



State of Alaska
Department of Natural Resources Overview
House Finance Subcommittee
10 Year Look Back
February 10, 2015



DNR 10 YEAR LOOK BACK

FACTORS IMPACTING DNR OPERATIONS FY2006 – FY2015

MORE TO MANAGE

- Statehood entitlement lands continue to be received.
- Knik River Public Use Area.
- Kasilof River Special Use Area.
- Southeast state forest added.
- Parks facilities – Eagle Rock boat launch on the Kenai River and new public use cabins.

INCREASING REQUESTS TO USE STATE LAND AND WATER RESOURCES

- Project permitting requests continue to increase.
- Increase in number of Oil and Gas participating areas and acres under lease or license.
- North Slope development season expansion.
- Turnover of Oil and Gas companies in Cook Inlet with increase in smaller players.
- Nome offshore mineral leasing and dredging.
- Alternative energy projects (wind and hydroelectric).
- Fiber optic telecommunications lines.
- Alaskan reality TV shows.

DNR 10-YEAR LOOK BACK

FACTORS IMPACTING DNR OPERATIONS FY2006 – FY2015

IMPACTS OF INCREASED STATE LAND USAGE

- **Increased litigation.**
- **Permit backlogs and reduction efforts.**
- **Stewardship responsibilities: contaminated sites, trail repair and maintenance, derelict barges and shipwrecks, etc.**
- **Trail Issues, conflicts between users, owners, communities, state and federal government.**
- **Trespass issues on state lands.**

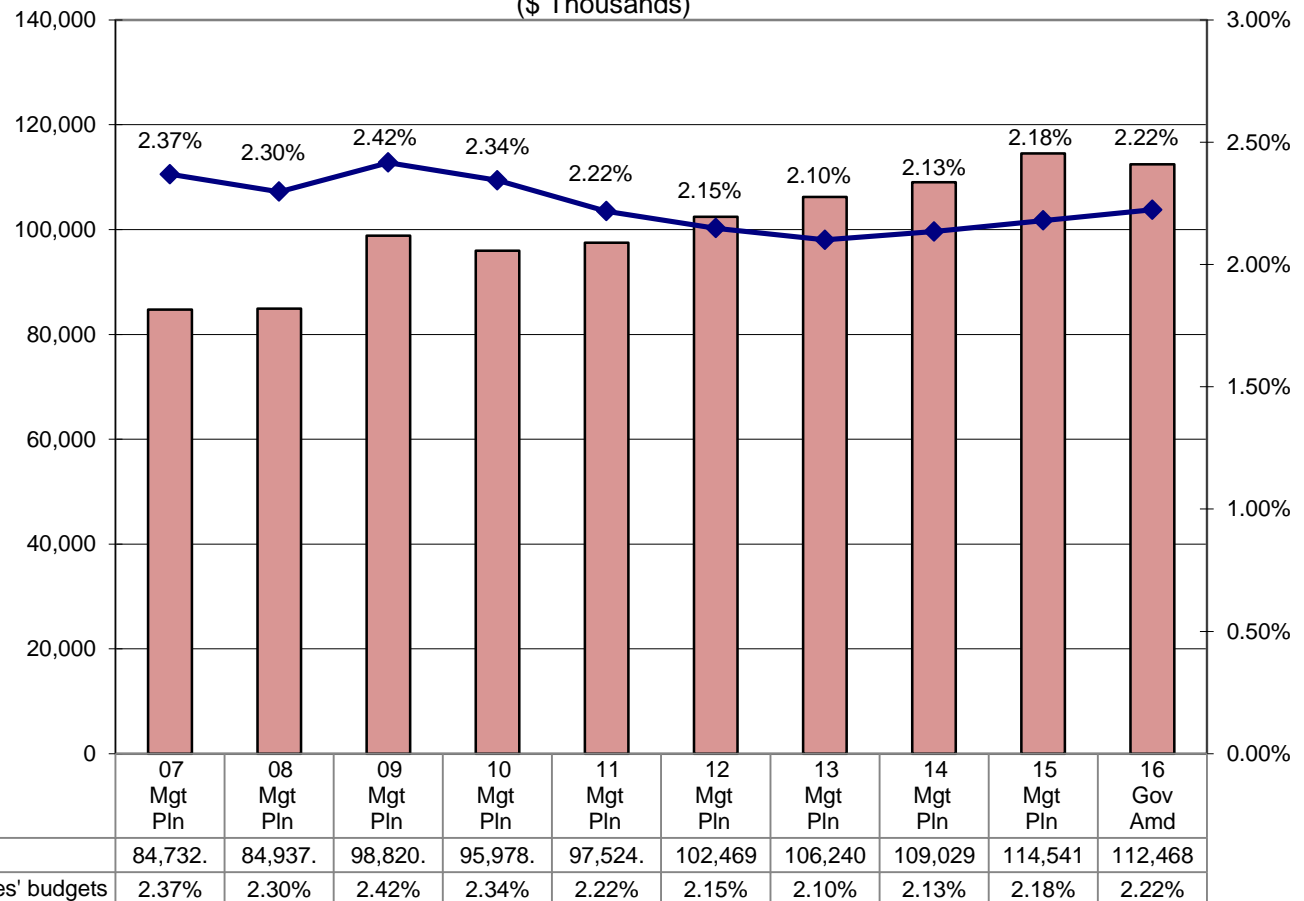
TECHNOLOGY CHANGES

- **Information technology and technological advancements**
- **Public interest/involvement in the permitting process with inception of the online public notice website.**

DNR 10 YEAR LOOK BACK

- BUDGET GROWTH ANALYSIS (PREPARED BY LEGISLATIVE FINANCE) -

Department of Natural Resources' Share of Total Agency Operations
(GF Only)
(\$ Thousands)



The department's GF budget grew by \$27,735.8 million between FY06 and FY16 Governor's Request - an average annual growth rate of 3.2%.

The department's total FY16 Governor's Request GF budget equals \$337 per resident worker.*

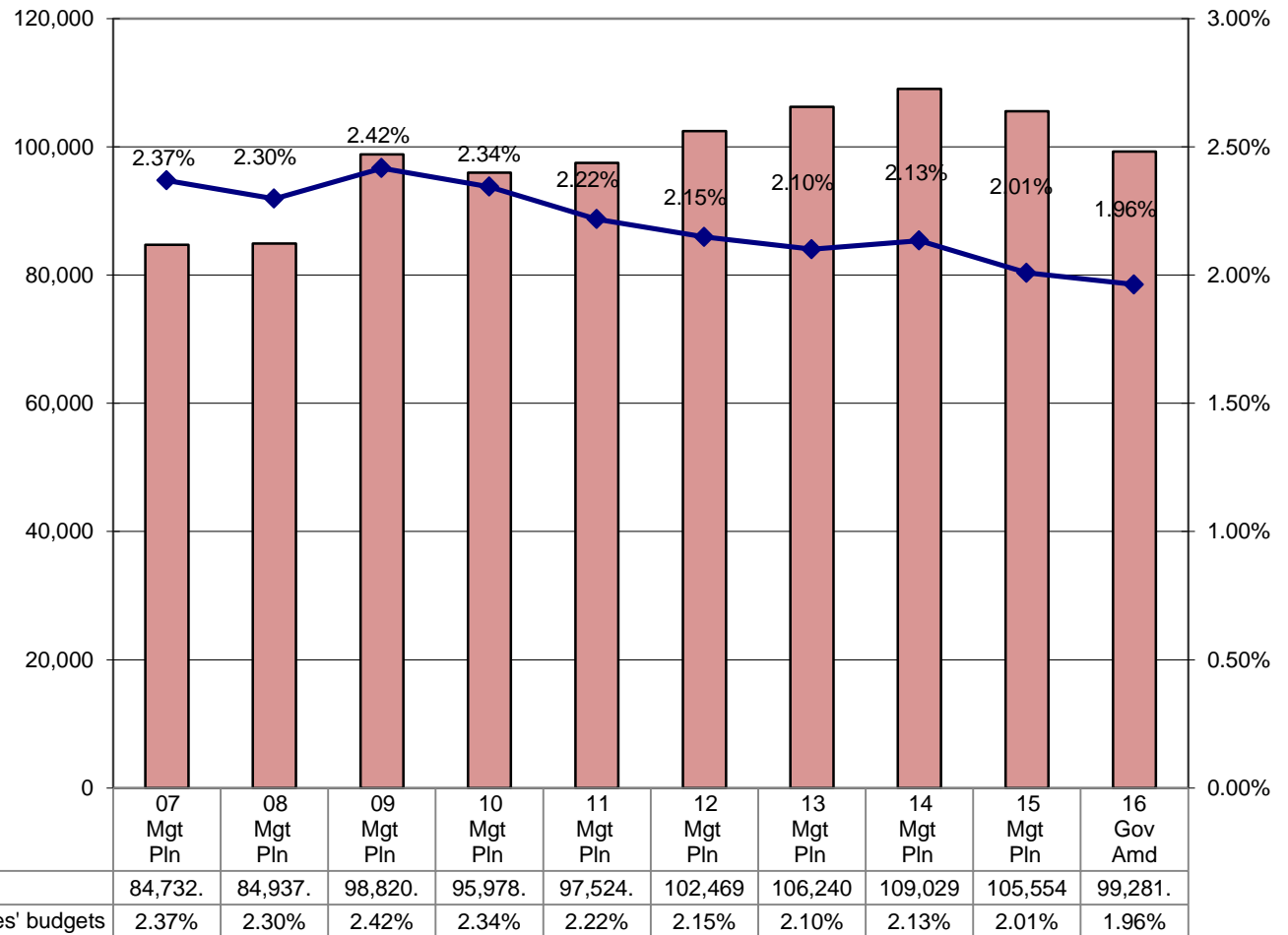
* According to the Department of Labor, there were 333,283 resident workers in Alaska in 2012.

DNR 10 YEAR LOOK BACK

- BUDGET GROWTH ANALYSIS WITHOUT AKLNG -

**Department of Natural Resources' Share of Total Agency Operations
(GF Only in Thousands) without AKLNG**

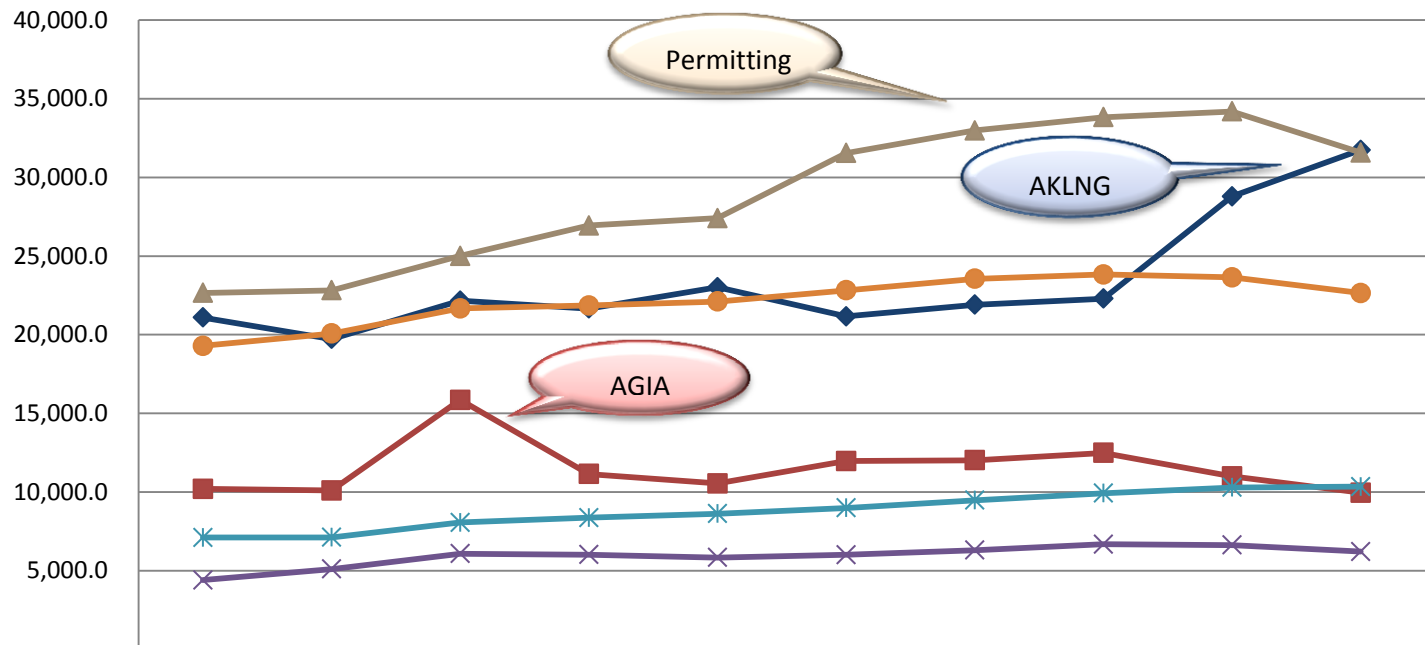
Without AKLNG, DNR's GF budget grew by \$14,549.1 million between FY2007 and FY2016 Governor's Request - an average annual growth rate of 1.8%.



DNR 10 YEAR LOOK BACK

- BUDGET GROWTH ANALYSIS (PREPARED BY LEGISLATIVE FINANCE) -

**Appropriations within the Department of Natural Resources
(GF Only, in Thousands)**

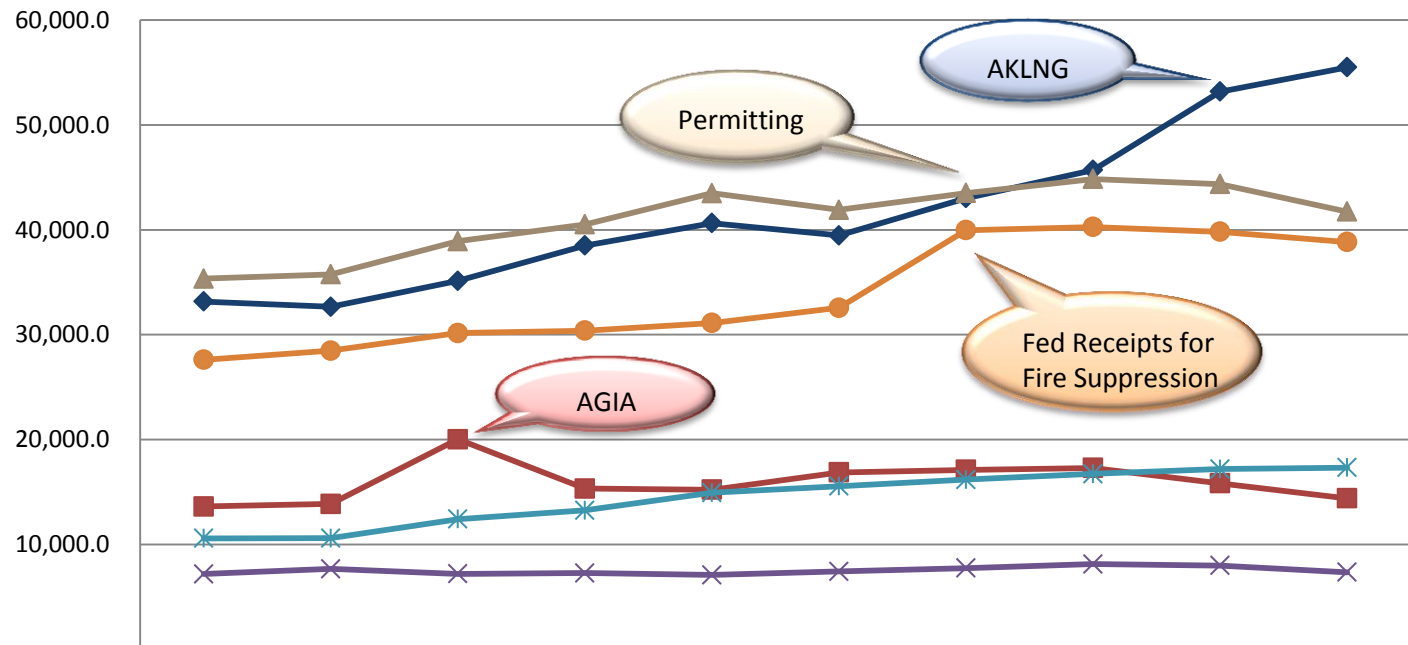


	07 MgtPln	08 MgtPln	09 MgtPln	10 MgtPln	11 MgtPln	12 MgtPln	13 MgtPln	14 MgtPln	15 MgtPln	16 Gov Amd
Administration & Support Services	21,087.5	19,729.0	22,156.6	21,657.9	23,017.9	21,163.9	21,905.1	22,293.3	28,795.6	31,739.3
Oil & Gas	10,195.8	10,099.5	15,849.9	11,140.8	10,546.4	11,962.6	12,020.7	12,484.8	10,994.2	9,952.6
Land & Water Resources	22,652.9	22,817.2	25,002.9	26,942.7	27,406.0	31,544.7	32,979.7	33,828.3	34,194.1	31,580.0
Agriculture	4,399.3	5,102.9	6,081.0	6,019.3	5,829.4	6,001.0	6,301.0	6,674.1	6,624.3	6,209.3
Parks & Outdoor Recreation	7,107.1	7,113.1	8,061.6	8,363.8	8,616.0	8,982.0	9,475.9	9,923.4	10,286.5	10,343.6
Fire Suppression	19,290.0	20,075.9	21,668.9	21,853.9	22,109.2	22,815.7	23,557.8	23,825.6	23,646.6	22,643.6

DNR 10 YEAR LOOK BACK

- BUDGET GROWTH ANALYSIS (PREPARED BY LEGISLATIVE FINANCE) -

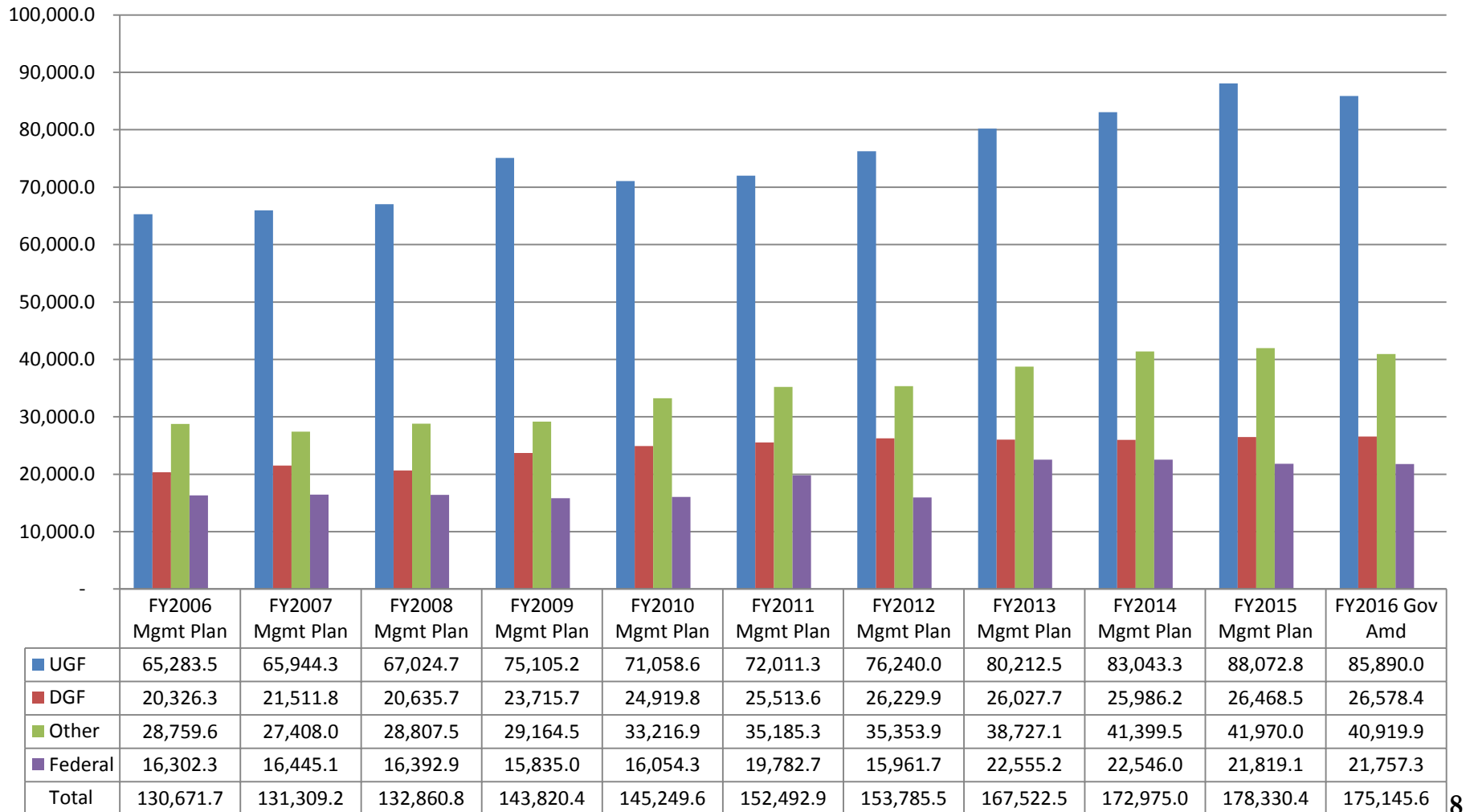
**Appropriations within the Department of Natural Resources
(All Funds, in Thousands)**



	07 MgtPln	08 MgtPln	09 MgtPln	10 MgtPln	11 MgtPln	12 MgtPln	13 MgtPln	14 MgtPln	15 MgtPln	16 Gov Amd
Administration & Support Services	33,167.7	32,663.4	35,126.4	38,507.3	40,634.5	39,464.7	43,021.4	45,710.4	53,175.7	55,500.4
Oil & Gas	13,618.7	13,861.0	20,017.3	15,331.5	15,225.0	16,867.2	17,114.3	17,299.6	15,824.3	14,394.7
Land & Water Resources	35,350.3	35,763.3	38,920.9	40,513.0	43,495.7	41,910.8	43,501.5	44,849.0	44,356.0	41,733.5
Agriculture	7,176.8	7,664.2	7,198.3	7,261.3	7,087.0	7,413.6	7,739.6	8,124.6	7,983.6	7,350.6
Parks & Outdoor Recreation	10,573.8	10,599.9	12,403.6	13,254.6	14,929.3	15,556.0	16,184.0	16,723.3	17,179.4	17,326.1
Fire Suppression	27,604.3	28,474.9	30,153.9	30,381.9	31,121.4	32,573.2	39,961.7	40,268.1	39,811.4	38,840.3

DNR 10 YEAR LOOK BACK

Department of Natural Resources by Fund Category



DNR BUDGET HIGHLIGHTS BY DIVISION

- FY2006 – FY2016 GOVERNOR AMENDED-

Division of Agriculture

Agricultural Development

	UGF	DGF
Plant Health and Phytosanitary Certification	\$121.5	
Farm to School Program funding - Fiscal Note HB70	\$181.0	
(FY2016 Gov Amd) Agricultural Program Consolidation and Efficiencies	(\$71.9)	

North Latitude Plant Material Center (PMC)

	UGF	DGF
Noxious Weeds and Invasive Plants - Fiscal Note HB330	\$80.0	
Extend Invasive Plants Law - Fiscal Note HB97	\$101.1	
Horticulture Evaluation Program	\$260.0	
(FY2016 Gov Amd) Eliminate Ethnobotany Program and Garden	(\$147.8)	

Citizen's Advisory Commission on Federal Areas

	UGF	DGF
Citizen's Advisory Commission on Federal Areas Fiscal Note HB87	\$246.2	

DNR BUDGET HIGHLIGHTS BY DIVISION

- FY2006 – FY2016 GOVERNOR AMENDED-

Division of Forestry

Forest Management

	UGF	DGF
Forest Management and Best Practices	\$400.0	
(FY2016 Gov Amd) Consolidation of Regional Management in Area Office	(\$28.1)	
(FY2016 Gov Amd) Eliminate Coordination of Agency Input to Forest Service Tongass Planning and Timber Sale Projects	(\$111.0)	

Fire Suppression

	UGF	DGF
Increased Operational Costs	\$1,927.5	
Wildland Fire Academy	\$390.0	
(FY2016 Gov Amd) Consolidation of Regional Management in Area Office	(\$21.9)	
(FY2016 Gov Amd) Reorganize McGrath Fire Suppression Protection Area and Discontinue the Wildland Fire Academy	(\$1,100.0)	

Division of Geological and Geophysical Surveys (DGGS)

	UGF	DGF
Geophysical/Geological Mineral Inventory Project	\$700.0	
Geohydrology Program, Aquifer Baseline Mapping	\$120.0	
Geologic Materials Center Annual Occupancy/Rent Payment	\$350.0	
(FY2016 Gov Amd) Eliminate Airborne Geophysical Surveys and Support for Geothermal and Coal Resources	(\$1,000.0)	

DNR BUDGET HIGHLIGHTS BY DIVISION

- FY2006 – FY2016 GOVERNOR AMENDED -

Division of Mining, Land and Water (DMLW)

	UGF	DGF
Knik River Public Use Area – Fiscal Note HB307	\$356.8	
Decrease Funds for Survey and Appraisal Costs Covered in the Capital Budget (LDIF)		(\$480.0)
Alaska Land Transfer Acceleration Act Program	\$150.0	
Dam Safety and Construction Engineering	\$130.0	
Replace Federal Funding for Acquisition of Land as per Statehood Entitlement	\$300.0	
Improve Efficiency of Land and Water Use Application Process	\$1,421.1	
Litigation Support to Defend Permitting Process on State Lands	\$500.0	
Access Assertion Litigation	\$599.0	
Oversight of Federal Land Transfers including Native Allotments, ANCSA Conveyances, and Survey Reviews	\$671.0	
Public Land Stewardship including Mine Permitting, Compliance and Assessment	\$802.0	
Maintain Staffing for Permitting Initiative (GF/PR)		\$950.0
Navigable and Public Waters Research and Assertion of State's Access Rights	\$350.0	
Regulation Packages and Amendments to Support Permit Efficiency and Reform	\$125.0	
(FY2016 Gov Amd) Eliminate Iditarod Trail Oversight and Management	(\$100.9)	
(FY2016 Gov Amd) Elimination of the Public Access Assertion and Defense Unit	(\$1,547.8)	

DNR BUDGET HIGHLIGHTS BY DIVISION

- FY2006 – FY2016 GOVERNOR AMENDED-

North Slope Gas Commercialization Office (AKLNG)

	UGF	DGF
(FY2016 Gov Amd) Restore Gas Pipeline AKLNG (SB138)	\$8,986.7	
(FY2016 Gov Amd) Increase AKLNG Funding	\$4,200.0	

Office of Project Management and Permitting (OPMP)

	UGF	DGF
OCS Lease and Federal Resource Planning	\$352.6	
Tongass Coordination	\$37.5	
(FY2016 Gov Amd) Reduce Alaska National Interest Lands Conservation Act (ANICLA) Office	(\$226.0)	
(FY2016 Gov Amd) Eliminate Coordination of Agency Input to Forest Service Tongass Planning and Timber Sale Projects	(\$37.5)	

Division of Oil and Gas

	UGF	DGF
Continuation of Oil and Gas and Gasline Increased Workload (LDIF)	\$303.3	\$338.0
Expand Audit Function Passed in Fiscal Note for HB2001 (Nov 2007 Special Session)	\$464.4	
(FY2016 Gov Amd) Division Reorganization and Efficiencies as a Result of Work Process Improvements	(\$644.0)	

DNR BUDGET HIGHLIGHTS BY DIVISION

- FY2006 – FY2016 GOVERNOR AMENDED-

Division of Parks Management and Access

Parks Management and Access

	UGF	DGF
Increased Operational Costs	\$656.7	\$433.0
New Park Ranger for Worthington Glacier and Valdez Area	\$138.5	
New Park Ranger and Associated Costs to the Lower Chatanika State Recreation Area	\$115.0	
New Park Ranger for Kenai River Area	\$97.7	
Replace UGF with Increased User Fees (UGF to GF/PR)	(\$250.0)	\$250.0

Office of History and Archaeology

	UGF	DGF
(FY2016 Gov Amd) Reallocation of Administrative Duties to Recognize Efficiencies	(\$25.0)	

DNR BUDGET HIGHLIGHTS BY DIVISION

- FY2006 – FY2016 GOVERNOR AMENDED-

Division of Support Services

Information Resource Management

	UGF	DGF
(FY2016 Gov Amd) Centralize Information Technology Functions and Services	(\$85.0)	

Recorder's Office/Uniform Commercial Code

	UGF	DGF
Increased Operational Costs		\$238.7
(FY2016 Gov Amd) Recorders' Office Consolidation and Efficiencies (GF/PR)		(\$173.3)

Facilities

	UGF	DGF
Facility Leases	\$303.0	

Office of the Commissioner

	UGF	DGF
Marketing of Statewide Resource Development Initiatives	\$50.0	
(FY2016 Gov Amd) Delete Special Assistant to the Commissioner	(\$70.0)	

DNR BUDGET HIGHLIGHTS BY DIVISION

- FY2006 – FY2016 GOVERNOR AMENDED-

Other

Conservation and Development Board

	UGF	DGF
(FY2016 Gov Amd) Eliminate Funding for the Natural Resources Conservation and Development Board	(\$116.5)	

Division of Coastal and Ocean Management

	UGF	DGF
Division of Coastal and Ocean Management Sunset (GFMatch)	(\$1,672.6)	

Office of Habitat Management and Permitting

	UGF	DGF
Transfer Habitat to Dept. of Fish and Game per Executive Order #114	(\$2,873.1)	

Questions?

