

HOUSE FINANCE COMMITTEE  
February 12, 2025  
8:05 a.m.

8:05:55 AM

CALL TO ORDER

Co-Chair Josephson called the House Finance Committee meeting to order at 8:05 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Andy Josephson, Co-Chair  
Representative Calvin Schrage, Co-Chair(via teleconference)  
Representative Jamie Allard  
Representative Jeremy Bynum  
Representative Alyse Galvin  
Representative Sara Hannan  
Representative Nellie Unangiq Jimmie  
Representative DeLena Johnson  
Representative Will Stapp  
Representative Frank Tomaszewski

MEMBERS ABSENT

None

ALSO PRESENT

John Boyle, Commissioner, Department of Natural Resources;  
Brent Goodrum, Deputy Commissioner, Department of Natural Resources;  
John Crowther, Deputy Commissioner, Department of Natural Resources.

SUMMARY

HB 53      APPROP: OPERATING BUDGET; CAP; SUPP

HB 53 was HEARD and HELD in committee for further consideration.

HB 55      APPROP: MENTAL HEALTH BUDGET

HB 55 was HEARD and HELD in committee for further consideration.

OVERVIEW: FY26 DEPARTMENT OF NATURAL RESOURCES BUDGET

Co-Chair Josephson reviewed the meeting agenda.

#hb53

#hb55

HOUSE BILL NO. 53

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making supplemental appropriations; making reappropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

HOUSE BILL NO. 55

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

^OVERVIEW: FY26 DEPARTMENT OF NATURAL RESOURCES BUDGET

[8:07:15 AM](#)

JOHN BOYLE, COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES, introduced himself and stated that serving as the Commissioner of the Department of Natural Resources (DNR) was an honor. He relayed that it was a humbling experience that came with significant responsibility. He noted that DNR had a strong culture that was built around the people of Alaska. In his view, DNR employed the smartest, most ambitious, and most dedicated individuals in state government. He believed many within the department understood the mission clearly and recognized that by working for DNR, they had more ability to shape Alaska's future than they might in any other agency. The impact was due to the department's stewardship over state lands and natural resources, and the wide-reaching influence it held through authorizations and permits.

Mr. Boyle introduced the PowerPoint presentation "Department of Natural Resources Overview" dated February 12, 2025 (copy on file). He continued to slide 2 and detailed the organizational overview of the department. He explained that Deputy Commissioner Brent Goodrum oversaw several divisions including the Division of Agriculture (DA), led by Bryan Scoresby; the Division of Forestry and Fire Protection (DFFP), led by State Forester Jeremy Douse; the Division of Support Services (DSS), led by Shannon Miller; the Division of Mining, Land, and Water (DMLW), led by Director Christy Colles; and the Division of Parks and Outdoor Recreation (DPOR), led by Ricky Gease.

Mr. Boyle remarked that DMLW held an especially important role within DNR and that Director Colles performed outstanding work. He also emphasized the significance of DPOR and remarked that state parks were among his favorite elements of DNR. He emphasized the value of having public spaces and noted that many Alaskans lived near parks.

Mr. Boyle continued to speak about Deputy Commissioner Crowther, who oversaw the Division of Geological and Geophysical Surveys (DGGs), which he described as a vital and sometimes unsung division within DNR. He praised the division for identifying and characterizing the state's resource potential. He noted that DGGs frequently played a crucial role in responding to natural disasters, such as landslides, coastal flooding, and volcanic activity. As an example, the division was conducting monitoring work in the wake of Typhoon Merbok. He noted that DGGs was currently keeping watch on Mount Spurr, which had recently shown signs of activity.

Mr. Boyle noted that the position of state geologist was currently vacant. The role had most recently been filled by Melanie Werdon, who had spent several decades with the department but had recently retired. He relayed that recruitment for her replacement would begin shortly.

Mr. Boyle continued to the Division of Oil and Gas (DOG), which was led by Director Derek Nottingham. The division was important to the state's economy and resource management. The next division within the department were the Alaska Mental Health Trust Authority's (AMHTA) Trust Land Office (TLO), led by Jusdi Warner, which was responsible for land and resource management services. The final division was the Office of Project Management and

Permitting (OPMP), led by Director Ashlee Adoko, which served a critical coordination role for the state. He explained that OPMP provided assurance to potential investors that major infrastructure or resource projects would receive coordinated permitting support across state and federal agencies. He noted that OPMP functioned as a "quarterback" for such efforts.

[8:14:22 AM](#)

BRENT GOODRUM, DEPUTY COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES, continued on slide 3. The table at the top left represented the department's FY 24 actuals and provided a comparison of the FY 25 management plan to the governor's proposed FY 26 budget. The FY 24 actuals included approximately \$77.9 million in unrestricted general fund (UGF) fire supplementals. He noted the most significant changes occurred in the "other" fund category, which showed an increase of approximately \$11.2 million, followed by an increase of about \$3 million in the UGF category.

Mr. Goodrum added that over half of the UGF increase could be attributed to a provision passed by the legislature the previous year that added an interagency receipt appropriation to state facilities maintenance and operations. The provision enabled the department to track, manage, and report facilities, utilities, repairs, and related costs. He stated that he would elaborate on future slides.

Mr. Goodrum noted that there was an increase of nine positions from the FY 25 management plan to the governor's FY 26 budget across all position types, as shown at the top right of the slide. He indicated that the reasons for the position increases would be explained in subsequent slides. He explained that the three pie charts on the slide represented a high-level comparison of DNR's four fund categories by percentage of the total operating budget: UGF, designated general fund (DGF), other, and federal. He pointed out that there were only minor changes between the FY 25 management plan and the governor's proposed FY 26 budget. The significant changes would be discussed on later slides.

Mr. Goodrum continued to slide 4 and explained that the governor's FY 26 budget included 20 different funding sources. According to the green comment box on the right

side of the slide, the general fund budget totaled approximately \$120 million, accounting for 63 percent of DNR's total operating budget. Most of the DGF revenue came from park fees, right-of-way leases, material sales, mining leases, and recording fees. The majority of "other" revenue consisted of interagency receipts, statutory designated program receipts, Permanent Fund receipts, capital funds, and AMHTA funds. He directed attention to the comment box on the bottom right of the slide, which stated that the department generated \$21 in revenue for every dollar appropriated to DNR on a 10-year revenue average. He emphasized that the department was proud of the return on investment.

[8:18:00 AM](#)

Representative Hannan asked for more information about the Exxon Valdez Oil Spill settlement listed under the other category on slide 4. She assumed that the department still received an annualized payout from the settlement and asked whether it was a stagnant number year-over-year or if it was declining.

Mr. Goodrum responded that he would need to follow up with more information. He explained that most of the numbers were based on formulas and were somewhat dynamic, but the numbers did not fluctuate significantly.

Representative Hannan asked if the department could also provide information on how many more years it expected to receive claims from the settlement.

Mr. Goodrum confirmed that he would follow up with the information.

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Mr. Goodrum continued on slide 5 which included an overview of the governor's proposed FY 26 budget changes. He stated that OPMP on line 1 planned to add receipt capacity for anticipated projects, totaling \$140,000 in interagency receipts. The office anticipated new projects in mining, energy, and broadband. Additional interagency receipt authority was needed to ensure that there would be no delay in construction and operations that could advance the state's economy.

Mr. Goodrum explained that line 2 pertained to state facilities, maintenance, and operations within DSS, which included \$7.881 million in interagency receipts. The interagency receipt appropriation would be added to track, manage, and report facilities, utilities, repairs, and related costs across the department.

Mr. Goodrum continued to line 3, which related to AMHTA's TLO and included \$5.5 million in authorized receipts to maintain the office's administrative budget. He noted the office was supported through AMHTA funding, which followed a zero-based budgeting process each fiscal year. The funds covered operating costs such as personal services, staff travel expenses, professional services, advertising, postage, and general office supplies.

Mr. Goodrum explained that line 4 related to DMLW and was a request for \$342,000 in UGF and the addition of two permanent full-time positions to implement the big game guide concession area program authorized by SB 189, effective FY 25. The division would be responsible for drafting and adopting regulations, developing selection criteria and guiding qualifications, evaluating applications, and issuing permits.

Mr. Goodrum discussed line 5, which sought to expand broadband access for vital community services in FY 26 and FY 27 with a request for \$306,000 in UGF and two permanent full-time positions. He relayed that the effort was tied to federal Infrastructure Investment and Jobs Act (IIJA) funding intended to bring broadband to communities in need. Due to the complexity of utility projects on state land, the department needed additional staff to process easement applications and support large-scale broadband and highway projects. He noted that it was a two-year increment.

Mr. Goodrum moved on to line 6 which detailed DFFP and its forest management and development efforts. He relayed that the request was for \$858,000 in UGF and for three permanent full-time positions. The goal was to expand access to state forests and increase the availability of timber sales to boost economic development. The funding would stabilize positions for three heavy equipment operators, five Geographic Information Systems (GIS) analysts, and four foresters who currently relied on expiring capital and federal funds. The request also included funding for a new

forester in Haines, an engineer architect in Anchorage, and an Accounting Technician III to strengthen the team.

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Mr. Goodrum continued to line 7, which requested an \$800,000 increase in statutory designated program receipts under forest management and development. He explained that DFFP anticipated grant opportunities through the Denali Commission to fund forest management on private lands. The program would support reforestation, fire mitigation, and forest health treatments. The goal was to leverage the funding to prevent disturbances like the Spruce Bark Beetle outbreak and enhance safety for Alaskans.

Mr. Goodrum continued with line 8 and the request for the natural disaster emergency response and prevention funding for DGGs. The request included \$648,400 in UGF and two permanent full-time positions. He explained that Alaska was experiencing more frequent and severe floods, landslides, and avalanches, and the division lacked the staffing and funding to respond adequately to requests from the state emergency operations center. The request aimed to establish a dedicated emergency response team to conduct geologic hazard assessments and proactively manage land to mitigate geological risks. The funding would support one full-time Geologist II and one full-time GIS Analyst II.

Representative Hannan asked about line 4 and wondered if SB 189 granted DNR any cost recovery authority for implementing the big game guide concession area program, similar to how the Department of Commerce, Community and Economic Development (DCCED) used cost recovery in its licensing processes. She asked if there was a mechanism to recover the implementation costs from the concessionaires once the program was in place.

Mr. Goodrum responded that he was not certain whether SB 189 included cost recovery provisions. The department submitted a fiscal note for the bill indicating a need for new positions to support the program. He relayed that it was possible that the department could transition the positions to be funded through program receipts instead of UGF after the program was up and running and revenues began to materialize.

Representative Hannan asked if SB 189 was one of the bills that passed in the previous year without its fiscal note being adopted.

Mr. Goodrum replied that to his knowledge, the fiscal note did not travel with the bill when it was passed.

Representative Hannan directed attention to line 7 and the forester position in Haines. She recalled that a forester had previously served in Haines and wondered whether the budget request was to restore the role or to add a second forester. If the request would add a second forester, she asked what specific needs in FY 25 would justify the addition.

Mr. Boyle responded that there was still a long-serving forester in Haines who managed the Haines State Forest and did exceptional work. He explained that part of the rationale for adding another forester was to prepare for the established Haines forester's eventual succession and to enable the forester to pass on his extensive knowledge and experience. Additionally, the department foresaw increased opportunities in forest management activities in Haines that would benefit from additional staffing.

[8:28:06 AM](#)

Representative Hannan appreciated the value in succession planning but emphasized that the state was in a tight fiscal situation. She asked what return on investment the department expected by funding the new position in the upcoming fiscal year.

Mr. Boyle responded that the anticipated Baby Brown timber sale would require significant staff time and oversight. He mentioned that there would be upcoming revisions to the Haines State Forest's budget and potential opportunities in carbon markets. He explained that the single forester in Haines handled everything from paperwork and planning to physically maintaining access roads. The workload had grown too large for a single person, and the new position would provide much-needed support. He emphasized the importance of having staff physically present who could lay out timber sales, walk the forest, and understand the scope and potential of available resources.

Mr. Goodrum resumed on line 9 which detailed DFFP's fire suppression preparedness component. He explained that the request was for \$1.5 million in statutory designated program receipt authority. The receipts were collected from parties in the Northwest Compact Agreement and federal fire cooperators. He noted that the revenues collected from the partners helped maintain the state's aviation resources and reduced its reliance on contracted and emergency-use aircrafts. By expanding the statutory receipt authority, the division could access and use the revenues and minimize its dependence on UGF.

Mr. Goodrum continued on line 10 and detailed DPOR's boating safety program. He explained that \$302,000 in boating safety program receipts were being appropriated from boat registration fees collected under AS 05.25.096 for FY 25. The appropriation supported ongoing education and enforcement efforts tied to boating safety statewide. He clarified that similar language was intended to be included in future operating budgets to ensure continued funding of the program through registration fees.

[8:32:08 AM](#)

JOHN CROWTHER, DEPUTY COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES, continued on slide 7 and detailed DNR's carbon programs, including the Carbon Capture, Utilization, and Storage (CCUS) initiative. He explained that the program was focused on enabling the state's subsurface resources to be used for the underground injection and permanent storage of carbon dioxide. The authority for the program was granted by the legislature in the prior year and the department had since worked to develop and finalize implementing regulations, which were expected to go into effect the following week.

Mr. Crowther noted that applications for licenses could begin arriving in the weeks or months following the finalization of the regulations. He indicated that several companies were already exploring site characterization and data gathering for potential projects. According to the statutes and accompanying regulations, the license areas would generate rental payments and could later convert to long-term injection sites and generate revenue through per-ton injection fees.

Co-Chair Josephson asked Mr. Crowther whether he was personally involved in the development of the regulations and if he was actively engaged in the details of the regulation process.

Mr. Crowther replied he had been intimately involved in the drafting of the regulations. He added that the Department of Law (DOL) and peer agencies from other states had also been consulted. He thought that the result was a robust and well-informed regulatory package that positioned Alaska well to attract industry interest.

Co-Chair Josephson asked if Mr. Crowther could disclose more information about the early industry interest. He asked if projects would be in the Cook Inlet or the North Slope, or somewhere else.

Mr. Crowther responded that there had already been discreet efforts underway on the North Slope, with some publicly announced projects exploring the potential for carbon storage. The efforts included support from the U.S. Department of Energy and much of the information had been made publicly accessible. Additional activity had been occurring in Cook Inlet and several projects were being evaluated.

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Mr. Crowther continued on slide 7. The carbon offset initiative had passed two years earlier to enable the generation of carbon offset credits from state lands. Under the initiative, the state could manage timber and other natural resources in ways that would generate marketable credits for the voluntary carbon market and potentially create a new source of revenue. He stated that regulations had been finalized in 2023 and that DNR had retained the consultant Terra Verde to assess project feasibility. The department had begun its initial focus on the Tanana Valley State Forest but was also considering other areas. Depending on the outcome of the assessments, credit-generating projects could be initiated within the year and revenue might be realized within 18 to 24 months of a project launch.

Representative Stapp recalled that projections had suggested that there could be up to \$90 million per year in carbon offset income. He noted that no revenue had yet

materialized, despite the state being several years into the program. He asked when Alaska might begin seeing financial returns from the initiative.

Mr. Boyle responded that the timeline for potential revenue was approximately 18 months after the launch of a sanctioned project. He added that DNR had not committed to any specific revenue projections, but instead had communicated that there were reasonable opportunities to generate new revenue. He affirmed that interest from developers existed and that some were currently engaged in feasibility studies. Since the regulations had only been finalized six months earlier, the program was still in its early stages. He noted that several parties had expressed interest and were at various stages of evaluating whether and how to submit proposals to the state. The voluntary carbon market itself was evolving and there were ongoing changes to protocols and verification standards. He stressed that it was important to have a dedicated carbon program manager at DNR to stay engaged with market developments and maximize potential benefits to the state. He thought it could be beneficial if the state were to receive credit for its efforts to reduce incidents of wildfire because it was a significant contributor to carbon emissions. He anticipated that the program would evolve and expected that the state would realize revenue at some point.

[8:39:58 AM](#)

Representative Stapp expressed hope that the anticipated revenue would be realized before the newly planted trees matured into old growth. He asked how likely it would be for there to be progress within the following year. He asked if there was a greater than 50 percent chance that the state would see financial returns from the project, or if the likelihood was closer to 10 percent or lower.

Mr. Boyle responded that he did not wish to speculate with specific odds. He emphasized that there had been demonstrable interest from credible participants, particularly those with experience in similar projects in other jurisdictions. The other projects had successfully reached completion which increased the probability of success in Alaska. He was confident that the revenue generated would surpass the costs presently associated with

administering the project. He remarked that generating revenue was more likely than not generating revenue.

Representative Hannan noted that the initiative was frequently referred to as a "tree program," but she had found that there was the potential for using marine resources such as kelp for the program as well. She asked whether the existing regulatory framework would allow for such development and whether there had been any formal inquiries. She added that kelp could be harvested within a single season, unlike trees. She understood that kelp offered a more immediate opportunity for generating revenue, assuming there was industry interest.

Mr. Boyle replied that there was interest in mariculture opportunities. He explained that the carbon offset program would accommodate and facilitate ventures in the mariculture environment and there were ongoing efforts to develop protocols for the projects. There were many innovative concepts under review, such as projects proposing the use of aquatic machinery to harvest the upper layers of kelp. The collected kelp material would then be sunk into deep ocean locations, where it was expected to remain for hundreds of years before decomposing and re-releasing carbon. While the specifics were still being refined, the foundational concepts were actively under development. He added that he had personally met with a company operating a significant mariculture project in Africa that was exploring opportunities in Southeast Alaska. He anticipated that interest would continue to grow.

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Representative Johnson asked whether Mr. Boyle was aware of any upcoming changes from the federal government. She wanted to get a better sense of the department's goals and objectives. She asked for more information about the potential impacts on the carbon offset market and whether any existing firefighting cooperation agreements with Canada might be affected.

Mr. Boyle responded that he would be hesitant to attempt to predict future federal actions. He noted that there was a possibility that incentives established under IIJA and the Inflation Reduction Act (IRA) could be reconsidered. He explained that the 45Q tax credits were used to support

CCUS projects and could influence company interest. He relayed that Sumitomo, a major industrial conglomerate, had expressed interest in carbon capture and sequestration in Alaska. The interest was driven by international decarbonization goals particularly in Japan and South Korea and was not dependent on U.S. incentives, programs, or policies. He thought there was a strong opportunity to generate value from state resources and there was both international and domestic interest. The goal was to monetize every resource and open additional revenue streams to support state programs.

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Representative Galvin asked for more information about the five-year conversion to lease option under the carbon capture program. She wondered whether the current rates of \$20 per acre and \$250 per ton injected aligned with international standards. She also asked how the rates were being determined. She was concerned about the integrity of the program and asked how the state could ensure that companies were not reinjecting carbon solely to enhance oil production. She reiterated her concern about the potential for abuse of the program.

Mr. Crowther responded that comparing Alaska's program rates to international standards remained somewhat premature, as the global market for carbon transport and storage was still in development. He noted that Alaska was already being considered as an early destination for such projects, alongside other Pacific Rim nations like Australia and Indonesia. The program's terms and statutes were fully public and prospective partners were reviewing them closely. He acknowledged that project structures might evolve alongside the market itself, but updates would be shared with the legislature as the process unfolded. He explained that early assessments focused on geology and infrastructure needs were underway.

Mr. Crowther added that lease applications could be submitted in the coming months, which would provide further clarity on how the program was being received. He explained that enhanced oil recovery had long been practiced by operators, with direct financial benefits to the state through increased royalty revenues. He relayed that AOGCC and DNR had mechanisms to monitor and assess oil field operations, such as statutes, lease conditions, and

reporting requirements related to well permitting and field activity. Companies had the option to convert leases and the department and AOGCC both held authority to direct conversions when a site shifted to exclusive carbon storage. He suggested that the state had sufficient oversight and tools in place to manage the program effectively and could properly respond if the program was being abused.

[8:52:15 AM](#)

Mr. Goodrum continued the presentation on slide 8. He stated that DFFP's two core functions were to manage wildland fire risks to life, property, and infrastructure across 150 million acres in Alaska, and sustainably manage the state's forests to supply resources to Alaskans. He continued to slide 9 and explained that the division managed 47 million acres of state forests and 2.1 million acres of legislatively designated forests. The areas supported commercial timber sales and public use. State timber sales were the main source of supply for local sawmills and value-added wood product manufacturers across much of Alaska. The sales also provided woody biomass for heat and electricity, particularly in the interior region of the state.

Mr. Goodrum reported that in the previous year, the division sold 33.6 million board feet of new timber, appraised at \$2.9 million. He relayed that an additional 25.2 million board feet was harvested from state lands and generated \$1.7 million in timber receipts. He noted that 128 miles of forest roads were maintained by division personnel, contractors, and loggers. The division continued to build new roads to access new timber stands and currently managed a total road network of approximately 670 miles, including roads within and to state forests and other lands used by Alaskans for subsistence, recreation, and business. He emphasized that the roads also served as critical access points during periods of high fire activity.

Mr. Goodrum explained that the department remained committed to expanding Alaska's forest economy. He noted that the timber industry supported approximately 1,200 jobs and contributed \$58 million annually to the state's economy. The division aimed to increase the available timber volume and offer longer-term contracts to provide

operators with the stability to invest in additional equipment and crews. He noted that the division had expanded reforestation and pre-commercial thinning efforts.

Mr. Goodrum relayed that training sessions for the Alaska Lumber Grading Program (ALGP) had been held in Sitka, Klawock, Haines, Soldotna, Palmer, Aniak, and Fairbanks, and a total of 109 individuals were certified. The division was also working with the University of North Carolina to develop a wood drying workshop to be offered later in the year.

[8:55:54 AM](#)

Mr. Goodrum advanced to slide 10. He reiterated that the division was responsible for managing fire risks across 150 million acres of land. He stated that recruitment and retention of wildland firefighters and dispatchers remained a top priority. He credited the governor's mission-critical and hazard incentive pay with improving workforce stability. There had been a twelvefold increase in applicants for the Pioneer Peak, Gannett Glacier, and White Mountain crews from 2024 to 2025. There was also a 5.2 percent decrease in vacancies from January 2024 to January 2025.

Mr. Goodrum explained that the fire program's strategic plan aimed to ensure staffing levels capable of supporting Preparedness Level 3 of the five-level national fire danger scale, which reduced reliance on delayed and costly resources from outside Alaska. In the previous year, the division trained 224 new firefighters through five wildland fire academies, including specialized training in prevention, initial attack, basic and intermediate firefighting, and agency crew operations. He added that 158 emergency firefighters took part in hazard fuel reduction projects near communities and areas of state interest. The division received \$10.2 million in federal funds to support training, technology upgrades, and assistance for volunteer fire departments. The division awarded three wildfire defense grant applicants a combined \$3.1 million to improve community-level fire preparedness.

Mr. Goodrum stated that the division focused on reducing the number of human-caused fires, which were often the most destructive due to their proximity to populated areas. The prevention efforts centered on public education, outreach,

and awareness campaigns. Last year, the division participated in 104 outreach events and delivered over 1,500 public announcements.

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Mr. Goodrum continued to slide 11 and reported that the division had implemented 12 hazardous fuel mitigation projects using private contractors, Alaska fire crews, and local government partnerships, which contributed to building a landscape of fire-resilient areas around Alaska's communities. The funding for wildfire and forest management efforts came from a combination of state capital improvement projects (CIPs), federal grants, and U.S. Forest Service (USFS) pass-through funds. He noted that investing in fire-adapted communities reduced long-term fire suppression costs. He reported that the 2024 fire season in Alaska was average, with 379 fires burning just under 700,000 acres. He relayed that division aircraft flew over 1,400 hours and dropped 250,000 gallons of retardant. Protected assets included the Trans-Alaska Pipeline System, mining infrastructure, and major highway corridors.

Mr. Goodrum stated that suppression efforts in the Matanuska-Susitna Borough (MSB), Fairbanks North Star Borough (FNSB), and the Kenai Peninsula Borough (KPB) protected more than 500 primary residences and over 100 remote cabins. In 2024, personnel supported the winter storm response in Fairbanks and 22 firefighters cleared roads of fallen trees to enable access for the Department of Transportation and Public Facilities (DOT). He added that division crews assisted in Kotzebue during fall flooding caused by winter sea storms and a 12-person team helped pump out flooded basements and crawlspaces. Firefighters also supported the Federal Emergency Management Agency's (FEMA) responses during Hurricane Helene, deploying to North Carolina and Florida to clear roads, manage distribution centers, and assist in temporary housing efforts. Additionally, 25 personnel were deployed to Southern California to support fire suppression in communities impacted by major fires.

Mr. Goodrum continued to slide 12 and provided an overview of staffing and training efforts. He reported that the division employed 220 wildland fire and resource technicians and consisted of 132 permanent seasonal employees and 88 long-term non-permanent seasonal

employees. He reiterated that five fire academies had been taught in 2024 and division personnel also participated in interagency training with the Alaska Fire Service. He stated that a wide range of training courses had been held across the state, including entry-level and refresher courses. He reported that twelve of the sessions took place in Southwest Alaska, where efforts were underway to rebuild local firefighting crews.

Mr. Goodrum advanced to slide 13 and spoke about fire prioritization. He explained that all protection agencies followed the Alaska Interagency Wildland Fire Management Plan (AIWFMP). The plan ensured a coordinated and cost-effective approach to wildfire management and was developed by the state through collaboration with USFS, the Department of the Interior, and Alaska Native organizations. He stated that the plan established priorities during times of limited resources, with life and safety as the highest concern. Fires threatening human lives, homes, or critical infrastructure received immediate attention. He referenced a map on the slide that categorized areas by priority level: red for critical, orange for full protection, yellow for modified protection, and green for limited protection.

[9:04:23 AM](#)

Mr. Goodrum advanced to slide 14 and relayed that he often received questions about firefighting assistance agreements and reimbursement procedures. He explained that Alaska utilized three primary agreements when importing or exporting firefighting resources, which outlined billing procedures, operational protocols, and mutual expectations. The most efficient arrangements were state-to-state agreements and participation in the Northwest Compact, where direct billing between parties typically enabled reimbursement within six months. He noted that Alaska was known for its reliable participation in the agreements and the Alaska Master Cooperative Wildland Fire Management Agreement functioned as the national system for resource ordering. He explained that USFS acted as the billing agency under the agreement, but reimbursement often required several years due to the complexity of cross-billing.

Mr. Goodrum continued to slide 15 which illustrated recent trends in fire and prepositioning costs. The state

allocated \$5.24 million in UGF for fire activity in FY 19. The allocation amount increased by \$8.4 million in FY 20, totaling \$13.64 million. He explained that \$34.34 million had been allocated in the current fiscal year. The governor's proposed FY 26 budget allocated \$25.8 million, which was 75 percent of the current year's funding, double the amount allocated in FY 24, and five times more than in FY 19.

[9:06:30 AM](#)

Representative Johnson asked for an update on a lumber grading bill passed the previous year. She asked for information about the implementation progress and whether there had been any commercial benefits.

Mr. Goodrum responded that the program was fully implemented and operational. He reiterated that training had been conducted in nine locations, certifying 109 individuals. He noted that Representative George Rauscher had participated in the training course. He added that the program was already driving increased demand for timber resources in local communities and showed promising early success.

Representative Johnson asked for confirmation that the regulations were finalized and that the program was active.

Mr. Goodrum replied in the affirmative.

Representative Johnson noted that there was an absence of carbon credit sales or market development objectives in the department's stated goals. She asked whether any progress had been made.

Mr. Boyle asked for clarification on which specific goals she was referring to.

Representative Johnson replied that she was referring to the department's goals listed in the front of DNR's budget book. She noted that carbon credit sales were not mentioned. She asked for more information on creating a carbon market and selling credits.

Mr. Boyle responded that the intent was to sell credits within the voluntary carbon market. He explained that various protocol institutions existed to help entities

market credits to specific sectors. He emphasized that the most significant development thus far had been the establishment of the program itself. The regulatory framework was in place and DNR had hired a designated carbon manager responsible for engaging with relevant institutions and ensuring that Alaska's interests were represented as the protocols continued to evolve. Part of the ongoing work involved evaluating which types of forest management would qualify for credits as well as identifying other opportunities for carbon sequestration, including in mariculture. He noted that there were numerous ways to use public lands and techniques to capture or store carbon. The department was working to identify areas where Alaska was particularly well-positioned to participate, and it was keeping channels open for interested entities to pursue specific projects based on Alaska's natural resources. The carbon market remained highly dynamic. The primary goal at the current stage was to navigate the complexity of the field while identifying viable opportunities for the state.

[9:12:34 AM](#)

Representative Johnson remarked that considerable time had been spent developing carbon legislation and she wanted to ensure the program remained active and did not lose momentum. She noted that DNR's goals for firefighting seemed similar to goals from previous years. She asked whether there were any new or particularly important priorities beyond the standard targets. She understood that one of the goals was to mitigate smoke concerns, but she was unsure how the objective would be approached.

Mr. Boyle replied that one of the most significant developments in the past year was the legislature's support for increased emergency firefighter pay. The funding had been critical for maintaining a qualified and reliable workforce. He noted that a year ago, state firefighters were walking off the job, getting hired as federal firefighters, and receiving an immediate 47 percent jump in pay and benefits. He explained that losing high numbers of crew members and needing to undertake the cost of recruitment and retraining was a significant cost driver. He added that instability also meant that there was an added risk in terms of having less experienced personnel. He stressed that recruitment and retention markedly improved after pay was increased.

Mr. Boyle continued that recent efforts, such as increased funding for firefighter compensation, represented an important step toward preparedness and cost containment. He explained that DNR was working to build capacity to reach fire preparedness level three. One of the most significant cost drivers was Alaska's reliance on external support from other states or provinces. Transporting crews and equipment from locations such as Washington, Oregon, Montana, or Saskatchewan, Canada, involved substantial logistical expenses.

Mr. Boyle remarked that investing more money up front into recruitment, retention, and local readiness could ultimately lead to long-term savings by reducing the need for outside assistance. He stressed the importance of forestry-related infrastructure. He relayed that roads were typically built and maintained by logging operations in areas with active timber activity, but DNR was working to expand its budget in order to maintain more roads. He noted that improving road access would lower costs for future timber operators, increase the viability of local harvesting projects, and allow firefighter crews to reach wildfires by ground. He noted that ground transportation for crews was significantly less expensive than relying on aircrafts. He thought it was important to manage forests more effectively, promote economic opportunity through timber, and reduce wildfire risks by investing in access and reforestation projects.

[9:18:06 AM](#)

Representative Bynum asked whether there had been any cost implications related to the roadless rule. He asked if changes to the roadless rule that might affect the state were anticipated.

Mr. Boyle responded that the roadless rule and other policies and practices of USFS had made forest management more difficult in some situations. He explained that access challenges had occasionally arisen when trying to reach state lands or inholdings located within or adjacent to the Tongass National Forest, but fortunately, wildfire risk in the Tongass was generally low due to its wet climate. He noted that coordination with USFS had not always been straightforward.

Representative Bynum would follow up offline.

[9:20:24 AM](#)

Mr. Goodrum continued on slide 16 which highlighted priorities for DA, such as expanding land for production, improving access to loans, supporting infrastructure, and growing market access. He reported that the Agriculture Revolving Loan Fund (ARLF) held \$21.5 million in equity and supported over 60 loans. He relayed that 23 new loans were approved in FY 24, totaling \$6.1 million. The loans were aimed at supporting equipment, livestock, product processing, and farm development. The division was also managing over \$10 million in federal grants, including programs aimed at food security and local food purchasing. Over \$100 million in agricultural products were inspected annually to meet domestic and international standards. He explained that the Future Farmers of America (FFA) program had expanded to 17 schools and served over 450 students. International trade activities had also been supported through partnerships with the Western United States Agricultural Trade Association (WUSATA), among other entities.

Representative Hannan asked if loan demand exceeded the available ARLF funds.

Mr. Goodrum responded that demand was putting pressure on the fund and that the Board of Agriculture had raised concerns about capacity.

Representative Hannan asked for more information about the status of Phyto inspections for exports. She understood that the state had cut back on its flower exports.

Mr. Goodrum responded that the division had worked to train additional staff and was meeting the industry's needs to ensure that exports were occurring.

Representative Jimmie asked who was receiving the grants. She wanted to make sure that the local farm in her district was on the grant list.

Mr. Goodrum responded that he would make the information available.

[9:24:44 AM](#)

Mr. Goodrum continued on slide 17 and reported that the Feed Grain Reserve Program (FGRP) was initiated in late 2023 in partnership with the Delta Farmers Cooperative. The program aimed to serve as a sustainable solution for future grain shortages by mitigating risk and strengthening food security for the livestock industry and Alaskans. Four producers were under contract to help expand in-state feed grain production. He stated that the Plant Material Center (PLC) cleaned approximately 50,000 pounds of native seed and over 96,000 pounds of cereal grain for commercial growers, which had increased significantly from the prior year. He added that PLC also maintained disease-free seed potatoes and provided over 40 varieties of foundational seed to commercial potato producers across the state. The division continued to administer \$2.2 million from the Regional Food Systems Infrastructure Grant, which sought to build resilience in Alaska's middle food supply chain. In conjunction with DMLW, DA encouraged the transition of additional lands into agricultural production. He relayed that a significant overhaul and capacity upgrade of the division's seed cleaning facility was also underway and was anticipated to be completed in time to assist with processing the next fall harvest.

Mr. Crowther continued to slide 18 and provided an overview of DGGs. He explained that the division collected data on Alaska's natural resources and geologic hazards in order to protect life and safety, which supported all regions of the state. He relayed that the core of the division was the Minerals Resources Section, which conducted advanced data collection and developed geological maps to identify where mineral resources existed and what types were present. Much of the recent work was focused on the interior region of the state where significant mineral activity already existed. The goal was to enhance knowledge of additional potential development sites.

[9:27:53 AM](#)

Mr. Crowther continued on slide 19 which detailed the Energy Resources Section, which collected geologic and geophysical data related to oil, gas, coal, and geothermal resources. He stated that the legislature had approved new funding in the previous year to expand the DGGs geothermal program. The division was in the process of hiring staff and planning new geothermal activities. He relayed that the division's energy data supported oil exploration projects

such as Pikka and Willow. The division worked in cooperation with the U.S. Geological Survey (USGS) on core sampling, outcrop assessment, and reporting.

Mr. Crowther advanced to slide 20 and described the Geologic Hazards Program. He noted that hazards occurred statewide and that a new budget item supported the creation of a dedicated hazard response team. The team would improve the state's ability to respond to geological threats effectively and in a timely manner. He noted that hazards had become a yearly occurrence in the state. Many staff were focused on specific programs, research initiatives, or grant-funded projects and were not resourced or equipped to act in an emergency response capacity. He added that DDGS's Hydrology and Surficial Geology Section involved identifying surface resources such as gravel for road construction and understanding water resources across the state. He noted that Alaska's frozen water systems often posed geologic hazards, but also served as essential resources for development and everyday life in many communities.

Mr. Crowther continued to slide 21 and discussed the Geologic Information Center, which he described as a crucial part of the division. The center was responsible for translating highly technical scientific research into accessible information for the public, for industry, and for academic researchers. The center published reports and maps and managed increasingly large and complex datasets. He also highlighted the Geologic Materials Center, which was a nearly 15-year-old facility housed in a former Sam's Club warehouse that had been repurposed with support from the legislature. The center stored physical samples and information collected from over a century of exploration activity. He emphasized that the value of the archive could not be overstated, as reproducing the data would be cost-prohibitive and potentially impossible. He also shared that new funding had recently been received to apply emerging technologies to the stored samples, which would expand the center's capabilities and relevance.

[9:31:37 AM](#)

Mr. Crowther moved to slide 22 and provided an update on the Alaska Volcano Observatory, which was a joint effort between state staff and USGS. The observatory had been especially active due to ongoing upgrades and improved data

collection systems for monitoring remote volcanoes. He noted that the Aleutian Islands remained sparsely populated, but the islands were located along critical air cargo and passenger flight routes. He explained that monitoring volcanic activity helped prevent disruptions to air travel. He noted that Mount Spurr, which was located near Anchorage, was a volcano of particular concern given past eruptions in the region.

Mr. Crowther continued to detail the the Alaska Geospatial Office, which coordinated geospatial data collection and sharing within DNR and other state government entities. He stressed that the office was critical in creating efficiencies and ensuring timely access to updated data.

Mr. Crowther continued to slide 23 and detailed the priorities for DGGS for FY 25. The division planned to continue its work on mineral assessments, with a focus on improving access to reliable geologic data. The energy resources program would also expand, including the newly supported geothermal initiative. He reiterated that geological hazard mitigation and emergency readiness would remain a top priority and that the division would continue publishing data and preparing for future natural disasters.

Co-Chair Josephson asked for more information about the area survey located at Illinois Creek Mine. He noted that the mine site had previously been mothballed due to noncompliance by the leaseholder.

Mr. Goodrum responded that there were a number of years during which the project had been in an idle status and there had been routine visits to ensure that environmental conditions were sufficient. He relayed that there was renewed interest in considering Illinois Creek for mineralization.

[9:34:33 AM](#)

Mr. Goodrum advanced to slide 24 and read the slide as follows:

The Division of Mining, Land and Water (DMLW) manages more than 165 million acres - a land base comparable in size to California and most of Oregon combined.

DMLW supports the department's core mission by:

- Acquiring and disposing of land and resources
- Providing use of and access to state lands for the public
- Fostering responsible development of lands and resources
- Managing resource data
- Protecting the State's natural resource assets consistent with the public interest

Mr. Goodrum continued to slide 25 and read from it as follows:

FY2024 Accomplishments:

- Generated \$37.9 in revenue for FY2024, an 8.7 percent increase from FY2023
- Eliminated patent issuance backlog, allowing for immediate issuance to the purchaser once due diligence is complete. Previous timeline was nine months
- Completed planning efforts for the Matanuska Valley Moose Range and Jonesville Public Use Area
- Conveyed a total of 733 acres to three different municipalities
- Generated \$5.9 million in revenue for the Land Disposal Income Fund, a 9.1 percent increase from FY2023
- Sold 165 parcels of land to the public totaling approximately 1,177 acres
- Issued 75 permits to appropriate water and 187 certificates of appropriation

Mr. Goodrum moved to slide 26 and read from it as follows:

FY2025 Priorities:

- Continue to responsibly authorize permits, leases and easements to develop the state's resources and help diversify the state economy
- Focused acquisition of 4.8 million acres in remaining statehood entitlement lands through legislation and acquisition requests
- Finalize a decision for the Ambler Road easement authorization to the Alaska Industrial Development and Export Authority (AIDEA)
- Maintain our efforts to implement the Governor's "Unlocking Alaska" initiative

Co-Chair Josephson asked for more information on the bullet point regarding Ambler Road. He asked if it meant that DNR

would make the Alaska Industrial Development and Export Authority (AIDEA) the possessor of the easement and if it would have the right and title to the easement.

9:38:04 AM

Mr. Goodrum responded that DMLW continued to work on an application it had received from AIDEA for a right-of-way that would extend from the Dalton Highway to the Ambler Road project area. The application remained an active authorization before the division and it anticipated finalizing the process soon.

Representative Hannan asked whether the easement crossed privately held Native Corporation lands. She understood that two Native Corporations would not agree to an easement. She asked if the original platting remained in place or if the state planned to relocate the access easement.

Mr. Goodrum replied that the state could only authorize easements on lands in which it held interest and was able to make authorizations. He explained that other landowners would need to come to an agreement separately. He added that the division's team was closely evaluating the matter.

Representative Hannan asked if section-line easement access applied over Native Corporation lands.

Mr. Goodrum responded that he would follow up with details.

Representative Hannan commented that she had only learned about section-line easements during her time in office. She credited Mr. Goodrum for introducing her to the concept six years earlier.

9:40:20 AM

Mr. Crowther continued on slide 27 and relayed that DOG operated with a mission to understand Alaska's oil and gas resources, make the resources available for lease, maximize the state's revenue, and provide the state with benefits from development. He emphasized that the division also aimed to ensure development occurred responsibly and with protections in place for both the environment and nearby communities. He explained that the division's work involved lease sales, lease management, royalty collection and

administration, royalty auditing, and the commercial review of development terms to ensure the state received the best possible returns.

Mr. Crowther proceeded to slide 28 and highlighted some of DOG's key accomplishments. He emphasized that the division had collected \$1.8 billion in royalties, which represented a critical portion of the state's direct financial return from oil and gas production. He stated that DNR worked to maintain the revenues from existing production while also seeking to expand future royalty sources through new development. He noted that the final bullet on the slide referenced departmental efforts in Cook Inlet, which was a priority area for ensuring full development of state resources and maintaining adequate energy supply for Alaskans. He added that the department would be available offline to provide a more detailed briefing on the topic.

Mr. Crowther continued to slide 29 and stated that one of the most exciting accomplishments was the creation of four new units. He explained that a unit treated a group of leases as a single entity for exploration and potential project development. The formation of new units signaled new drilling activity, which generated jobs for Alaskans and offered the possibility of additional future projects and royalty revenues for the state.

Mr. Crowther proceeded to slide 30 and explained that OPMP played a critical coordination role for the state by facilitating permitting, reviews, and information sharing for complex resource development and infrastructure projects. He relayed that the office supported both project applicants and the public and ensured coordination across jurisdictions, including local authorities, state departments such as the Department of Fish and Game (DFG), the Department of Environmental Conservation (DEC), DOT, and some federal agencies.

[9:43:47 AM](#)

Mr. Crowther advanced to slide 31 and listed some of the major projects OPMP had supported. The left side of the slide displayed large-scale mining projects and exploration activities. He stated that the office maintained a dedicated large mine permitting team that worked to ensure comprehensive, timely, and safe reviews, revisions, and authorizations of mining operations. The office ensured

that operations could safely proceed. The office also played an important role in energy projects such as Pikka and Willow. He relayed that the office had been heavily involved in the permitting for both projects and expressed hope that more energy and infrastructure projects would be added to the list in the coming years.

Co-Chair Josephson noted that there were several mines and associated sites listed on the slide that he had never heard of. He asked for the location of Gil.

Mr. Crowther responded that he was not able to locate it on a map without assistance and deferred to Mr. Goodrum.

Mr. Goodrum stated that Gil was located near Fort Knox. He explained that it was a satellite deposit situated on AMHTA land and that ore from Gil was transported to Fort Knox for processing.

Co-Chair Josephson asked where the Johnson Tract was.

Mr. Goodrum explained that it was a promising Cook Inlet Regional Inc (CIRI) property located on the opposite side of Cook Inlet.

Co-Chair Josephson asked where Anarraaq-Aktigirug was.

Mr. Goodrum stated that the deposit was located approximately ten miles north of Red Dog and was situated on state land.

Co-Chair Josephson thought that Red Devil was near Crooked Creek and the Donlin site [he had confused Red Devil and Red Dog, which was later clarified.]

Mr. Crowther clarified that Red Dog was located in the far northwest region of the state.

Co-Chair Josephson asked for more information about the Arctic deposit listed on the slide.

Mr. Goodrum responded that Arctic represented the first likely project in the Ambler Mining District. He described the project as one of several volcanogenic massive sulfide deposits in the area, which included other projects such as the Boronite deposit located on Northwest Alaska Native Association (NANA) land. He stated that multiple prominent

mining projects were situated in the area, and that gaining access would be important.

Co-Chair Josephson asked for information on the Accelerate project.

[9:47:03 AM](#)

Mr. Crowther responded that the Accelerate project focused on potential floating regasification facilities in Cook Inlet. He stated that it was not a traditional oil and gas field development but was related to energy supply in Cook Inlet. The entity involved had sought support from OPMP to better understand the permitting process.

Representative Bynum asked whether there was a general summary available of the financial benefits that the projects would bring to Alaska. He asked for more information about the specific fiscal impacts of existing projects.

Mr. Crowther responded that project summaries and general descriptions of fiscal benefits were already available and that it would likely be more efficient to follow up offline. He noted that the projects generated revenue through several channels, including royalty payments, production taxes, corporate income taxes, and property taxes paid to local jurisdictions. He emphasized the importance of local employment particularly for mining projects, which typically employed significant numbers of workers in high-paying jobs. He added that oil and gas fields on the North Slope had a substantial employment impact across the state.

Mr. Crowther continued on slide 32. He stated that an additional important responsibility of OPMP was facilitating and managing the state's interaction with the federal government. The responsibility included participating as a cooperating agency, coordinating the state's comments, ensuring Alaska's active role in federal administrative processes, and supporting litigation against the federal government in necessary instances of federal overreach or when federal decisions failed to adequately consider Alaska's laws, input, or needs. He explained that the items listed on the slide illustrated several of the major federal processes in recent years in which the office had coordinated the state's involvement. Many of the

federal actions had been viewed as imposing significant restrictions on Alaska's economic activities and development opportunities. He noted that there was potential for change in federal approaches with the new federal administration. State coordination through OPMP would remain crucial to ensuring Alaska's voice was incorporated in revisions to federal actions, including those related to the North Slope, the Bureau of Land Management (BLM) plans, and the Izembek land exchange.

Co-Chair Josephson asked whether the state still had representation in Washington, D.C., similar to the role historically filled by Mr. John Katz.

Mr. Crowther confirmed that the governor maintained an office in Washington, D.C. and stated that Mr. Jerry Moses currently served as the Director of State and Federal Relations. He also noted that the governor received additional support and information through various other resources. He affirmed that Alaska remained well represented and positioned to take advantage of opportunities in the federal sphere.

Co-Chair Josephson asked if the state office in Washington D.C. primarily focused on DNR issues.

Mr. Crowther responded that the office covered a broad range of topics, but natural resource use, development, and access continued to be central issues. He explained that the issues had been foundational to Alaska's statehood and remained a core part of the office's work.

Mr. Crowther continued on slide 33. He explained that the Alaska Strategic Transportation and Resources (ASTAR) project focused on evaluating options to improve access for North Slope communities, many of which currently relied on seasonal winter trails. The project aimed to assess the feasibility of longer-term infrastructure to better support communities. He noted that OPMP housed the state's carbon offset team and that Mr. Trevor Fulton served as the carbon project manager.

Co-Chair Josephson asked whether the state continued to request direct appropriations for ASTAR. He recalled that several million dollars had been allocated to the project in past years.

Mr. Crowther responded that the legislature had provided a sequence of capital appropriations to support ASTAR and that the work continued under those funds. He noted that the project had made significant progress in gathering resource data. However, no new appropriation had been made for the current calendar year.

[9:53:14 AM](#)

Mr. Goodrum continued on slide 34 and relayed that DPOR continued to operate the largest state park system in the country and that Alaskans and visitors continued to utilize the parks in record numbers. The division had leveraged its upgraded reservation system, increased the number of commercial and special permits issued through a new online portal, and installed 90 electronic fee stations. The fee stations reduced the need to handle cash and improved both revenue collection and security. He noted that state park rangers routinely provided law enforcement and public safety services within the 157 designated state park units and often participated in search and rescue operations across the state. In the previous year, rangers had taken part in 46 search and rescue missions. He expressed deep gratitude for the dedication and service of the park rangers in protecting both citizens and visitors.

Mr. Goodrum continued on slide 35 and relayed that DPOR managed 108 active and pending outdoor recreation grants, conducted more than 350 boating safety classes, and reached over 10,000 participants through the programs. He noted that the Office of History and Archaeology (OHA) reviewed 1,738 projects and signed nine major project agreements through the State Historic Preservation Office (SHPO). In 2025, the country would celebrate America 250, and the Alaska Historical Commission (AHC) had been designated as the state's commemoration coordinator for the celebration. He added that the Office of Design and Construction (ODC) were awarded \$10.6 million in contracts during FY 24 and completed nine construction projects during the 2024 calendar year.

Co-Chair Josephson asked from whom the grants were awarded.

Mr. Goodrum replied that he would follow up with the information.

Representative Hannan asked for more information about the status of the regional State Parks Advisory Board (SPAB), which was intended to consolidate the former Haines, Juneau, and Ketchikan boards. She stated that the regional board had not yet formed, despite plans to do so in the previous fall. She noted that she had received inquiries from former board members. She also asked for an update on the implementation of signage at the expanded Funter Bay State Marine Park (FBSMP), which was created five years ago to preserve Aleut grave sites. She reported that approval for the signage had been pending with OHA for several years.

Mr. Goodrum responded that he would follow up and provide answers to both questions.

[9:56:41 AM](#)

Mr. Goodrum advanced to slide 36 and stated that DSS continued to meet and exceed internal and external customer needs over the past year. He explained that the division contributed significantly to DNR's Future Leaders Summit training through facilitation, mentorship, and coordination. Many participants from earlier cohorts had returned to serve as instructors and were helping to pass along knowledge to new members. He emphasized that financial support, budget expertise, procurement, human resources, and information technology services all played critical roles in ensuring that the department functioned smoothly. He expressed appreciation for the work of the department's support services team.

Co-Chair Josephson suggested that slide 37 only needed to be briefly reviewed because the committee had recently met with AMHTA.

Mr. Crowther continued to slide 37 and explained that AMHTA's TLO managed natural resource land holdings on behalf of trust beneficiaries receiving mental health services in Alaska. The office used appropriated funds to conduct activities that generated revenue for trust programs as part of its zero-based budgeting process. In the prior year, the trust generated \$17 million for its programs.

Mr. Boyle continued to slide 38. He reiterated that the department had a constitutional mandate to develop,

conserve, and maximize Alaska's natural resources for public benefit. He stated that DNR took its responsibility seriously and remained committed to expanding opportunities, attracting investment, fostering a stronger business climate, and creating jobs. He emphasized that through effective stewardship of state lands and resources, the department sought to generate new revenue and long-term economic value for Alaska. He relayed that he and the governor had recently traveled to the United Arab Emirates (UAE) where they met with a number of large investment firms. He shared that outside investors tended to overlook Alaska when considering resource-rich states and that Texas, New Mexico, and North Dakota were often at the forefront of investors' minds. He emphasized that many investors did not always recognize the significant mineral endowment of the state or the opportunities available for Alaska to play a larger role in the global economy.

Mr. Boyle highlighted that Alaska's ability to provide raw natural resources had always been important. He noted that there was also a desire to help the state transition into a value-added manufacturing hub, including enhancing refining and processing capabilities, utilizing locally grown timber for lumber, and improving food security by expanding agricultural initiatives. The overarching goal was to diversify and grow the state's economy, which would provide opportunities for current and future generations of Alaskans to stay in the state and be gainfully employed. He was optimistic about the next four years under the new federal administration. He hoped the new administration would allow more access to state lands and resources, which would allow Alaska to be "masters of our own destiny" and provide the state the ability to manage and develop its resources as needed.

[10:02:44 AM](#)

Co-Chair Josephson thanked the presenters. He appreciated Mr. Boyle's earlier comments about his deep affection for the department.

HB 53 was HEARD and HELD in committee for further consideration.

HB 55 was HEARD and HELD in committee for further consideration.

Co-Chair Josephson reviewed the agenda for the afternoon's meeting.

#  
ADJOURNMENT

[10:03:29 AM](#)

The meeting was adjourned at 10:03 a.m.