.1	45,424.3	16,178.5	10,864.7	3,657.8	4,857.8	1,407.8	1,407.8
General Fund Match	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	18,376.5	68,810.0	11,610.0	36,660.0	11,577.0	11,377.0	11,177.0	10,977.0	10,777.0	10,577.0	10,377.0
Other State Funds	3,500.0	22,507.0	33,127.0	16,577.0	16,677.0	17,044.2	17,144.2	17,244.2	17,344.2	17,444.2	17,544.2

Natural Resources

