

## Department of Natural Resources

### Mission

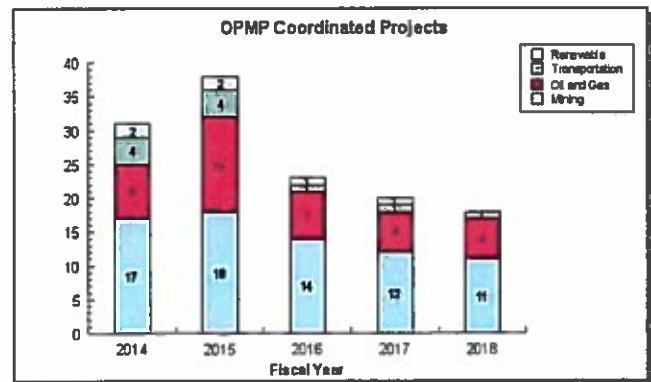
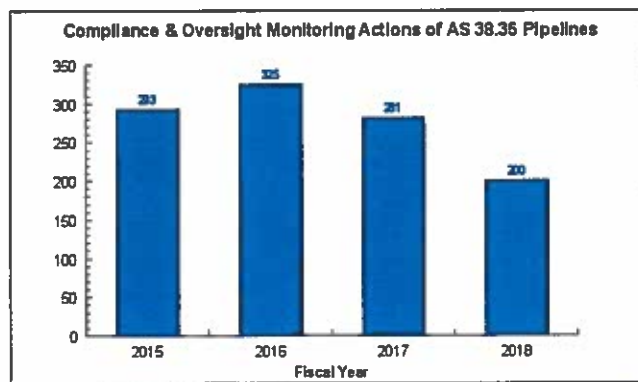
Develop, conserve and maximize the use of Alaska's natural resources consistent with the public interest. Alaska Constitution Article 8; AS 03, AS 27, AS 38, AS 40, AS 41, AS 43.90, AS 14.30.740

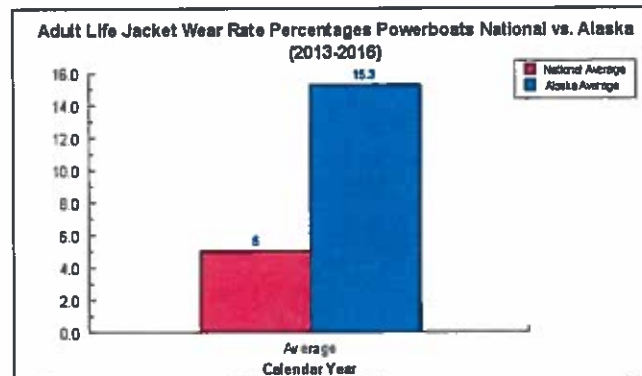
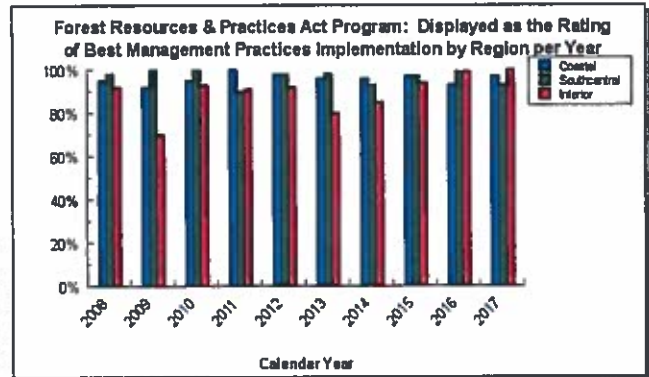
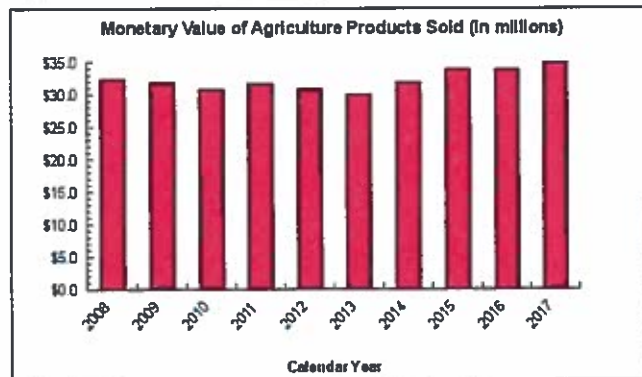
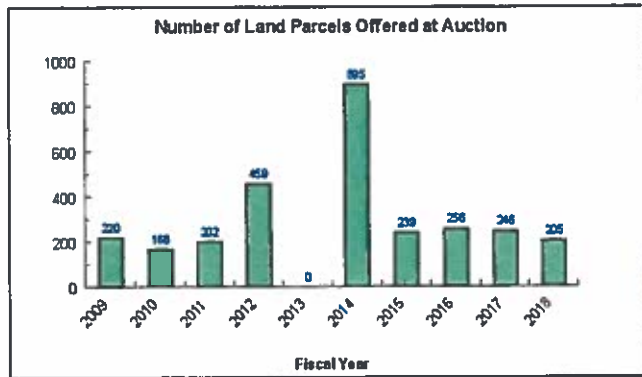
Core Services (In priority order)	UGF	DGF	Other	Fed	Total	PFT	PPT	NP	% GF
1 Foster responsible commercial development and use of state land and natural resources, consistent with the public interest, for long-term wealth and employment.	24,878.8	13,646.8	23,490.3	6,004.4	68,020.3	310	11	9	38.7%
2 Mitigate 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.	26,387.0	656.6	3,002.7	13,624.0	43,670.3	45	170	1	27.2%
3 Provide access to state lands for public and private use, settlement, and recreation.	6,422.6	17,110.0	5,023.3	2,324.9	30,880.8	178	30	44	23.7%
4 Ensure sufficient data acquisition and assessment of land and resources to foster responsible resource and community development and public safety.	7,466.1	2,910.9	4,648.2	3,291.4	18,316.6	91	4	8	10.4%
<b>FY2019 Management Plan</b>	<b>65,154.5</b>	<b>34,324.3</b>	<b>36,164.5</b>	<b>25,244.7</b>	<b>160,888.0</b>	<b>624</b>	<b>215</b>	<b>62</b>	

### Measures by Core Service

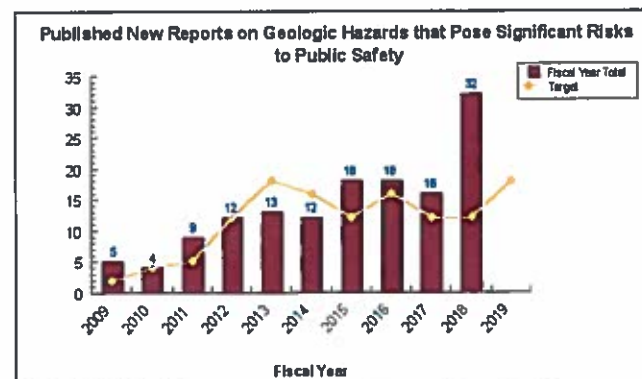
(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

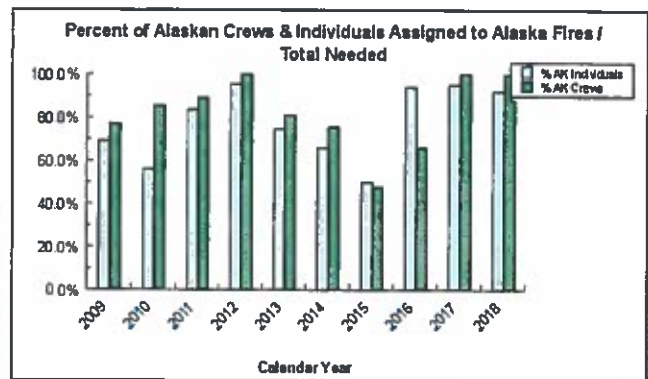
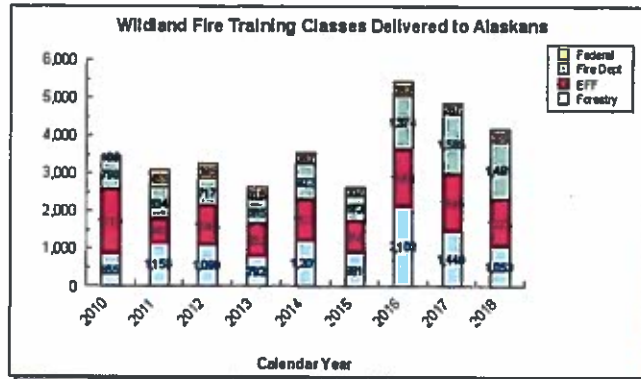
#### 1. Foster responsible commercial development and use of state land and natural resources, consistent with the public interest, for long-term wealth and employment.



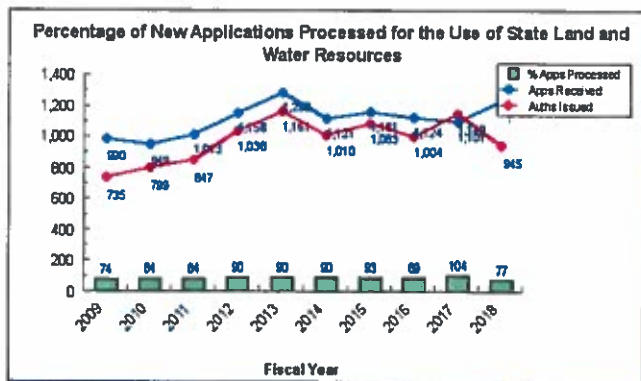


2. Mitigate threat to the public from natural hazards by providing comprehensive fire protection services on state, private and municipal lands, and through identifying significant geologic hazards.

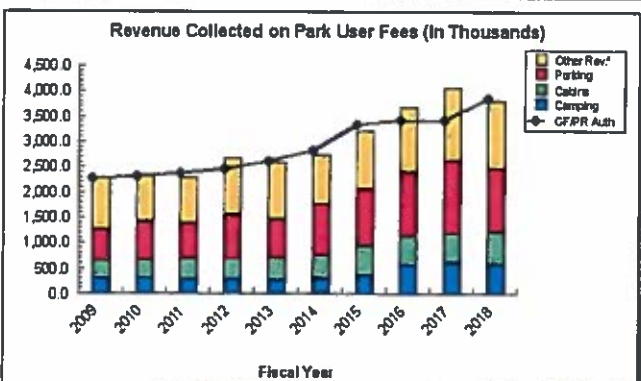
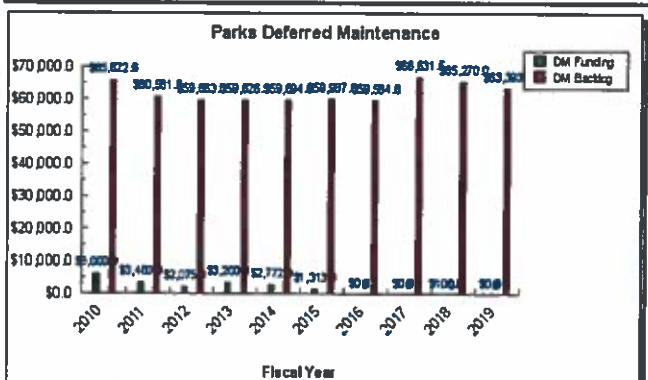
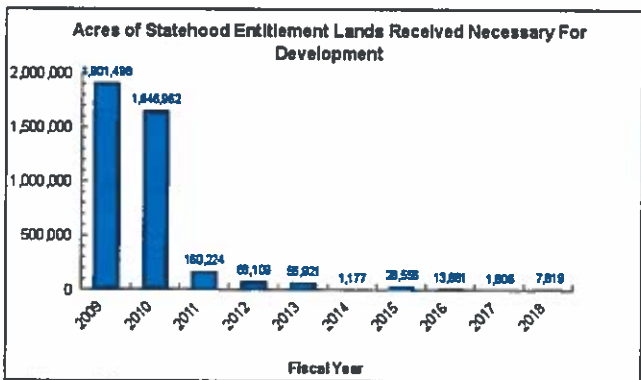




### 3. Provide access to state lands for public and private use, settlement, and recreation.

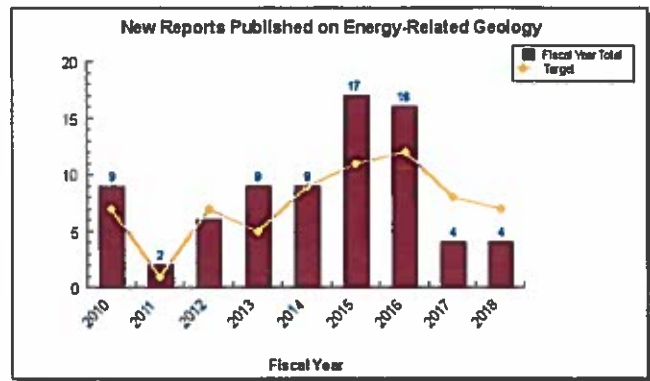
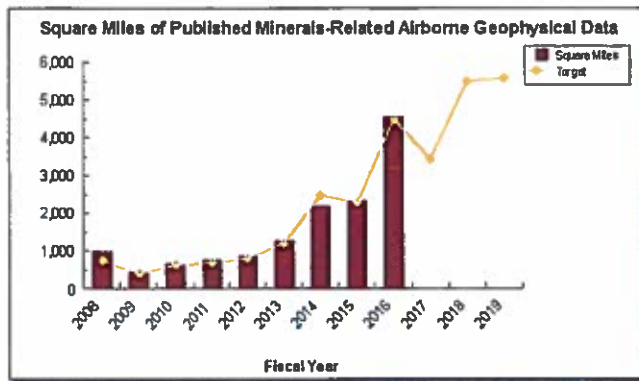


Target: Initiate proceedings to clear state title to its submerged lands through Quiet Title Actions, filing Recordable Disclaimer of Interest applications with the Bureau of Land Management on at least 10 waterways or waterbodies during the fiscal year.



### 4. Ensure sufficient data acquisition and assessment of land and resources to foster responsible

resource and community development and public safety.



## Major Department Accomplishments in 2018

***Foster responsible commercial development and use of state land and natural resources, consistent with the public interest, for long-term wealth and employment:***

The Division of Oil & Gas (DOG) held five area-wide lease sales resulting in more than \$20 million in bonus bids and more than 200,000 acres leased.

DOG issued four net profit share lease (NPSL) audits and four state royalty audits, collecting \$74.7 million.

DOG administered approximately 2,100 leases and licenses, covering nearly 5.3 million acres.

DOG verified and receipted \$1.42 billion in royalty, NPSL revenues, rents, bonus bids, unit actions, and federal payments.

DOG authorized two new geophysical (seismic) exploration programs, two new Lease Plans of Operations, three Unit Plans of Operations, and processed sixty-five Plan of Operation Amendments for activities on the North Slope and in Cook Inlet.

Division of Mining, Land and Water (DMLW) reviewed and relinquished 42,882 acres of mineral selections and/or general selections that either had already been conveyed or were dual selected.

DMLW sold a total of 272 parcels, totaling 2,462 acres from the annual land sale auction and year-round Over-the-Counter sales.

The Division of Forestry (DOF) sold 8.2 million board feet in 21 separate timber sales to Alaskan businesses. DOF also sold approximately 3,279 cords of personal use firewood via 1,070 permits issued mostly on-line.

The Division of Agriculture (DoA) received international recognition and won the 2018 Agricultural Marketing of Excellence Award for the Alaska Grown \$5 Challenge.

***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:***

The DOF "Firewise" public service announcement, coordinated with the Governor's Office in FY2017, was one of three used on television stations throughout the season via radio and newsprint.

DOF filled 92% of individual overhead resource orders with Alaskans and 100% of the crew orders were filled with

Alaskan crews.

DOF provided training and physical fitness tests to more than 4,000 personnel including Emergency Firefighters, volunteer fire departments, and federal and state personnel.

DOF conducted 78 fire training classes across a range of subjects and disciplines and provided 119 instructors in support of training efforts that resulted in 2,046 hours of statewide interagency training.

DOF provided 41 fire departments statewide with grants totaling \$2.2 million through the Volunteer Fire Assistance grant program that the division administers on behalf of the U.S. Forest Service via our State Fire Assistance grant.

DOF suppressed 98% of Critical fires at 10 acres or less and suppressed 83% of Full fires at 10 acres or less. Eighty-two percent of the fires in state protection were in Critical or Full Management Options.

***Provide access to state lands for public and private use, settlement, and recreation:***

The Division of Parks and Outdoor Recreation (DPOR) awarded nine construction-related contracts to the private sector with a combined value of \$2.5 million for park maintenance and improvement projects.

DPOR awarded 28 trail project grants to non-profit organizations and government agencies, more than \$1.3 million through the federally funded Recreational Trails Program.

***Ensure sufficient data acquisition and assessment of land and resources to foster responsible resource and community development and public safety:***

The Division of Geological and Geophysical Surveys (DGGs), Mineral Resources Section completed fieldwork for the second phase of a 520-square-mile geologic mapping and geochemical sampling project in the northeastern Tanacross quadrangle adjacent to Yukon, Canada and fieldwork for the second phase of a 430-square-mile geologic mapping and geochemical sampling project in the Richardson-Uncle Sam gold exploration area northwest of Delta Junction to evaluate the both area's mineral-resource potential and create geologic maps to help guide industry exploration efforts.

DGGs Minerals Section conducted a 5,500 square mile fixed-wing magnetic survey in the Porcupine River area for the U.S. Geological Survey's Minerals Program. Additionally, the Minerals Section managed a detailed airborne magnetic survey for the Icy Cape area, near Yakutat, as part of the Alaska Mental Health Trust Land Office Icy Cape Gold and Industrial Heavy Minerals project.

## **Key Department Challenges**

Maintaining our core service functions and continuing to provide revenue generation, public safety, and services for Alaskans in context of Alaska's fiscal crisis.

Absorbing the increasing contractual costs from leases, cores services, mainframe costs, and essential contracts into existing budget appropriations.

***Foster responsible commercial development and use of state land and natural resources, consistent with the public interest, for long-term wealth and employment:***

In the State of Alaska's effort to develop a gas pipeline and market its vast gas reserves, the department has broad responsibilities and authorities. Significant commercial and unit work by DNR staff and consultants, outside counsel, and other state agencies remains to be accomplished to support the Alaska Gasline Development Corporation's effort to structure funding. Upon success in funding of the project, there will be a very significant permitting scope to conclude to move the project into construction. All these efforts will necessitate budgetary authority to execute.

***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:***

SB92, the Derelict Vessel Prevention Program was signed into law creating a program with limited funding, while setting high expectations for the public. Staffing, enforcement authority, and financial means to deal with hundreds of derelict vessels across the state poses a challenge.

The removal of large hazardous material sites and waste on state land when no remaining responsible party exists poses a challenge.

The Division of Forestry (DOF) continues to experience capacity shortages in mid and senior level positions that affect span of control and oversight of fire program and incident management.

Fire seasons are starting earlier and lasting longer, stretching from March into October, with significant wildland fires impacting communities. While there is significant variability in the acreage burned from season to season, the average annual burned acreage had steadily increased to 1.3 million acres over the past two decades. Early fire seasons require advanced preparation through training and prevention activities. Longer fire seasons create a critical need for extended staffing and increased resource capacity, such as aircraft, agency crews, and inter-agency personnel.

DOF has three elite agency firefighting crews (Pioneer Peak Hotshots, White Mountain and Gannet Glacier) which are faced with growing uncertainty of reductions in federal funds. These crews provide essential firefighting services but also provide the training and experience to grow future management and support personnel for the division. Stable funding for crews remains a priority.

Continuing to maintain a viable and well-trained Emergency Fire Fighter (EFF) Type II Crew program continues to be a challenge. The reasons are many and complex and often related to our federal cooperators. Rural crew numbers have decreased from 24 crews to 20 crews in 2018. Crew numbers have trended downward from a peak of 73 from five years ago. During the 2018 lower 48 crew mobilization, three of the twenty crews reported not available. For 2019 season, the Alaska Fire Service is trending towards contract crews.

Division of Geological and Geophysical Surveys is challenged to supply critical and timely information on geologic hazards to assist threatened communities and infrastructure.

***Provide access to state lands for public and private use, settlement, and recreation:***

The Bureau of Land Management long standing federal public land order withdrawals that prevent state top-filed selections from attaching and bringing those lands into state ownership.

The costs to produce land disposals continue to increase due to the land ownership patterns, borough restrictions, and access development requirements. Complications that must be dealt with before land can be offered include resolving trespass structures, access issues, and removal of trash and hazardous materials.

***Ensure sufficient data acquisition and assessment of land and resources to foster responsible resource and community development and public safety:***

The Division of Forestry's ability to inventory and display the location of values at risk, such as structures and critical sites, is hampered by minimal geographical information system capability and lack of underlying geospatial data.

Ensuring awareness of the value provided to the state from incorporating publicly available geologic data into decisions related to Alaska's public safety, economy, and natural resource developments.

**Significant Changes in Results to be Delivered in FY2020**



Section 20001 of the Tax Cuts and Jobs Act of 2017 (Tax Act) directs the Bureau of Land Management (BLM) to establish and administer a competitive oil and gas leasing program in the Coastal Plain of ANWR. The Arctic Slope Transportation and Resources project (ASTAR) is a collaborative effort initiated by DNR to form a cooperative group of stakeholders in the region to guide the development of future infrastructure projects to best benefit the communities of the North Slope, identify material sites critical to resource development, and to provide access to areas that may require remediation from previous exploration activities. BLM invited State of Alaska agencies to participate as a cooperator in developing an Environmental Impact Statement for the Coastal Plain leasing program in accordance with the Tax Act and National Environmental Policy Act. The next phase of ASTAR is to develop resources that empower Arctic communities through continued engagement with the federal land managers and delivery of resource information critical to community infrastructure planning, proposal, and development.

The Division of Geological and Geophysical Surveys will complete an initial evaluation of construction materials and geologic hazards in the NPR-A for the ASTAR project, in support of community connectivity and resource development, as well as expand efforts to cover the 1002 area of ANWR and include water resources with available funding.

The Division of Forestry will prepare and offer an accelerated program of timber sales to help bridge the gap in federal timber sale volume in southern southeast Alaska consistent with the rolling ten-year average of sustained yield for the southeast state forest and other state lands.

HB 355 "Burn Bill" becomes effective Jan 1, 2019. The intent is to improve compliance with safe burning and fire laws while providing compliance and enforcement tools with a bail schedule, similar to traffic fines. This schedule is a continuum of graduated enforcement options which allows the penalty to suit the level of seriousness and increase fair application of the three-tiered system when established by the Alaska Supreme Court.

Full transition from a state-funded Farm to School Program to a federally-funded Farm to School Program. Each year if funds are not secured in time the program faces closure. The program is currently funded through FY2019.

Implementation of the Industrial Hemp Pilot Program to develop and support an industrial hemp industry in the state. Promulgated regulations following section 7606 of the 2014 Agricultural Farm Bill legalizes industrial hemp in states that have laws regulating an industrial hemp pilot program. The department's new pilot program will require and regulate the registration for production, processing, testing, and marketing of industrial hemp and hemp products statewide.

The Division of Parks and Outdoor Recreation (DPOR) will continue to grow strategic partnerships and attract private sector funding. Specifically, the division will work to consolidate and streamline "friends" groups in different regions, and work with the non-profit sector to set up potential private sector funding sources and endowments that can support park activities and upkeep into the future, with the goal of matching the cost of providing services and better support park operations.

Any new investments in the DPOR's infrastructure will be reviewed with the idea of sustainability and revenue producing potential in mind. Investments in public use cabins, electronic fee stations and similar infrastructure have revenue producing potential and fill a demonstrated public demand.

Continued participation in Shared Services of Alaska, which provides enterprise-wide support for common administrative functions, will allow the agency to focus more closely on core mission responsibilities.

### Contact Information

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