

BRIEFING:

DNR,

2-11-87

HOUSE RESOURCES COMMITTEE
February 11, 1987

Department of Natural Resources
Overview

<u>DIVISION</u>	<u>PRESENTER</u>
Agriculture	Dean Brown Acting Director
Forestry	George Hollett Acting State Forester
Oil and Gas	Jim Eason Director
Mining, Geological and Geophysical Surveys	Laurel Murphy Acting Director
Parks and Outdoor Recreation	Neil Johannsen Director
Land and Water Management	Tom Hawkins Director
Management	Sharon Barton Director

DEPARTMENT OF NATURAL RESOURCES

1987

LEGISLATIVE BRIEFINGS



Judith M. Brady
COMMISSIONER

Constitution
For the
State of Alaska

Article VIII
Natural Resources

Section 1. Statement of Policy. It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest.

Section 2. General Authority. The legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people.

Section 3. Common Use. Wherever occurring in their natural state, fish, wildlife, and waters are reserved to the people for common use.

Section 4. Sustained Yield. Fish, forests, wildlife, grasslands, and all other replenishable resources belonging to the State shall be utilized, developed, and maintained on the sustained yield principle, subject to preferences among beneficial uses.

Section 5. Facilities and Improvements. The legislature may provide for facilities, improvements, and services to assure greater utilization, development, reclamation, and settlement of lands, and to assure fuller utilization and development of the fisheries, wildlife, and waters.

Section 6. State Public Domain. Lands and interests therein, including submerged and tidal lands, possessed or acquired by the State, and not used or intended exclusively for governmental purposes, constitute the state public domain. The legislature shall provide for the selection of lands granted to the State by the United States, and for the administration of the state public domain.

Section 7. Special Purpose Sites. The legislature may provide for the acquisition of sites, objects, and areas of natural beauty of or historic, cultural, recreational, or scientific value. It may reserve them from the public domain and provide for their administration and preservation for the use, enjoyment, and welfare of the people.

Section 8. Leases. The legislature may provide for the leasing of, and the issuance of permits for exploration of, any part of the public domain or interest therein, subject to reasonable concurrent uses. Leases and permits shall provide, among other conditions, for payment by the party at fault for damage or injury arising from noncompliance with terms governing concurrent use, and for forfeiture in the event of breach of conditions.

Section 9. Sales and Grants. Subject to the provisions of this section, the legislature may provide for the sale or grant of state lands, or interests therein, and establish sales procedures. All sales or grants shall contain such reservations to the State of all resources as may be required by Congress of the State and shall provide for access to these resources. Reservation of access shall not unnecessarily impair the owners use, prevent the control of trespass, or preclude compensation for damages.

Section 10. Public Notice. No disposals or leases of state lands, or interests therein, shall be made without prior public notice and other safeguards of the public interest as may be prescribed by law.

Section 11. Mineral Rights. Discover and appropriation shall be the basis for establishing a right in those minerals reserved to the State which, upon the date of ratification of this constitution by the people of Alaska, were subject to location under the federal mining laws. Prior discovery, location, and filing, as prescribed by law, shall establish a prior right to these minerals and also a prior right to permits, leases and transferable licenses for their extraction. Continuation of these rights shall depend upon the performance of annual labor, or the payment of fees, rents, or royalties, or upon requirements as may be prescribed by law. Surface uses of land by a mineral claimant shall be limited to those necessary for the extraction or basic processing of the mineral deposits, or for both. Discovery and appropriation shall initiate a right, subject to further requirements of law, to patent of mineral lands if authorized by the State and prohibited by Congress. The provisions of this section shall apply to all other minerals reserved to the State which by law are declared subject to appropriation.

Section 12. Mineral Leases and Permits. The legislature shall provide for the issuance, types and terms of leases for coal, oil, gas, oil shale, sodium, phosphate, potash, sulfur, pumice, and other minerals as may be prescribed by law. Leases and permits giving the exclusive right of exploration for these minerals for specific periods and areas, subject to reasonable concurrent exploration as to different classes of minerals, may be authorized by law. Like leases and permits giving the exclusive right of prospecting by geophysical, geochemical, and similar methods for all minerals may also be authorized by law.

Section 13. Water Rights. All surface and subsurface waters reserved to the people for common use, except mineral and medicinal waters, are subject to appropriation. Priority of appropriation shall give prior right. Except for public water supply, an appropriation of water shall be limited to stated purposes and subject to preferences among beneficial uses, concurrent or otherwise, as prescribed by law, and to the general reservation of fish and wildlife.

Section 14. Access to Navigable Waters. Free access to the navigable or public waters of the State, as defined by the legislature, shall not be denied any citizen of the United States or resident of the State, except that the legislature may be general law regulate and limit such access for other beneficial uses or public purposes.

Section 15. No Exclusive Right of Fishery. No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the State. This section does not restrict the power of the State to limit entry into any fishery for purpose of resource conservation, to prevent economic distress among fishermen and those dependent upon them for a livelihood and to promote the efficient development of aquaculture in the State.

Section 16. Protection of Rights. No person shall be involuntarily divested of his right to the use of waters, his interests in lands, or improvements affecting either, except for a superior beneficial use or public purpose and then only with just compensation and by operation of law.

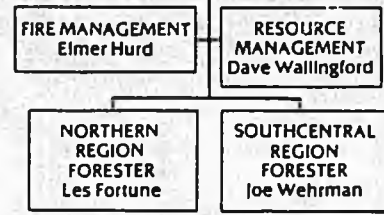
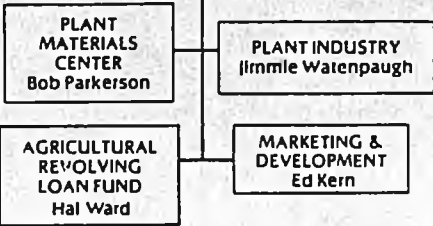
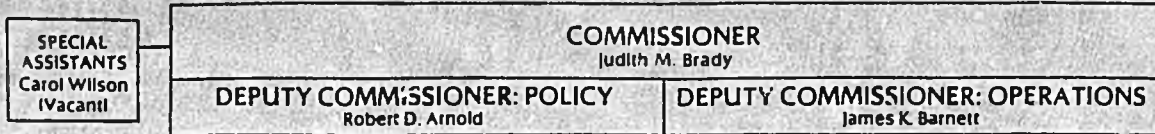
Section 17. Uniform Application. Laws and regulations governing the use or disposal of natural resources shall apply equally to all persons similarly situated with reference to the subject matter and purpose to be served by the law or regulation.

Section 18. Private Ways of Necessity. Proceeding in eminent domain may be undertaken for private ways of necessity to permit essential access for extraction or utilization of resources. Just compensation shall be made for property taken or for resultant damages to other property rights.

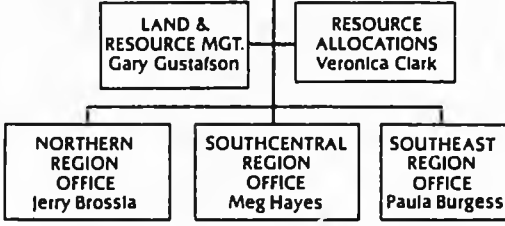
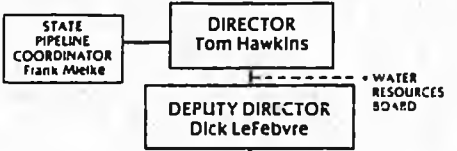


Alaska Department of NATURAL RESOURCES

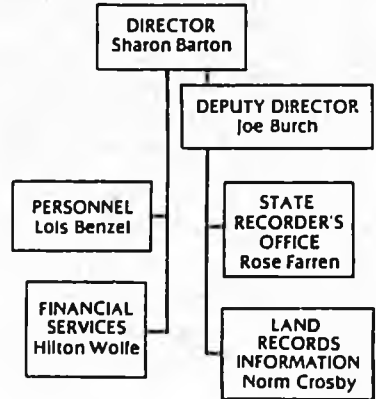
January, 1987



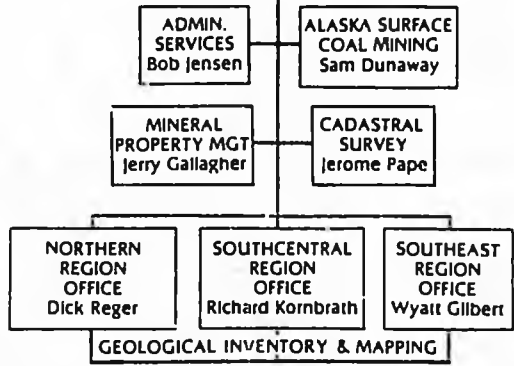
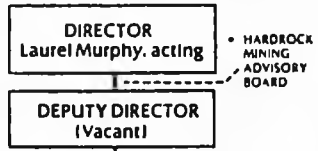
LAND & WATER MANAGEMENT



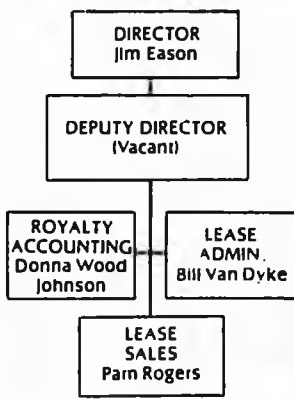
MANAGEMENT



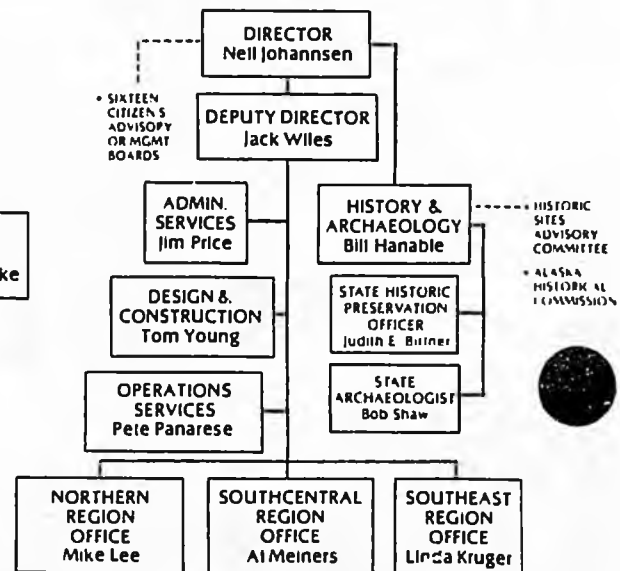
MINING AND GEOLOGICAL & GEOPHYSICAL SURVEYS



OIL & GAS



PARKS & OUTDOOR RECREATION



DNR OPERATING BUDGET SUMMARY

	<u>FY 87 Authorized</u>	<u>FY 87 Revised</u>	<u>FY 88 Governor</u>
<u>Commissioner's Office</u>			
General Funds	1,212.1	1,030.3	875.8
Total	1,212.1	1,030.3	875.8
PFT/PPT	15/0	15/0	12/1
 <u>Management</u>			
General Funds	7,003.6	5,992.4	4,150.9
Total	7,225.3	6,695.2	6,216.9
PFT/PPT	166/1	162/0	131/1
 <u>Land and Water</u>			
General Funds	10,916.6	9,780.0	7,588.0
Total	12,009.5	10,872.9	9,000.3
PFT/PPT	210/3	212/3	156/9
 <u>Forestry</u>			
General Funds	7,935.7	6,745.3	11,969.4
Total	8,434.2	7,944.8	15,668.9
PFT/PPT	79/133	78/133	67/132
 <u>Oil and Gas</u>			
General Funds	2,675.3	2,469.4	2,385.2
Total	2,771.3	2,565.4	2,472.6
PFT/PPT	41/0	41/0	39/0
 <u>Mining & GGS</u>			
General Funds	8,694.4	7,390.2	5,304.4
Total	11,974.8	10,670.6	8,497.4
PFT/PPT	135/13	116/23	71/35
 <u>Parks</u>			
General Funds	5,495.8	4,671.4	4,300.8
Total	7,239.6	6,266.6	6,143.5
PFT/PPT	64/97	47/113	39/104
 <u>Agriculture</u>			
General Funds	1,257.6	1,069.0	827.5
Total	2,608.4	2,419.8	2,328.7
PFT/PPT	37/14	34/14	28/14
 <u>Commissions</u>			
General Funds	247.0	210.0	61.2
Total	247.0	210.0	61.2
PFT/PPT	2/0	2/0	0/0
 <u>Grants</u>			
General Funds	355.0	314.3	Ø
Total	355.0	314.3	Ø
PFT/PPT	0/0	0/0	0/0
 <u>DEPARTMENT TOTAL:</u>			
General Funds	45,793.1	39,672.3	37,463.2
Total	54,077.2	48,989.9	51,265.3
PFT/PPT	749/261	707/286	543/296

Prepared By: Initials Date
 Approved By:

**NATURAL RESOURCES: Summary of Unrestricted Revenues &
 Fund Distribution - FY86 Actual & FY87 Projected (\$'s in thousands)**

	Revenue Account Codes	Multiple Division or DNR	Comm. Office	Management	Land & Water	Mining & Geology	Agri-culture	Oil & Gas	Parks	Forestry	DNR TOTAL FY86 Act	DNR FY87 Projected TOTAL ^b
GENERAL FUND												
Licenses & Permits												
Homestead Permits	62340				79						79	68
Commercial Operator	62345								56		56	9
Feder 1 Shared												
Oil & Gas Lease	63040	2244									2244	9011
Land Sales	63080	17									17	0
Charges for Services												
Recording Office Fees	64070			2680							2680	3116
Services Rendered	64750	9									9	15
Food Services	64760									11	11	6
Uniform Commercial Code	64830			274							274	262
Document Handling	64880				39						39	30
Log Brand Fees	61520									1	1	0
Filing Fees	62280				187	37		12			236	246
Fines & Forfeitures												
Judgment Settlement	65040									1	1	20
Other Revenues												
Coal Rental Lease	65254					48					48	17
Coal Royalties	65270					28					28	0
Gravel Sales	65280				2585						2585	10593
Offshore Prospecting	65300					10					10	0
Land Lease	65320				1385						1385	1290
Mineral Lease	65330							3000			3000	4414
Oil & Gas Bonus	65370							8327			8327	676
Tideland Leases	65380				495						495	484
Gas Royalty	65390							3741			3741	583
Equipment Rental	65420	1									1	4
Office/Shop Rental	65450	2									2	0
Oil Royalty	65470							22246			22246	251298
Cabin Rentals	65480								11		11	13
Water Rights Fees	65490										0	15
Interest Earned	65750	6					18	45			70	4
Escheated Land	65775										0	2

FY87 Projected from 1/15/87 Actuals

NATURAL RESOURCES: Summary of Revenues (cont'd)

(\$'s in thousands)

Prepared By
Approved By

Revenue Account Code	Multiple Division or DNR	Comm. Office	Management	Land & Water	Mining & Geology	Agriculture	Oil & Gas	Parks	Forestry	DNR TOTAL		DNR FY87 Projected TOTAL ^b
										FY86 Act		
GENERAL FUND (cont'd)												
Other Revenues (cont'd)												
Jury Duty	66160	2									2	4
Prior Year Recovery	66190	73									73	35
Fire Suppression Recov	66240	1936									1936 ^a	0 ^a
Escrow Suspense Trust	66255	26									26	76
Grain Seed Sales	64370										9	0
Land Sales	65340			8546							8546	9433
Timber Sales	65350								321		321	124
Publications Sales	66358	45									45	63
Concession Fees	66359										0	2
Donations	66360	6									6	0
AS41.17.310	66363									6	6	4
Miscellaneous	66370	7									7	0
GENERAL FUND TOTAL:		2439		2954	123	27	737372	67	2275^a	758673		291917, or 38.5% of FY86
Note: ^a Federal recovery of fire suppression costs becomes a restricted receipt in FY87 and FY88, with a corresponding reduction of general fund expenditures.												
NAVAL PETROLEUM RESERVE - ALASKA FUND												
Federal Shared Mineral Rentals TOTAL:	63060	16703									16703	994^c
PUBLIC SCHOOL FUND												
Federal Shared												
Oil & Gas Lease	63040	15									15	61
Minerals Rental	63060	(35)									(35)	(147) ^c
Other Revenues												
Gravel Sales	65280			13							13	54
Land Lease Rental	65320			7							7	7
Mineral Lease Rental	65330						36				36	42
Oil & Gas Bonus	65370						351				351	7
Tideland Leases	65380			2							2	2
Gas Royalty	65390						36				36	4
Oil Royalty	65470						6109				6109	2003

^bFY87 projected from 1/15/87 Actuals.
^cOne-time accounting adjustments factored in.

NATURAL RESOURCES: Summary of Revenues (Cont'd)
 (\$'s in thousands)

	2	3	4	5	6	7	8	9	10	11	12	13	14
	Revenue Account Code	Multiple Division or DNR	Comm. Office	Manage- ment	Land & Water	Mining & Geology	Agri- culture	Oil & Gas	Parks	Forestry	DNR TOTAL FY86 Act		DNR FY87 Projected TOTAL ^b
PUBLIC SCHOOL FUND (Cont'd)													
Miscellaneous													
Land Sales	64810				35						35		42
Land Sale Principal	65340				7						7		0
Timber Sales	65350									2	2		0
PUBLIC SCHOOL FUND TOTAL:		(20)			64			6532		2	6578		2075
UNIVERSITY PERMANENT FUND													
Other Revenues													
Travel Sales	65280										0		2
Mineral Lease Rental	65330							20			20		20
Timber Sales	65350										0		13
UNIVERSITY FUND TOTAL								20			20		35
TAL HEALTH TRUST													
Other Revenues													
Coal Rental Lease	65254					40					40		44
Coal Royalties	65270					38					38		96
Travel Sales	65280				5						5		20
Land Lease Rental	65320				53						53		42
Mineral Lease Rental	65330							98			98		45
Oil & Gas Bonus	65370										0		20
Timber Sales	65350									1	1		153
Land Sale Principal	65340										0		48
MENTAL HEALTH TOTAL:					58	76		98		1	235		469
NSKA PERMANENT FUND													
to Other Funds													
Federal Shared Royalties	22717	753									753		3024
Coal Rental	24480					18					18		6
Coal Royalty	24482					12					12		0
Offshore Prospecting	24483					5					5		0
Oil & Gas Rental	24484							3758			3758		4014
Oil & Gas Bonus	24485							35057			35057		583

^b FY87 projected from 1/15/87 Actuals.

NATURAL RESOURCES: Summary of Revenues (Cont'd)
 (\$'s in thousands)

Prepared By: [blank]
 Approved By: [blank]

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Revenue Account Code	Multiple Division or DNR	Comm. Office	Management	Land & Water	Mining & Geology	Agri-culture	Oil & Gas	Parks	Forestry	DNR TOTAL FY86 Act		DNR FY87 Projected TOTAL ^D	
ALASKA PERMANENT FUND (cont'd)														
Due to Other Funds (cont'd)														
	Gas Royalty	24486						1893			1893		196	
	Other Mineral Royalty	24487	636								636		0	
	Oil Royalty	24488						305633			305633		100252	
	Bid Payment Interest	24489						40			40		74	
	ALASKA PERMANENT FUND TOTAL:		1389			35		346381			347805		108249	
TOTAL ALL FUNDS:														
			20511		2954	13538	236	27	1090403	67	2278	1130012	112692, or 36.5% of FY87	

FY87 projected from 1/15/87 Actuals.

COMMISSIONER'S OFFICE

MISSION

It is the responsibility of the Commissioner's Office to assure balanced management of Alaska's oil and gas, energy, mineral, land, and water resources pursuant to the Constitution, applicable statutes, and the Governor's goals and policies.

FUNDING
SUMMARY

	<u>FY 87 Authorized</u>		<u>FY 87 Revised</u>		<u>FY 88 Governor</u>	
	GF	<u>PFT PPT</u>		<u>PFT PPT</u>		<u>PPT PPT</u>
Total	\$1212.1	15	\$1030.3	15	\$875.8	12 1
	1212.1		1030.3		875.8	

IMPACT
OF
BUDGET
CUTS -
ALTERNATIVE
PLAN

- Eliminate one deputy commissioner position; greater reliance will be placed on remaining deputy commissioner position and division directors.
- Reduces public affairs support in the Commissioner's Office requiring more assistance from divisions to keep the adequately informed of natural resource actions and decisions.

CONTACT:

Commissioner: Judith M. Brady

Deputy Commissioner: Robert D. Arnold

Deputy Commissioner: James K. Barnett

COMMISSIONS

MISSION

The purpose of the Citizen's Advisory Commission on Federal Areas in Alaska (CACFAA) is to oversee federal land management issues and to minimize conflicts between federal statutes and regulation and traditional uses of the land. The Mental Health Commission is directed to establish procedures and guidelines for the audit of the State's mental health lands, and propose recommendations pertaining to the management of the mental health trust account, the mental health trust land, and the mental health program of the state.

FUNDING SUMMARY

	<u>FY 87 Authorized</u>			<u>FY 87 Revised</u>			<u>FY 88 Governor</u>		
	GF	<u>PFT</u>	<u>PPT</u>		<u>PFT</u>	<u>PPT</u>		<u>PPT</u>	<u>PPT</u>
	\$247.0	2	0	\$210.0	2	0	\$61.2	0	0
Total	247.0			210.0			61.2		

IMPACT OF BUDGET CUTS - ALTERNATIVE SERVICE PLAN

- . CACFAA - eliminates public input into the federal land management planning process.
- . CACFAA - limits public hearing options for citizen input to the Executive, legislative and local municipal decision-making process.
- . Mental Health Commission - reduced travel for Commission members.

CONTACT:

Executive Director CACFAA: Stan Leaphart

456-2012

GRANTS

MISSION

-Bowhead Whale Census Project - To support the North Slope Borough's efforts to provide more accurate estimates of the Bowhead whale population.

-Eskimo Walrus Commission - To support efforts of the Eskimo Walrus Commission to collect and analyze data relating to the habitat and population of walrus.

-Kawerak Reindeer Grant - To support reindeer inoculation (one-time grant).

FUNDING SUMMARY	<u>FY 87 Authorized</u>			<u>FY 87 Revised</u>			<u>FY 88 Governor</u>		
	GF		<u>PFT PPT</u>		<u>PFT PPT</u>		<u>PFT PPT</u>	<u>PPT PPT</u>	
Total	\$355.0		0 0	\$314.0		0 0	\$0.0	0 0	
	355.0			314.0			0.0		

. Cessation of all direct grant activities.

IMPACT OF BUDGET CUTS - ALTERNATIVE SERVICE PLAN

CONTACT: Director: Sharon L. Barton 465-2406
 Deputy Director: Joseph C. Burch 762-2291

DIVISION OF MANAGEMENT

MISSION The Division of Management is responsible for providing cost effective centralized, personnel, financial and data processing/information management and statewide status mapping records support to the department. It also administers the Central Uniform Commercial Code Office and Statewide Recorders offices.

FUNDING SUMMARY	<u>FY 87 Authorized</u>		<u>FY 87 Revised</u>		<u>FY 88 Governor</u>	
	GF	<u>PFT PPT</u>	GF	<u>PFT PPT</u>	GF	<u>PFT PPT</u>
	\$7003.6	166 1	\$5992.4	162	\$4150.9	131 1
Total	7225.3		6695.2		6216.9	

- Statewide Recorders Offices from 14 locations to three; Juneau, Anchorage, and Fairbanks. Services to rural areas will be maintained by mail.
- Centralized administrative support in Anchorage including mailroom and switchboard eliminated. Telephone recording devices will replace switchboard to assist callers; other administrative activities will be picked up by each division.
- Anchorage personnel office reduced by three positions; streamlining of paperflow and reorganization of responsibilities within the personnel section should mitigate impact on Anchorage managers and employees.
- Four positions eliminated in the data processing area; one in response to anticipated reduction in workload. Otherwise impact will include slow down of status plat production; resource decision makers may not have current land status information in graphic format. The textual status plat tracking system will mitigate this situation.

IMPACT
OF
BUDGET
CUTS -
ALTERNATIVE
SERVICE
PLAN

DIVISION OF MANAGEMENT

1987
LEGISLATIVE
ISSUES

- . Procurement Bill Amendments
 - . Proposed transfer of Telecommunications from Department of Administration to Office of Management and Budget
-

1987
BUDGET
ISSUES

- . Funding shift for Recorders Office from General Fund to Program Receipts

CONTACT:

Director: Sharon Barton
Deputy Director: Joseph C. Burch

465-2406
762-2291

DIVISION OF LAND AND WATER MANAGEMENT

MISSION The Division of Land and Water Management is responsible for providing the people of Alaska with the maximum possible benefits by selecting and defending the state's land title, by making land available for use as provided by law and when appropriate, transferring land to private ownership.

FUNDING SUMMARY	<u>FY 87 Authorized</u>			<u>FY 87 Revised</u>			<u>FY 88 Governor</u>		
		<u>PFT</u>	<u>PPT</u>		<u>PFT</u>	<u>PPT</u>		<u>PPT</u>	<u>PPT</u>
GF	\$10916.6	210	3	\$9780.0	212	3	\$7588.0	156	9
Total	12009.5			10872.9			9000.3		

**IMPACT
OF
BUDGET
CUTS -
ALTERNATIVE
SERVICE
PLAN**

- . Deletes funding for planning and conduct of land disposal programs. Major transfer of land to boroughs in recent years will allow land most sought by Alaskans to be offered by boroughs, Native corporations, and private sellers. Although revenue producing over a twenty year contract period, required capital funding has not been appropriated for surveys and road access.
- . Significant reduction on water rights adjudications; field inspections will be done only in emergency situations.
- . Title reports and analyses for special projects, disposals, exchanges, review of status for legislation, litigation, pipeline appraisals, ANILCA boundary review, etc. will be accomplished on a priority basis only.
- . Reduces ability to process preference rights, land exchanges, personal use cabin permits, and preparation of sales contracts.

DIVISION OF LAND AND WATER MANAGEMENT

1987
LEGISLATIVE
ISSUES

- . Amendment dealing with payment of special assessments to municipalities.
- . Amendments to Municipal Entitlements Act.
- . State position on ANWR.
- . Proposed Recreation Rivers Bill, Anchorage Coastal Refuge Bill, Minto Flats Refuge Bill and Kachemak Bay State Park expansion.
- . Interest rates on land sale contracts as a result of public complaints.
- . Management of escheated land.
- . Possibility of bill that will strengthen local hire on state land or involving state agencies.
- . Bill giving fee title to agricultural rights holders.
- . A bill to make state release all rights-of-way to abutting landowners.
- . A bill to give veterans additional discounts of waiver of homestead or homesite fees.
- . A bill requiring unnecessary survey work on public lands.
- . Legislation enabling DCRA to be the townsite trustee so BLM can transfer townsite lands and responsibilities to the state.
- . Eagle River Greenbelt exchange approval.

- . Gas pipeline right-of-way.

FY 88
BUDGET
ISSUES

- . Payment of special assessments to Municipalities.
- . Operating projects conversion to program receipts.

CONTACT:

Director:	Tom Hawkins	562-2066
Deputy Director:	Richard A. LeFebvre	562-2066

DIVISION OF FORESTRY

MISSION The Division of Forestry provides protection from fire commensurate to the value of the resources at risk on land owned by the state, privately or by a municipality. It directs the statewide fire management activities of preparedness, support, suppression and interagency protection agreements. It also manages State Forests, and provides technical advice to other State agencies and the forest industry on sound forest practices necessary to ensure the continuous harvesting of commercial forest species on State forest lands.

FUNDING SUMMARY	<u>FY 87 Authorized</u>		<u>FY 87 Revised</u>		<u>FY 88 Governor</u>	
		<u>PFT</u> <u>PPT</u>		<u>PFT</u> <u>PPT</u>		<u>PPT</u> <u>PPT</u>
GF	\$8434.2	79 133	\$6745.3	78 133	*\$11969.4	69 130
Total	7935.7		7944.8		15668.9	

* Note explanation for increase under FY 88 Budget Issues

IMPACT
OF
BUDGET
CUTS -
ALTERNATIVE
SERVICE
PLAN

- . The Division takes advantage of the opportunity to merge the State's Central Logistics Office in Anchorage with the Bureau of Land Management Fire Coordination Center in Fairbanks. Cost in change of duty station is covered by converting on PFT to PPT and a saving of \$8.3 is obtained by a reduction of three staff months.
- . Computer expertise within the Division will be lost. Slow down of forest inventory data being published, volume tables developed and local cruise programs will take place.
- . Reduction in the timber sale program will call for the following changes in order to provide the same volume of forest products as before:
 - Generally larger sales will be offered - Hurt small operators.
 - Forest Management Agreement type of sales (large and long-term sales) will be proposed to reduce amount of field work.
 - Seasonal fire personnel will be used to help with sale layout - Bad fire season means less timber to be made available.
 - Reduce State land planning efforts.
 - Delay implementation of State Management Plans.
 - Reduced sale administration.

DIVISION OF FORESTRY

1987
LEGISLATIVE
ISSUES

- . Title 38 Amendments pertaining to the Chase Decision, land classification requirements, and land planning.
- . Legislation for Forest Management Agreements.

FY 88
BUDGET
ISSUES

- . Supplemental request of \$3,256.8 for the Fire Suppression Fund. Needed to pay bills that are now due or new expenditures during last half of FY 87.
- . The Fair Labor Standards Act now requires overtime for State government employees. The Department of Administration issued a decision that requires Emergency Fire Fighters to be paid time and one half for overtime which has not been covered by the budget.
- * . Fire Suppression funding now included in DNR/Division of Forestry operating budget base rather than as a special authorization to the Fire Suppression Fund.
- . A contingency plan must be developed to accommodate fire suppression costs in an above average cost year.

CONTACT:

Director: George K. Hollett, Acting State Forester
Deputy Director: George K. Hollett 762-4465

DIVISION OF OIL & GAS

MISSION

The primary responsibilities of the Division of Oil and Gas are to assure that prospective oil, gas and geothermal lands are made available for competitive leasing and that the state receives full value for these resources; that all revenues due the state from leasing and production are received; and that persons holding oil, gas or geothermal leased conduct their surface operations in an environmentally sound and socially conscious manner.

FUNDING SUMMARY

	<u>FY 87 Authorized</u>			<u>FY 87 Revised</u>			<u>FY 88 Governor</u>		
	<u>GF</u>	<u>PFT PPT</u>		<u>GF</u>	<u>PFT PPT</u>		<u>GF</u>	<u>PFT PPT</u>	
Total	\$2675.3	41	0	\$2469.4	41	0	\$2385.2	37	0
	2771.3			2565.4			2472.6		

IMPACT OF BUDGET CUTS - ALTERNATIVE SERVICE PLANS

The division proposes to delete PCN 4143 (Deputy Director). Responsibilities for budget preparation, the majority of personnel actions and day-to-day operating decisions will be delegated to the division's section managers.

DIVISION OF OIL AND GAS

1987
LEGISLATIVE
ISSUES

- . Petro Star - Chevron contract amendment.
- . ANWR
- . ASRC Settlement
- . Confidentiality of oil and gas data

FY 88
BUDGET
ISSUES

- . Critical staff expertise is retained to assure timely and thorough research and writing of best interest findings in support of the oil and gas leasing programs, as well as economic analyses of sale alternatives.

CONTACT:

Director: James E. Eason
Deputy Director:

762-4241

DIVISION OF MINING, GEOLOGICAL AND GEOPHYSICAL SURVEYS

MISSION The Division of Mining and Geological and Geophysical Surveys is responsible for providing information on Alaska's energy and mineral resources, management/regulation of coal and hardrock minerals, and protection of public health and safety from natural hazards and potential water contamination problems. The Division's role is to support continued responsible development of Alaska's energy and mineral resources and to facilitate informed land use decision making.

FUNDING SUMMARY	FY 87 Authorized		FY 87 Revised		FY 88 Governor	
	GF	<u>PFT PPT</u>		<u>PFT PPT</u>		<u>PPT PPT</u>
	\$8694.4	135 13	\$7390.2	116 23	\$5304.4	71 35
Total	<u>11974.8</u>		<u>10670.6</u>		<u>8497.4</u>	

IMPACT OF BUDGET CUTS - ALTERNATIVE SERVICE PLAN

- . Reduces geological and geophysical support for oil and gas lease sales in response to the revised annual lease sale schedule.
- . Transfer staff and funding from coal and geothermal investigations to support ANWR Petroleum Resources project.
- . Reorganized the cadastral/coastal survey section into a more cost effective operational grouping. Survey coordination and survey operations are merged.
- . Reorganize hard rock mineral and coal leasing program and field management of mining operations into a more cost effective grouping.
- . Cease geologic investigations in the Juneau mining district; close the Juneau regional office.
- . Reduce staff expertise on basic water issues - drinking water, flooding, pollution.
- . Delays publication of DNR-DCED annual report on the mineral industry.
- . Reduces hours of Fairbanks mining information office by reclassifying all personnel to seasonal status while retaining access to the Interior mining community.

DIVISION OF MINING, GEOLOGICAL AND GEOPHYSICAL SURVEYS

1987
LEGISLATIVE
ISSUES

- . Executive Order to complete consolidation of Divisions of Mining and Geological and Geophysical Surveys.
- . Restriction of DNR's authority to close tracts in excess of 640 acres to mineral entry.
- . Mineral Policy Act and the Alaska Mineral Commission.

FY 88
BUDGET
ISSUES

- . Convert funding source for the Cadastral Survey programs from General Funds to Program Receipts.
- . Transfer responsibility and funding for the Seismic Hazards program to the University of Alaska, Fairbanks.

CONTACT:

Director: Laurel A. Murphy
Deputy Director:

762-2177

DIVISION OF PARKS & OUTDOOR RECREATION

The three primary goals of state park management are:

MISSION

1. Service to people using our recreation areas.
2. Protection of park resources.
3. Strengthening the economic importance of the visitor industry.

FUNDING SUMMARY

	FY 87 Authorized		FY 87 Revised		FY 88 Governor	
	GF	<u>PFT PPT</u>	\$	<u>PFT PPT</u>	\$	<u>PPT PPT</u>
	\$5495.8	64 97	\$4671.4	47 113	\$4300.8	39 104
Total	7239.6		6266.6		6143.5	

IMPACT OF BUDGET CUTS - ALTERNATIVE SERVICE PLANS

- . FY 88 field staff reduced to six full-time rangers statewide. Impact will be felt primarily in winter months. Seasonal staff will cover the summer park operations.
- . Five park units in the Northern Region, 12 park units in the Southcentral Region, 3 park units in the Southeast Region will have reduced services. Alternatives will include janitorial and maintenance contractual service, fees and concession activities.
- . Youth Employment Program reduced 70 percent. Fairbanks resident camp closed.
- . Operation Services Section eliminated; workload shifted to program managers.
- . Engineering, Design and Development Section reduced to two full-time people in response to reduced capital funding.
- . Archaeological, cultural and historic resource surveys and technical assistance reduced by half. Program maintained through federal matching grants.

DIVISION OF PARKS AND OUTDOOR RECREATION

1987
LEGISLATIVE
ISSUES

- . User Fee Legislation: establish a fee system for campsites, public use cabins, concession-operated activities and park use permits. Fees would be earmarked for operations, maintenance and capital re-investment.
 - . Willow Creek Legislation: cooperative management with the Mat-Su Borough of 7,000-acre recreation area at the confluence of Willow Creek and the Susitna River-- a very popular salmon fishing destination.
 - . Alaska Historical Commission: Executive Order to formally transfer the Alaska Historical Commission from DOE to DNR.
-

FY 88
BUDGET
ISSUES

- . Layoff of seasonal employees and a conversion to contractual services for janitorial maintenance and refuse collection will enable to the department to keep park units open. The action will result in a reduced frequency of visits, less facility maintenance, deferred repair and replacement of damaged facilities, and a loss of ranger staff to supervise inmate labor crews and volunteers, to perform site rehabilitation projects, and respond to public safety needs and visitor contact/information services.
 - . Last year 483 people donated over 56,546 hours of volunteer time. The inmate labor program provided 33,800 hours of labor.
 - . The Alaska Historical Commission was transferred from the Department of Education to the Department of Natural Resources, Division of Parks and Outdoor Recreation.
-

CONTACT:

Director: Neil C. Johannsen
Deputy Director: Jack Wiles

762-4505
762-4507

DIVISION OF AGRICULTURE

MISSION The Division of Agriculture provides advocacy, marketing/inspection, financing, and technical assistance to the agricultural industry.

FUNDING SUMMARY	<u>FY 87 Authorized</u>	<u>FY 87 Revised</u>	<u>FY 88 Governor</u>
	<u>GF</u> <u>\$1257.6</u>	<u>PFT</u> <u>PPT</u> 37 14	<u>PFT</u> <u>PPT</u> 34 14
	827.5	1069.0	28 14
TOTAL	<u>2608.4</u>	<u>2419.8</u>	<u>2328.7</u>

- | | |
|--|--|
| IMPACT
OF
BUDGET
CUTS -
ALTERNATIVE
SERVICE
PLAN | <ul style="list-style-type: none"> . Eliminate Horticultural Development Project. Horticulture plants will be maintained by other staff to mitigate loss. . Commodity inspection services will be reduced. Beekeeping fumigation eliminated. . Eliminate half the Conservation Plant Materials Project which consists in revegetation to development projects statewide in mining, oil and gas, and construction areas. . Eliminates funding and position of Deputy Director in Agricultural Administration Project shifting greater administrative responsibilities to program managers. . Reduction to basic plant material maintenance level in the Foundation Seed Project. Seed stocks will be preserved but no ability retained to meet increases in demand from private sector. . Eliminate Seed Testing Laboratory. All industry and state seed testing must be sent outside Alaska. |
|--|--|

DIVISION OF AGRICULTURE

1987
LEGISLATIVE
ISSUES

Shell Eggs Bill
Grazing Legislation

FY 88
BUDGET
ISSUES

- . Funding shifts from General Fund to Agricultural Revolving Loan Fund funding for two positions in Agricultural Administration:

CONTACT:

Director:
Deputy Director:

ECONOMIC IMPACT OF THE DIVISION OF FORESTRY

The Division of Forestry has an economic impact in areas throughout the State by the selling of timber and through the administration of the suppression fund for wildland fire control. The impact may be one of direct revenue to the State such as timber sale stumpage or that of the multiplier effect when the timber is manufactured into lumber and sold locally. In the case of fire control, the impact is that of putting cash directly into the local area either by creating jobs, purchase of goods and services, rental of equipment, or the protection of valuable resources.

The product value of the wood-using industry in Alaska has fluctuated radically in the last few years. In 1980 it approximated \$350,000,000. In 1985 it was about \$220,000,000. At present, there are about 124 logging operators, over 400 sawmills and two pulp mills doing business in the State. Depending upon market conditions, 2300 to 3500 people are employed by the wood products industry.

The wood typically is harvested from a variety of land ownerships: 75 percent or so from the Tongass National Forest; about 15 percent from private, preponderantly Native Corporations; some 5 percent from State lands; and the remainder from other public ownership. The harvest from State lands has generally taken place along the northern gulf coast and the interior.

Interior Alaska has an estimated 22 million acres of good timberland strung out along valley bottoms and warmer slopes with the State holding title to almost half the acreage. Presently, and historically as well, the primary use of locally grown timber has been in villages and settlements for rough lumber, timbers, houselogs and firewood.

In 1985 the Division of Forestry generated \$313,418 from the sale of some 20 million board feet of wood products, including 22,400 cords of firewood and 127,000 linear feet of house logs. There are 125 to 150 sales conducted annually, about half of which are commercial and half are personal-use. Since 1983 the annual revenues from timber sales have averaged \$415,600 with a range of from \$192,109 to \$797,000, while the volumes of wood harvested fluctuated from a low of 13 million board feet to a high of 53 million.

It is estimated that between 1986 and 1990, sales of wood from State lands will generate an annual average product value of \$22,600,000, support 620 jobs and provide annual State revenue of \$800,000.

The State of Alaska is required by statute to provide protection from wildfire for all State, borough, and private lands. Presently, this protection is applied to 134 million acres on which an average of 450 incidents occur annually.* The protection or loss of a natural resource from fire indirectly influences the local economic posture, as in the case of traplines, game hunting and available timber. Initial attack action on these fires are handled by the existing organization under the operating budget. Fires that escape initial attack typically grow to large conflagration which burn thousands of acres and require massive commitment of forces to control. Funding for these large fires comes from the suppression fund which puts cash into the local economy as the State hires village fire fighting crews, rents equipment and charters aircraft.

In the period 1981 - 1986 an average of \$5,799,000 was expended from the suppression fund with a low of \$2,190,400 in 1981 and a high of \$9,657,000 in 1986. This same period saw native EFF crews receive \$6,538,890 in wages. In some villages the money received from fighting fires is the major source of income for the year.

The Division of Forestry does not expect to be funded at a level that allows successful suppression of all fires at the initial attack stage so there will always be probability of some fires reaching the project level size.

It is estimated that between 1986 and 1990, the disaster fire probability will be 2 fires per year requiring an annual average suppression expenditure of \$6,000,000 and calling for between 300 and 400 village fire fighters.

The Division of Forestry provides support and backup to municipal and borough fire departments, reducing overall their individual equipment requirements. This affects the tax requirement directly.

Within the Timber and Fire Management programs, the Division of Forestry has a real effect upon the local economies of many localities in the State and will continue to do so as each program grows.

* Based on occurrence for 1985 & 1986 when DNR protected the full 134 million acre area.

DIVISION OF FORESTRY
BRIEFING DATA - RESOURCE MANAGEMENT

	<u>Total</u>	<u>Average Per Year</u>
Number of Sales Sold		
Personal-use Permits (83-85)	9824	3270
Commercial Sales (83-85)	189	63
Personal use Sales (83-85)	239	80
Log Salvage Licenses (83-85)	51	17
Value Cut (83-86)	\$1,662,400.00	\$415,600.00
Volume Cut (83-86)	95.3MMBF	23.8MMBF
Miles of Road Constructed		
Winter Road (86)		31
All-Weather Road (86)		12
Acres Cut Over (86)		1450
Acres Reforested (83-86)	1578	395
Acres Scarified for Planting (84-86)	751	250
Jobs Generated Per Year (86) (direct and indirect)		420
Icy Bay Timber Sale		
Pay Roll, including Taxes and Insurance based on 1983 Taxers, about 50 employees:		
	Payroll, Taxes, etc.	\$1,542,177
	Other	886,147
	Total	<u>\$2,428,324</u>

2-9-87

BRIEFING DATA
FIRE MANAGEMENT

2/3/87

WHEN IS THE FIRE SEASON?

- Statute says: May 1 to September 30 (5 months).
- Actual Fire Season: April through September (6 months).

HOW MUCH ACTIVITY OCCURS?

Annual 20-year average is 250, but recent years show a sharp increase; last five average is 419.

1986	611 incidents	85,419 acres burned
1985	382 incidents	34,199 acres burned
1984	455 incidents	6,977 acres burned
1983	395 incidents	32,226 acres burned
1982	253 incidents	1,271 acres burned

WHAT IS THE "LET BURN" POLICY?

- Resources and urban areas are designated in one of four levels for fire protection.

Critical	=	Lives and property
Full	=	High value natural resources (timber & habitat)
Modified	=	Resources where fire is not wanted but fires can be controlled at natural barriers for less cost.
Limited	=	Areas where fire has no impact and is allowed to burn freely unless it threatens a higher value resource.

HOW MANY FIRES WERE IN "LET BURN" IN 1986?

36 of the 611 incidents were in 'limited' areas and burned 16,757 of the 85,419 acres.

This saved an estimated \$2,596.0

WHAT IS THE VALUE OF THE BLM AGREEMENT?

- BLM and the State each protect 134 million acres.
- BLM cannot protect State land, even if we paid them.
- The State must arrange its own protection.
- State/federal land is interspersed, and, therefore, it is more efficient to agree to protect each other's lands in contiguous protection areas.
- Saves the State an annual operating cost of \$3 million.

WHAT ARE THE SENSITIVE COMPONENTS OF THE BLM AGREEMENT?

- The State must guarantee performance and manage the suppression/administration commensurate to agreed practices.
- National standards of qualifications, training, and performance must be achieved and maintained.
- Suppression costs are fully reimbursable.

- Fire fighting forces are supplied to the highest priority fires.
- State has highest priority land to protect.
- The State must have high levels of integrity and provide an acceptable level of protection to federal lands.

HOW DOES THE STATE'S ORGANIZATION COMPARE TO BLM?

- The State organization is much smaller than when BLM protected the same area. Currently it has smaller staffing than comparable BLM offices.

i.e. Kenai	BLM = 123 people*	State = 21
	*included some statewide resources	
McGrath	BLM = 30	State = 18
McGrath Support	BLM = 30	State = 7
Statewide Logistics	BLM = 12	State = 2
Statewide training	BLM = 4	State = 3
Aviation Management	BLM = 6	State = 3

- This year the State had 611 incidents while BLM had 206.

CAN LOCAL FIRE DEPARTMENTS DO THE PROTECTION?

- Local fire departments are committed to structure protection inside their service area boundaries.
- Local fire departments (and municipalities) will not accept wildfire responsibility except to assist the State through agreements.

WHY DOES THE STATE NEED A YEAR-ROUND WORK FORCE?

- Only part of the work force is full-time (37 positions), and most of them work in timber or forest practices in addition to fire.
- The rest are seasonal positions (117.5).
- The protection levels require adjustment between land managers annually. Plans must be updated.
- Aviation contracts must be closed; then reopened. New contracts must be advertised by January (2.5 million dollar program).
- Accounting for the suppression activities (suppression fund) is complicated. Each fire charge must be accurately tracked by incident number. Certification by AKSAS is a daily obligation.

- Cross agency billings must be prepared. It is complex because of the variety of land ownership and federal/State forces that may be encountered on each fire.
- Equipment and facilities must be reconditioned in the fall and then reactivated in the spring, eg.,
 - 43 fire engines
 - 7 field stations
 - 3.3 million dollar warehouse inventory
- Attention must be given to legal actions for criminal and civil fire.
- Statistical data must be entered into programs and reports accomplished.
- Training is accomplished both during and after the fire season.
- Fire program efficiency planning (National Fire Management Analysis System, U.S.F.S.).

CAN ALASKA CALL IN FEDERAL FORCES WHEN WE HAVE PROJECT FIRES?

- Alaska does use federal and other states' people each year.
- We must guarantee that we can supervise and administer them safely and to the National Standards. That means our managers must be professional.
- The qualifications for national fire standards are not covered in the State's job classification system. Training and experience is in addition to that (attached reference for one fire job).
- Fire fighters are the easiest to get from other agencies. The managerial positions cannot be filled on an occasional basis. Full-time management is the only guarantee that the suppression actions will be made commensurate to State regulations and objectives. To do otherwise would result in spending of State money without obligation for integrity.

WHAT HAS BEEN DONE TO REDUCE COST?

65% of State land is in 'limited' category.
 Use of military surplus equipment (A/C, vehicles).
 The BLM and USFS Cooperative Agreements.
 Agreements with local fire departments.

Lower level of sophistication in dispatch systems (fewer people, less communication, fewer computers).

SUMMARY

An in-place, effective fire organization is likened to insurance on a home. When you don't need it, it seems redundant, but when the need arises, you can't do without it, and you can't muster it up out of thin air. This is the price for protection of the resources, recreation areas, aesthetics, subdivisions, and a safe quality of life for the Alaskan.

IMPORTANCE OF FIRE QUALIFICATIONS IN THE STATE ORGANIZATION:

Wildland fire suppression is a very complex program which involves every discipline of a military action with the exception that loss of life is not anticipated. Components of the activity are inclusive of large business management for budget, efficiency analysis, personnel management, contracting, procurement and delivery of services. The strategies, tactics, massive support, logistics and mobility relate directly to military actions. Such a complex interdisciplinary undertaking requires an intricate blend of trained and highly qualified personnel. The business management components can be filled with personnel trained in traditional formal education institutions and experienced in a variety of vocations. The technical elements are specialized and training or experience is not available except through agency managed opportunities.

Therefore, the program efficiency, professionalism and employee safety are all dependent on maintaining a highly trained, experienced and professional staff. This is demonstrated easily when lack of recognition of potential dangers can cost a life, or where one single decision made by an unqualified employee can generate costs, or loss, in the millions of dollars.

Fire qualifications are defined by a nation-wide system utilized by all wildland fire protection agencies and is called National Interagency Incident Management System (NIIMS). There are 55 primary plus 18 specialized positions in NIIMS which require 92 individual courses accounting for 1,873 hours of training.

Courses cannot be taken all at one time. They must be supported with actual experience to achieve each level. There is also a requirement to maintain currency which is done by actually filling an assignment with satisfactory performance every 3 to 5 years depending on the specific position. For these reasons it takes about 10 years minimum to qualify for the upper level qualifications. Turnover in personnel creates the most costly loss in performance for the organization.

The success of the protection organization is extremely dependant on retaining highly qualified personnel and relates to the following key factors:

- required to enable interchange of other agency personnel.
- required to assure an adequate level of safety is maintained throughout the suppression effort.
- required to assure cost efficient and operationally effective strategy and tactics are implemented.

Most of the upper management level courses are only available at either the Boise Interagency Fire Center or the National Advanced Resource Technology Center in Marana, Arizona. The trainees must be nominated by the individual protection agencies and only a few individuals receive approval for attending these courses as competition is nationwide.

This highlights the critical necessity to maintain fire qualified personnel in the states fire protection program.

