

Department of Natural Resources

Summary of Budget Changes

(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
1	Administration & Support Services / Office of Project Management & Permitting	Add Funding for Federal Plans Review and Coordination	\$595.0 Gen Fund (UGF)	<p>This increment would fund the review of federal plans, including major revisions to allow oil and gas exploration in the Arctic National Wildlife Refuge. The funding would enable the State to engage with federal agencies and comment on federal proposals.</p> <p>A portion of the increment would pay for activities that are currently funded by the Arctic Strategic Transportation and Resources capital project, which is nearly expended. The funding would be used for positions within the Office of Project Management and Permitting and for the participation of other divisions within DNR or other agencies. It also includes \$100.0 for travel.</p>
2	Fire Suppression, Land & Water Resources / Mining, Land & Water	Land Sales Fairbanks Project Development Team	\$98.8 State Land (DGF) 1 PFT Position	The Governor's budget adds a new Natural Resource Specialist position in Fairbanks to prepare Final Finding and Decision documents for land sales. This additional position will allow for more state land to be sold to Alaskans.
3	Fire Suppression, Land & Water Resources / Mining, Land & Water	Aquatic Farm Application Processing	\$187.3 GF/Prgm (DGF)	The aquatic farming industry in Alaska has expanded in recent years. Prior to 2017, the division received an average of two aquatic farm lease applications per year. From 2017-2019, the department received 46 applications. The department reprioritized two existing positions to support this industry, but before that a single employee processed all aquatic farm lease applications. This increment will utilize program receipts to fund the additional employees to reduce processing time.
4	Fire Suppression, Land & Water Resources / Fire Suppression Activity	Estimated FY20 Fire Suppression Supplemental	\$94,500.0 Gen Fund (UGF)	<p>The calendar year 2019 fire season was the most expensive in Alaska's history, totaling \$224.9 million (\$142.1 million UGF, \$82.8 million federal). That cost is spread across fiscal years 19 and 20. Federal funding for fire suppression comes from an open-ended language appropriation, but the UGF comes from a variety of sources.</p> <p>Per AS 26.23.020(j), when a fire disaster is declared the Governor may expend whatever is necessary to protect life and property. If appropriated funding for fire suppression activity runs out, expenditures will continue and will be submitted as a ratification (for closed fiscal years) or a future supplemental appropriation. A ratification of approximately \$25 million is necessary for FY19 and will be submitted when the number is finalized. In FY20, UGF spending authorizations have exceeded the budgeted amount by \$94.5 million. This funding has largely already been spent and the legislature will need to appropriate that funding as an FY20 supplemental appropriation. The Governor's fiscal summary includes \$94.5 million as a placeholder for a likely supplemental request.</p>

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4	Fire Suppression, Land & Water Resources / Fire Suppression Activity	Estimated FY20 Fire Suppression Supplemental	\$94,500.0 Gen Fund (UGF)	<p>(continued)</p> <p>Fiscal Analyst Comment: The \$94.5 estimate does not include costs for the spring 2020 fire season. The \$7.9 million supplemental in FY19 was based on a 10-year average of spring costs, bringing the estimated supplemental need closer to \$102.5 million. Appropriating only the amount already expended and neglecting the need for the remainder of the year would not be consistent with transparent budgeting practices.</p>
5	Fire Suppression, Land & Water Resources / Agricultural Development	Transfer Agricultural Development allocation from Agriculture appropriation to Fire, Land & Water Resources approp		<p>In FY20, there was an appropriation for Agriculture that included two allocations: Agricultural Development and the North Latitude Plant Materials Center. The Governor's budget transfers all funding and positions into a single allocation, Agricultural Development, and moves that allocation to the Fire Suppression, Mining, Land & Water Resources appropriation.</p> <p>Fiscal Analyst Comment: The justification for the change is that the combined structure will be more efficient to administer. Combining allocations and appropriations typically has the drawback of decreased legislative control over agency spending and reduced clarity on how the funds are spent.</p>