

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

February 27, 2019

1:01 p.m.

MEMBERS PRESENT

Representative John Lincoln, Co-Chair
Representative Geran Tarr, Co-Chair
Representative Grier Hopkins, Vice Chair
Representative Sara Hannan
Representative Ivy Spohnholz
Representative Chris Tuck
Representative David Talerico
Representative George Rauscher
Representative Sara Rasmussen

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION(S) : DEPARTMENT OF NATURAL RESOURCES

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

BRENT GOODRUM, Deputy Commissioner
Office of the Commissioner
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Co-provided a PowerPoint presentation entitled, "Overview of Department of Natural Resources," dated 2/27/19, and answered questions.

SARA LONGAN, Deputy Commissioner
Office of the Commissioner
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Co-provided a PowerPoint presentation entitled, "Overview of Department of Natural Resources," dated 2/27/19, and answered questions.

CHANTAL WALSH, Director
Central Office
Division of Oil and Gas
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the presentation by the Department of Natural Resources.

KEN PAPP, Deputy Director
Central Office
Division of Geological and Geophysical Surveys
Department of Natural Resources
Fairbanks, Alaska

POSITION STATEMENT: Answered questions during the presentation by the Department of Natural Resources.

ROB CARTER, Deputy Director
Plant Materials Center
Division of Agriculture
Department of Natural Resources
Palmer, Alaska

POSITION STATEMENT: Answered questions during the presentation by the Department of Natural Resources.

JOHN "CHRIS" MAISCH, State Forester and Director
Division of Forestry
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the presentation by the Department of Natural Resources.

FABIENNE PETER-CONTESSÉ, Director
Central Office
Support Services Division
Department of Natural Resources/Office of Management and Budget
Juneau, Alaska

POSITION STATEMENT: Answered questions during the presentation by the Department of Natural Resources.

ACTION NARRATIVE

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CO-CHAIR GERAN TARR called the House Resources Standing Committee meeting to order at 1:01 p.m. Representatives Rauscher, Rasmussen, Tuck, Hannan, Talerico, Hopkins, and Tarr were present at the call to order. Representatives Lincoln and Spohnholz arrived as the meeting was in progress.

PRESENTATION(S): DEPARTMENT OF NATURAL RESOURCES

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CO-CHAIR TARR announced that the only order of business would be a presentation by the Department of Natural Resources. Prior to the presentation, Co-Chair Tarr asked Representative Rasmussen to make introductory remarks.

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REPRESENTATIVE RASMUSSEN described District 22 and said her interest in serving on the House Resources Standing Committee is based on her belief responsible resource development is the best way for the state to address the impacts of the current economic downturn that has affected the private business sector.

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BRENT GOODRUM, Deputy Commissioner, Office of the Commissioner, Department of Natural Resources (DNR), advised new members of the committee that the annual publication, Program Guide for the Department of Natural Resources, provides additional information on the department and its programs.

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SARA LONGAN, Deputy Commissioner, Office of the Commissioner, DNR, directed attention to slide 3 of the PowerPoint presentation entitled, "Overview of Department of Natural Resources," which illustrated DNR's organizational chart. Slide 4 provided a map and a short background of statistics on Alaska, and she discussed Alaska's land base and the division of federal, state, and Native Corporation land ownership. Alaska contains world-class resources; in fact, the North Slope (NS) basin was recently classified as a "Super Basin" by IHS Markit because it has more undiscovered, potentially recoverable oil than any Arctic nation, including an estimated 40 billion barrels of conventional oil and an estimated 200 trillion cubic feet of conventional natural gas. She further noted potential unconventional resources such as heavy oil, shale oil, and

viscous oil, and the presence of shale gas, tight gas, and gas hydrates. Significant undiscovered resources in the Cook Inlet include natural gas, oil, and natural gas liquids, as Alaska is relatively underexplored (slide 5). She turned attention to the Division of Oil and Gas (DOG), which has 98 positions, and paraphrased from the division's mission statement as follows:

Manages lands for oil, gas and geothermal exploration and development in a fair and transparent manner to maximize prudent use of resources for the greatest benefit of all Alaskans; facilitates safe and environmentally conscious operation and maintenance of common carrier pipeline.

MS. LONGAN pointed out DOG fulfills its role to generate significant revenue for the state by conducting lease sales, collecting royalties, authorizing oil and gas activities, regulating common carrier pipelines on state land, providing commercial analysis, economic modeling, and financial risk assessments, conducting audits, and other services (slide 6).

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REPRESENTATIVE TUCK asked Ms. Longan to identify some of the largest common carrier pipelines overseen by the state.

MS. LONGAN said the largest are the Trans-Alaska Pipeline System (TAPS) and the Point Thomson Export Pipeline project.

CO-CHAIR TARR asked whether DOG's mission statement has been updated.

MS. LONGAN explained the DOG mission statement now includes [facilitates safe and environmentally conscious operation and maintenance of common carrier pipelines] because for the purpose of efficiency the state pipeline coordinator is now co-located within DOG.

REPRESENTATIVE HANNAN inquired as to whether there are common carrier pipelines outside of NS.

MS. LONGAN said yes, and offered to provide committee members a map of all common carrier pipelines throughout the state. She then listed DOG major accomplishments in [2018]:

- held five area-wide lease sales resulting in over \$20 million in bonus bids and over 200,000 acres leased

- initiated the release of seismic and well datasets for oil and gas exploration projects that received tax credits
- began the production forecast previously prepared by the Department of Revenue's contractor
- issued four royalty net profit share lease audits and four state royalty audits collecting over \$74 million, including interest
- administered approximately 2,000 leases and licenses, covering nearly 5.3 million acres
- processed 65 Plan of Operation Amendments for activities on NS and in Cook Inlet

REPRESENTATIVE SPOHNHOLZ asked whether four audits in 2018 compares with the number completed in previous years.

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MS. LONGAN was unsure and offered to provide this information to committee members.

REPRESENTATIVE TUCK inquired as to the years of the audits.

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CHANTAL WALSH, Director, DOG, DNR, said the audits issued in 2018 originated in past years; she offered to provide committee members additional information for the past five years. In further response to Representative Tuck, she added DOG is working on audits [that originated] in the last five years.

CO-CHAIR TARR clarified the aforementioned audits are royalty or profit share lease audits as opposed to audits related to severance tax, which are released by the Department of Revenue.

MS. WALSH said yes.

MS. LONGAN turned attention to the Office of Project Management and Permitting (OPMP). She said OPMP is an office of 13 staff located in the DNR commissioner's office. The OPMP budget is \$6.3 million, of which less than \$1 million are unrestricted general funds (UGF), as OPMP operates under a reimbursable services model. She paraphrased from the OPMP mission statement as follows:

Coordinates multi-agency regulatory reviews and authorizations, while collaboratively engaging federal

agencies on land use planning and policy initiatives to maintain and enhance the state's economy, quality of life, and maximize the value of Alaska's vast natural resources.

MS. LONGAN explained OPMP is unique to Alaska and assures companies investing in Alaska that permit reviews are robust, transparent, and timely. By implementing a one-stop shop, OPMP supports private industry, regulators, and the general public (slide 8).

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CO-CHAIR TARR asked Ms. Longan to highlight any changes that have been made to mission statements.

MS. LONGAN listed OPMP major accomplishments in 2018 (slide 9):

- ongoing federal review, state permitting and regulatory compliance for oil and gas and mining projects such as Nanushuk, Pikka, Greater Moose's Tooth, Willow, and the Alaska LNG project
- ongoing work by the large size mine management permit team on all operating, under review, and proposed mines statewide such as Donlin Gold, Red Dog, and the Ambler Mining District Industrial Access Project
- ongoing coordination of state permits for five of the aforementioned projects that have received a Final Environmental Impact Statement (EIS) in 2018
- ongoing engagement with federal agencies on federal projects such as the Coastal Plain Oil and Gas Leasing Program, the National Petroleum Reserve-Alaska (NPR-A) Integrated Activity Plan
- ongoing partnership with the North Slope Borough on the Arctic Strategic Transportation and Resources (ASTAR) project including planning for a digital project library, health assessment, and mapping

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REPRESENTATIVE RASMUSSEN asked for a typical timeframe to complete an EIS.

MS. LONGAN advised the current federal administration expects federal agencies to complete the [National Environmental Policy Act of 1969 (NEPA)] EIS process within one year; prior to the

current federal administration, the typical average timeline for oil and gas projects has been three years, or more in certain circumstances. She opined the current processing time is expected to be "roughly one year."

REPRESENTATIVE RASMUSSEN asked, "So, can you estimate per year, how much money the state would lose in royalties from lack of production or ... delaying the process?"

MS. LONGAN acknowledged time lost [due to delays in] the NEPA process - or delays due to federal or state permitting - mean less royalties to the state in most cases, although OPMP has not reviewed a project in this regard. However, OPMP is encouraged by the shorter federal process timeline which maintains public and stakeholder collaboration.

REPRESENTATIVE HANNAN surmised royalties would be paid to the state after permitting and questioned how the time lost would reduce royalties.

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MS. LONGAN said, "A time delay in bringing projects online I see as an opportunity cost for those resources being developed and those royalties being made available." Ms. Longan directed attention to the Division of Geological and Geophysical Surveys (DGGS), which is a team of 45 positions; the mission of DGGS read:

Determine the potential of Alaska land for production of metals, minerals, fuels, and geothermal resources; the locations and supplies of groundwater and construction material; and the potential geologic hazards to buildings, roads, bridges, and other installations.

MS. LONGAN related DGGS collects, analyzes, and publishes data maps and reports that stimulate oil, gas, and mineral development and identify geologic hazards. Importantly, DGGS manages the Geologic Materials Center (GMC). Major accomplishments by DGGS in 2018 include (slide 10):

- hosted 1,358 individuals at GMC
- conducted workshops for private industry and the public
- began surveys using light detection and ranging (LIDAR) methodology
- conducted petroleum geology fieldwork on NS

- began an essential sand and gravel assessment of NPR-A
- established erosion and flood monitoring sites in Western Alaska
- conducted geologic mapping in the Richardson and Tanacross areas

MS. LONGAN read from the Mental Health Trust Land Office (TLO) mission as follows:

Protect and enhance the value of Alaska Mental Health Trust Lands, including minerals, coal, oil, and gas, timber, and real estate, while maximizing revenues from those lands over time to support mental health services.

MS. LONGAN noted TLO consists of a staff of 19 positions with an overall fiscal year 2019 (FY 19) budget of \$4.5 million, of which zero are UGF; TLO generates revenue for trust beneficiaries from land sales and leasing of land and resources owned by the Alaska Mental Health Trust Authority, DNR, including real estate investment and development, and resource development. Major accomplishments by TLO in 2018 include (slide 11):

- generated \$11.2 million to fund programs for over 85,000 trust beneficiaries
- explored Icy Cape for future development
- continued to focus on a 20,000-acre land exchange with the U.S. Forest Service, U.S. Department of Agriculture

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CO-CHAIR TARR reviewed items that need further responses.

REPRESENTATIVE HOPKINS surmised DGGS, by providing data on NS, reduces the initial risk of exploration to oil and gas companies.

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KENNETH PAPP, Deputy Director, DGGS, DNR, affirmed the division relieves risk to industry by its fieldwork, especially in the NS region, and collaborates with other geologists within DOG and with the U.S. Geological Survey, U.S. Department of the Interior (DOI). He said DGGS provided information on the Brookian and Nanushuk formations in the NS foothills - which played a

critical role in the recent oil discoveries at Pikka, Horseshoe, and Willow - and the oil industry has expressed appreciation for the work accomplished by DGGS.

REPRESENTATIVE HOPKINS asked whether DGGS has recently worked in the Cook Inlet area.

MR. PAPP informed the committee in the past several years DGGS has completed fieldwork in the western portion of Cook Inlet; in the coming year, DGGS will produce a compilation map of three year's work, beginning in the Red Glacier Formation area. However, due to increased activity on NS, DGGS is slowing its efforts in Cook Inlet.

REPRESENTATIVE HOPKINS asked what the legislature can do to help DGGS enhance NS exploration.

MR. PAPP advised logistics and fieldwork in Alaska are challenging and suggested DGGS could increase its staff and helicopter support.

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REPRESENTATIVE TUCK asked for information on the Nanushuk workshop.

MR. PAPP explained DGGS hosted a workshop at GMC [to discuss] the Nanushuk rock formation along the Colville River that has impressive oil and gas reservoir potential and is related to discoveries in the Pikka, Horseshoe, and Willow units.

MR. GOODRUM returned attention to slide 12 and observed Alaska's mineral potential for many of its resources ranks in the top ten worldwide as follows:

- coal: 17 percent
- gold: 8 percent
- zinc: 5 percent

MR. GOODRUM continued, noting a recent report ranked Alaska fifth for mineral potential and tenth for investment attractiveness out of ninety-one jurisdictions [document not provided].

REPRESENTATIVE SPOHNHOLZ pointed out the University of Alaska (UA) is a key resource to developing mineral resources in Alaska because UA has professional academic expertise in the Anchorage

and Fairbanks geology programs to support research and exploration throughout the state. She cautioned without the university training Alaska's workforce in engineering and geology, the state will continue to import expertise and export its resources to the detriment of its economy.

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MR. GOODRUM acknowledged many DNR staff have attended UA campuses. He directed attention to the Division of Mining, Land and Water (DMLW) and its activities that interact with almost all the other divisions within DNR. He said responsibilities of the 207 employees at DMLW include managing over 160 million acres, acquiring federal land from the statehood land entitlement, permitting, land planning, land disposal, stewardship, and reclamation. Major accomplishments by DMLW in 2018 include (slide 14):

- generated \$27.2 million in revenue
- continued work on the North Slope Area Plan
- issued a preliminary decision for the Haines Borough municipal entitlement
- processed survey plats for the unorganized borough
- worked with other agencies to dispose of an abandoned and derelict vessel
- confirmed state title to submerged lands beneath eight waterbodies
- authorized ice roads, snow roads, and ice pads
- sold 217 parcels garnering \$2.42 million in revenue
- completed inspections on 60 percent of the state's jurisdictional dams

REPRESENTATIVE RASMUSSEN inquired as to a timeline for additional federal land acquisition.

MR. GOODRUM explained the state is entitled to about 5.3 million acres in accordance with [the 1959 Alaska Statehood Act]. Federal lands become available through plans such as the Central Yukon Resources Management Plan which includes Public Land Order 5150 - highly valuable land in the TAPS corridor - that is sought by the state; however, the transfer of land awaits completion of the Central Yukon Resources Management Plan which may be completed by the end of 2019. After Public Order 5150 is lifted, the state will select said land for state ownership; the TAPS corridor includes almost 1 million acres with access and

mineral rights. Furthermore, DNR seeks to bring into state ownership former federal mining claims.

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REPRESENTATIVE RAUSCHER returned attention to slide 14 and asked whether gravel - from rivers in which the state has ownership of submerged lands - could be extracted from rivers and sold by the state.

MR. GOODRUM said if the state owns the submerged lands beneath a waterbody, the state can issue authorizations for activities and after an application to conduct a certain activity was received, the state could begin a public process on the intended activity.

REPRESENTATIVE RAUSCHER questioned how many permits and contracts expire after two years without a response; for example, there are three applications in his district that will expire in March and thereby require the applicant to reapply.

MR. GOODRUM offered to review the aforementioned specific permits. He added DNR seeks to ensure permitting is as effective and efficient as possible.

REPRESENTATIVE HANNAN recalled past legislation related to identify derelict vessels and questioned whether the state has an inventory or an estimate of the cost to clean up derelict and abandoned vessels throughout Alaska.

MR. GOODRUM related DNR has a list of some known abandoned and derelict vessels and the amount of funding to address this issue would be substantial; Senate Bill 92 [passed in the Thirtieth Alaska State Legislature] created a fund from the registration of certain vessels and was "the first step" to finding solutions. In further response to Representative Hannan on funding, he remarked:

... money hasn't yet started being collected, and my understanding is that it potentially is listed in a number of possible funds that may be swept, based upon legislation either, yet, to be introduced by this administration.

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MR. GOODRUM, in response to Representative Spohnholz, restated the state is still owed approximately 5.3 million acres by the federal government.

REPRESENTATIVE TALERICO asked whether any municipalities have completed selections from municipal land entitlements.

MR. GOODRUM advised some boroughs and municipalities have completed their entitlements and others are still due land; he offered to provide a list of calculated and conveyed entitlements.

REPRESENTATIVE TALERICO further asked whether there are any municipal land selections "over top of" state land entitlements.

MR. GOODRUM was unsure and offered to provide further information.

REPRESENTATIVE HANNAN has heard the Juneau office of the State Recorder's Office, DNR, is closing this fiscal year and asked for the status of the other recording offices.

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MR. GOODRUM acknowledged the current budget proposes to close four satellite recording districts leaving Anchorage as the sole recording district, utilizing electronic recording. For a number of years, electronic recording has been used successfully and economically.

MR. GOODRUM turned attention to the Division of Forestry (DOF), that with a staff of 236 positions is the lead state agency responsible for fighting wildfire on approximately 150 million acres throughout the state; in 2018, DOF responded to 203 fires, compared to its response to 766 fires in 2015. Also in 2018, DOF sold 7.9 million board feet of logs to 15 Alaska-based companies (slide 15).

CO-CHAIR TARR surmised the 236 staff positions are largely summer crews for fire response.

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MR. GOODRUM expressed his understanding 236 positions are permanent staff within DOF, and over 1,000 firefighters are trained each year. Major accomplishments by DOF in 2018 include:

- 96 percent Alaska hire in the firefighting workforce
- generated \$1.4 million in local vendor contracts
- signed a second Good Neighbor Authority, U.S. Forest Service, Department of Agriculture, contract which was a mix of state and federal timber in Southeast

REPRESENTATIVE HANNAN asked about the Good Neighbor Authority.

MR. GOODRUM explained the Good Neighbor Authority is a federal program that allows state agencies to facilitate timber sales on state and certain federal public lands. He turned attention to the Division of Parks and Outdoor Recreation (DPOR), noting DPOR has 164 positions to oversee the largest state park system in the U.S.: 3.3 million acres; the largest park is Wood-Tikchik State Park; there are 900 miles of hiking trails within the state. In addition, DPOR administers federal recreational trail grants and statewide programs for boating safety, and historic preservation such as the Kids Don't Float Life Jackets program that is credited for saving 32 lives. Major accomplishments for DPOR in 2018 include (slide 18):

- completed the Eagle Rock Unit facility facelift
- completed the Byers Lake bridge
- reduced reliance on general funds for operations
- provided almost 4,000 loaner life jackets
- issued archaeological survey permits
- awarded grants for trails

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MR. GOODRUM continued to slide 19 and said the Division of Agriculture (DoAg), with 33 positions, provides land sales, loans, inspections, the Alaska Grown program, and other programs essential to the agricultural industry. The Plant Materials Center (PMC) provides the sole source of plant material developed for Alaska's unique environment and protects Alaska from invasive species by providing "clean seeds" in situations such as land reclamation along roads. Major accomplishments by DoAg in 2018 include (slide 20):

- launched the International Trade Effort
- leveraged \$1.8 million in grant funding for the agricultural industry

- in accordance with the [Agriculture Improvement Act of 2018], leveraged microgrants
- introduced products to markets such as the Anchorage School District
- Agriculture Revolving Loan Fund promotes the development of agriculture and managed over \$7 million in loans
- PMC conditioned over 165,000 pounds of native seed
- inspected approximately \$100 million in timber and agricultural exports
- continued work with other agencies against invasive species

REPRESENTATIVE RAUSCHER inquired as to the market for Alaska's timber.

MR. GOODRUM answered Alaska raw timber predominately goes to Southeast Asia; he was unsure as to a domestic market.

REPRESENTATIVE HOPKINS asked for further information on the location and success of Elodea eradication efforts.

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ROB CARTER, Deputy Director, PMC, DoAg, DNR, informed the committee the two known areas of Elodea infestation in the Matanuska-Susitna (Mat-Su) region are the Alexander Lake drainage and the Sucker Lake complex; in addition, a new infestation was found in Jewel Lake. All Anchorage lakes are actively monitored - as are Potter's Marsh and Lake Hood - for management and treatment. Through partnerships with the Alaska Department of Fish & Game, the U.S. Fish and Wildlife Service, DOI, and boroughs, Elodea has been eradicated from the Kenai Peninsula and several lakes. Currently, DoAg is analyzing connecting lakes and waterbodies for potential Elodea including Chena Slough, Manly Slough, Bathing Beauty Pond, and Quartz Lake.

REPRESENTATIVE HOPKINS asked about indications of Elodea expanding into Clearwater [Creek], the Tanana River, or the Chena River.

MR. CARTER confirmed DoAg has been actively managing Chena Slough and surveys will continue to ensure the area is under control; nothing has been found in the Clearwater area however, areas have been identified in the Tanana drainage at Manly Slough and closer to Nenana.

REPRESENTATIVE RASMUSSEN asked whether problems are caused by humans who swim in Sand Lake, Jewel Lake, or other lakes.

MR. CARTER advised DoAg has concluded the problems are caused by people who [illegally dump] fish tanks in lakes, floatplane traffic and boat and trailer traffic; DoAg seeks to educate the public as to what Elodea looks like, and activities that cause problems, and to actively manage the invasive population and reduce the transfer of invasive species to other waterbodies.

REPRESENTATIVE RASMUSSEN observed the cost of lumber is high in Alaska and asked whether there are local processing facilities for timber.

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JOHN "CHRIS" MAISCH, State Forester and Director, Division of Forestry (DOF), DNR, advised there are many mills statewide producing domestic lumber, particularly in Interior, Kenai, and Anchorage areas.

CO-CHAIR TARR stated a number of positions such as the Alaska Grown program and PMC are cut by the budget; she suggested the committee is informed by testimony related to the unlimited opportunities for agriculture in Alaska.

REPRESENTATIVE TALERICO questioned whether the National Park Service (NPS), DOI, makes substantial purchases from PMC.

MR. CARTER said PMC has sold to countless federal agencies and divisions - and to the private sector - native seeds and materials that have been developed and tested for use on federal lands in Alaska.

REPRESENTATIVE TALERICO urged NPS to use clean seed procured from PMC on every project in Alaska.

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MR. GOODRUM directed attention to the Support Services Division (SSD) that has 71 positions tasked to manage and provide the state's land records management; SSD also provides the geospatial information system (GIS) support which is important to those who make decisions for the use of state land and water. Further, SSD oversees procurement, budget, and financial transactions; ensures public funds from 20 different sources are managed with integrity and transparency; provides human

resources services. Major accomplishments by SSD in 2018 include (slide 21):

- transitioned travel services to Shared Services of Alaska
- provided technology services to statewide GIS Geoportal
- reduced its workspace in Anchorage and Fairbanks to reduce operating costs

CO-CHAIR TARR surmised SSD is now the equivalent of administrative services in the "new organization."

MR. GOODRUM explained the change is that the administrative support directors are now "dual-hatted"; for example, the director of DNR's SSD "wears two hats" between DNR and the Office of Management and Budget (OMB), Department of Administration (DOA).

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FABIENNE PETER-CONTESSÉ, Director, SSD, DNR/OMB, DOA, further explained SSD, in contrast with administrative services in other departments, has a three-fold mission: traditional administrative services such as human resources, budget, procurement, and financial management; GIS; the state recorder's office. Regarding the director's additional position at OMB, she stated there are benefits to co-locating with administrative services directors across the state in that the directors will be able to address chronic problems related to payroll and other issues. As her position remains embedded in DNR, she also continues her work there.

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REPRESENTATIVE RASMUSSEN questioned whether a change to electronic recording at the recorder's office would garner savings and if the processing time at the recorder's office will be delayed beyond 24 hours.

MS. PETER-CONTESSÉ recognized a proposal in the governor's amended budget reduces the recorder's budget by \$408,000 through the closure of offices in Kenai, Palmer, Juneau, and Fairbanks; all recording would be processed in the Anchorage office. Currently, about 50 percent of documents are electronically recorded, which can be processed anywhere. The proposal reduces staff and moves necessary staff to Anchorage. There will be a reduction of walk-in service but not an increase in processing time; all documents will be available electronically online.

CO-CHAIR TARR asked how documents would be recorded by residents who do not have access to an office.

MS. PETER-CONTESSE said a resident could pay a fee to a title company and the title company would submit the document for recording; the document could also be mailed to the Anchorage office.

REPRESENTATIVE RASMUSSEN said she was familiar with services related to real estate documents and asked whether any other transactions were processed by the recorder's office.

MS. PETER-CONTESSE advised there are many documents processed by the recorder's office such as the original plat files on residential and municipal properties, liens, child support enforcement liens, real estate transactions, and mining affidavits of labor.

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REPRESENTATIVE RASMUSSEN asked whether statute or regulations require that hard copies or electronic copies of all plat files must be kept.

MS. PETER-CONTESSE was unsure whether statute or regulations require the recorder's office to keep original plat files so real estate developers or others can check-out copies of plat files; however, any changes to plats are made to the original. Pursuant to national standards, other original documents are recorded, scanned on microfilm, and returned. In further response to Representative Rasmussen, she said original plats are kept in the recorder's offices in Anchorage, Fairbanks, and Juneau.

REPRESENTATIVE RASMUSSEN surmised [closing offices] would require more space to store files in Anchorage.

MS. PETER-CONTESSE said yes. The efficient use of storage space in Anchorage will be reviewed.

REPRESENTATIVE HANNAN suggested electronic recording and searching of documents would be convenient for those trained to do so; however, the diversity of recorded documents such as historical mining plats and liens would complicate access to the files. She gave an example of residents in remote locations who are frustrated and stymied by "this efficiency."

REPRESENTATIVE RASMUSSEN suggested residents would need assistance "on how to navigate DNR because it's kind of confusing looking at the recorder's office."

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MS. PETER-CONTESSÉ acknowledged walk-in offices are best and DNR has concerns about [serving] members of the mining community who prefer to come to the office. Although she said she supports the offices, she asked, "... are they the most efficient use of the dollars that we bring into the State of Alaska ...?"

REPRESENTATIVE SPOHNHOLZ asked for clarification of the "hard copy" of plats kept on file.

MS. PETER-CONTESSÉ expressed her belief plat files would not be electronic files; plat files are available electronically, but the document of record is in Mylar.

REPRESENTATIVE SPOHNHOLZ stated it is important to aspire to efficiency, but efficiency is not always the gold standard of performance; she cautioned against efficiencies that mar the quality of a product, in fact, the recorder's offices provide an essential service upon which the state economy relies.

REPRESENTATIVE RASMUSSEN related her business use of the recorder's office is primarily through its website; she urged DNR to inform the public of alternative resources such as services provided by title companies.

CO-CHAIR TARR inquired as to whether the positions identified during the presentation are budgeted in the "FY 19 Management Plan" and are filled positions or authorized positions.

[2:33:52 PM](#)

MR. GOODRUM responded the positions are budgeted positions in the "fiscal year 19 budget plan."

CO-CHAIR TARR asked whether there are concerns about hiring and retaining staff due to the uncertain future for some positions and divisions.

MR. GOODRUM acknowledged a stable and predictable budget is important to retain a workforce; DNR's ability to attract and

retain skilled employees has become challenging. He stressed vacancies equate to "lost capacity" for all department.

MS. PETER-CONTESSÉ clarified the 236 forestry positions consist of permanent fulltime and permanent seasonal positions; in addition, DOF hires emergency firefighters and [U.S. Forest Service Interagency Hotshot Crews]. Of 901 [DNR] management plan positions, 624 are permanent fulltime, and of those, 56 were vacant as of 1/31/19. She pointed out recruitment for foresters is chronically difficult and the state cannot compete with the private sector to recruit expertise for jobs in oil and gas positions.

CO-CHAIR TARR reviewed topics that need clarification.

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ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:41 p.m.