

# Fiscal Note

State of Alaska  
2023 Legislative Session

Bill Version: HB 93  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB093-DNR-DOF-03-10-23  
Title: LUMBER GRADING PROGRAM  
Sponsor: SUMNER  
Requester: (H)L&C

Department: Department of Natural Resources  
Appropriation: Fire Suppression, Land & Water Resources  
Allocation: Forest Management & Development  
OMB Component Number: 435

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2024	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2024 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>OPERATING EXPENDITURES</b>	<b>FY 2024</b>	<b>FY 2024</b>					
Personal Services							
Travel	10.0		10.0	10.0	10.0	10.0	10.0
Services	206.0		206.0	206.0	206.0	206.0	206.0
Commodities	5.0		5.0	5.0	5.0	5.0	5.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>221.0</b>	<b>0.0</b>	<b>221.0</b>	<b>221.0</b>	<b>221.0</b>	<b>221.0</b>	<b>221.0</b>

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)	221.0		221.0	221.0	221.0	221.0	221.0
<b>Total</b>	<b>221.0</b>	<b>0.0</b>	<b>221.0</b>	<b>221.0</b>	<b>221.0</b>	<b>221.0</b>	<b>221.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None	***	***	***	***	***	***	***
<b>Total</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

**Estimated SUPPLEMENTAL (FY2023) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2024) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** Yes  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**  
If yes, by what date are the regulations to be adopted, amended or repealed? **06/01/24**

**Why this fiscal note differs from previous version/comments:**

Initial Version
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Prepared By:	Helge Eng, Director	Phone:	(907)451-2670
Division:	Division of Forestry & Fire Protection	Date:	03/09/2023
Approved By:	Theresa Cross, Administrative Services Director	Date:	03/10/23
Agency:	Department of Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2023 LEGISLATIVE SESSION

BILL NO. HB 93

**Analysis**

**Summary**

This bill establishes a lumber grading training program for sawmill operators in Alaska. The bill identifies that the Division will develop the program to include the content of the training, instructor qualifications, and requirements for completing the training including a recertification schedule. The bill also identifies what special circumstances must exist for the lumber to be utilized in residential construction, how the lumber must be sold and the requirements for informing the purchaser of the designating characteristics of the lumber. Finally, the bill identifies that the lumber can be rejected or restricted by the home inspector.

**EXPENDITURES**

The Department will contract the implementation of a training program through the University of Alaska Fairbanks - Cooperative Extension Service through a Reimbursable Services Agreement. The University has the capacity to develop training, professional development, and outreach programs to natural resources-based industry.

Personnel:

There will be no additional personnel added to the division.

Travel:

The Department anticipates annual travel expenses for lumber milling and grading training events.

Services:

Contractual costs through an RSA with the University will be incurred. A Wood Utilization Specialist faculty position will be created to manage the Local Lumber program by training regional instructors, providing oversight on training events, ensuring consistency between regions and providing a point of contact to mill operators for guidance. The position will also build additional training opportunities for mill operators and value-added processors and help develop traditional and innovative wood-based markets in Alaska.

Commodities/Supplies:

Supply costs cover lumber grading handbook publication and air-drying best practices publications annually.