

PROGRAM GUIDE
for the
State of Alaska
Department of Natural Resources



January 28, 2020 Update

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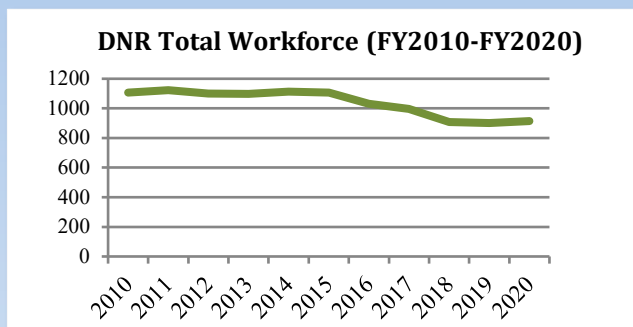
OVERVIEW of the Alaska Department of Natural Resources



The Alaska Department of Natural Resources (DNR) manages the state's land, water and mineral resources on a land base comparable in size to California and most of Oregon combined. DNR has a unique mission because the resources it manages provide almost all state general fund revenues, endow the Permanent Fund and generate thousands of private-sector jobs.

For every dollar appropriated to DNR's budget over the past decade, the agency has returned an average of \$28 to the state treasury in direct fees, royalties, and other payments, as well as tax revenue from activities on state land. No other state agency in the nation manages such a vast, revenue-generating resource endowment.

Many are concerned about the growth of government. However, compared to a decade ago,



DNR has 192 fewer positions and its FY2020 unrestricted general fund budget is below FY2010 levels.

Further reductions to DNR's workforce will have a disproportionately large impact on business activity and future state revenue.

DNR's complex mission to "*Develop, conserve and maximize the use of Alaska's natural resources consistent with the public interest*" requires it to be highly transparent, accountable and balanced in its decision making and stewardship on behalf of Alaskans.

DNR's management of 160 million acres of state public domain land includes critical functions such as state land sales, leasing and permitting, water management, wildland firefighting, agricultural development, state park and outdoor recreation management, oil and gas leasing, and identifying Alaska's resource potential and geologic hazards.

More than 18 billion barrels of oil have been produced in Alaska. Much more oil, gas and mineral potential remains on DNR-managed lands, and these lands also contain significant potential for agriculture, settlement, forestry, renewable energy and tourism.



OVERVIEW *of the* **Division of Agriculture**

The Division of Agriculture is essential to the State's efforts to promote food and farm security. The division supports Alaska's natural resource industries through its programs for land sales, market support, inspections, agriculture loans and grants, seed production, certification, testing and cleaning, variety trialing, reclamation and revegetation, on-farm technical assistance and invasive weed and pest management.

Economic diversification and promotion of state food security and of agricultural products to state, regional and international markets

- Land Sales and Management Services: Since 2014, the division has conveyed over 10,000 acres of state agricultural land into private ownership. In 2017 nearly 1,000 farms produced approximately \$35 million worth of food and fiber on 850,000 acres of Alaska farm and ranchland.
- Agriculture Inspection and Market Services Section provides industry support through:
 - International Market Services – The division partners with the Western United States Agricultural Trade Association (WUSATA) to host international trade activities with our partner states to link foreign markets with Alaska businesses. In the two activities hosted in 2019, 17 companies anticipate \$1 million in sales to foreign markets.
 - State-Branded Agricultural Program – The award-winning Alaska Grown program is the most recognizable logo in the state, and successfully supports marketing of local food and fiber. This program also gives Alaska companies “Made in USA” status for international sales.
 - Federal Farm Bill Grant Programs – Since 2006, \$2,637,000 has been awarded to increase the competitiveness of specialty crops.
 - Inspections, Audits and Phytosanitary Certifications – These services ensure more than \$135 million per year of Alaska products are clean and free from pests, supporting access to domestic and international markets.
- Production and Environmental Services Section operates the Northern Latitude Plant Materials Center (PMC) and provides services:
 - Production of foundation-level grass, grain and potato seed stock
 - Certified seed lab and seed cleaning facility services for industry production
 - Reclamation program providing all state natural resource extraction industries with recommendations and oversight for revegetation and reclamation projects using native plants
 - The invasive species program works to detect and limit the introduction and spread of diseases and pests in Alaska
- Industrial Hemp Pilot Program: Working with the Alaska Department of Law and other state departments, the division has developed regulations to implement the Industrial Hemp Pilot Program.
- Agricultural Revolving Loan Fund is currently valued at \$21 million, and has provided 209 loans totaling \$26.1 million between FY 2005 and 2019 to support new or expanded agricultural operations.

STRUCTURE & FUNCTIONS *of the* Division of Agriculture



The division's programs which promote and protect Alaska's natural resources and food security fit into one of three components: Division Support Services, Agriculture Inspection & Market Services, or Plant Production and Environmental Services (Plant Materials Center).

PCNs	UGF	DGF	Fed	Other*	Total	UGF
25	2,576.8	887.54	1006.8	317.2	4,788.3	2,576.8

Division Support Services:

Administration & Support – Provides direction and oversight of division policy, operations and budgeting.

Agricultural Land Program – In cooperation with DMLW, sells state land into private ownership. Manages ag land sold with ag covenants, elk fencing, State Brand Program and other related regulations

Board of Agriculture and Conservation / Agricultural Revolving Loan Fund – Administers the Alaska Revolving Loan Fund (ARLF) and makes recommendations regarding agricultural land sales and management.

Agriculture Inspection and Market Services (AIMS):

Inspection and Certification – Provides audits, inspections and phytosanitary certifications necessary to assure USDA standards and Good Handling Practices.

Invasive Plant and Pest Detection Program – Coordinates prevention, outreach and the management of harmful invasive plants and agricultural pests.

Plant Production and Environmental Services (Plant Materials Center)

Industrial Hemp Pilot Program - The Division has developed regulations and will begin implementing an Industrial Hemp Pilot Program in the state.

Invasive Plant and Pest Management Program – Coordinates the eradication of invasive plants and pests in cooperation with state and federal partners.

Plant Production Services – Maintains and stores 231 potato, 51 forb, 16 grain and 95 native grass seed varieties. Produces foundational-level grass and grain seed, seed potato stock, and other seed for production in Alaska

Reclamation & Revegetation Services - Expert consulting services and plants (seeds) to government agencies and private-sector companies for the reclamation of disturbance of plant regimes for Alaska's natural resource development

PCNs	UGF	Total
3	370.7	387.6
1	0.0	266.8
0	0.0	79.3
3	265.8	467.2
1	22.0	125.2
2	159.8	515.4
1	5.0	154.2
12	1,218.8	1,544.8
2	187.0	247.9



OVERVIEW *of the* Division of Agriculture's Administration and Support

Critical Function: Provides division management, policy direction, and budget support.

Economic impact without the section's services: Without leadership and support, the state programs supporting Alaska's agricultural sector may cease to function.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other*	Total
3	370.7	16.9	0.0	0	387.6

Description: The Administration and Support Section provides administration, budget, policy, accounting, financial grant management, human resources, procurement, and web development for the division. The divisions director also serves as director of the Board of Agriculture and Conservation and the executive director of the Natural Resource Conservation and Development Board.



OVERVIEW of the Division of Agriculture's Agricultural Land Program

Critical Function: Fosters food security and economic development by selling state agricultural land to individuals and businesses engaged in agriculture, ensuring that future generations have access to land suitable for agricultural production.

Economic impact without the section's services: No state revenue would be generated by agricultural land sales and local communities would not receive economic benefits from those sales. For every dollar spent to purchase the land, significant additional funds are spent on clearing and crop production; once in production, this land generates revenue for local farmers.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
1	0.0	266.8	0.0	0.0	266.8

Description: The Agricultural Land Program sells state land designated for agricultural use, including lands nominated by the public and parcels that have come back to the state through default or foreclosure. Since inception of the program in 1978, over 180,00 acres of state agricultural land have been sold into private ownership. Since 2014, the division has conveyed over 10,000 acres into private ownership.

As of 2017, almost 1,000 farms were operating in Alaska, with annual production of approximately \$35 million worth of food and fiber. The USDA National Agricultural Statistics Service identified 849,750 acres of Alaska farm and ranchland in 2017.

Before any sale offering, the land sales program staff identify state lands in area land management plans suitable for agricultural development. Once lands are designated for agricultural use, program staff develop preliminary parcel and subdivision outlines. The Division of Mining, Land and Water will then proceed with the sales process.

After land is sold, the program staff assist buyers with development of state farm conservation plans; linking up with other agencies to complete the necessary steps for completing their purchase. Over the long term, staff ensure compliance with the approved farm conservation plan or updates as necessary.

All agricultural landowners must follow a farm conservation plan that has been reviewed by the local soil and water conservation district and approved by the director of the Division of Agriculture.



OVERVIEW of the Division of Agriculture's Agriculture Revolving Loan Fund (ARLF)

Critical Function: Provides short- and long-term loans to support the state's agriculture industries.

Economic impact without the section's services: The agriculture industry's ability to secure loans for development, operating or equipment purchases would be limited, negatively impacting the profitability of farm operations and limiting growth in the agricultural sector.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
0	0.00	79.3	0.00	0.00	79.3

Description: Alaska producers depend on the Agricultural Revolving Loan Fund (ARLF) for six types of loans, including clearing, farm development, operating, irrigation, product processing, and chattel. Loans are available to qualified applicants and loan funds can only be used for agricultural production or processing operations in Alaska.

The Alaska Agriculture Loan Act was passed in 1953 and today is implemented through the ARLF under the direction of the Alaska Board of Agriculture and Conservation. This volunteer board is comprised of seven individuals representing different sectors of agriculture, business, and agriculture promotion. The board approves and denies applications for ARLF loans and manages the fund's assets. The board's expertise in agriculture production is essential to its review of business plans, farm operations, and operating and expense reports.

Fixed-interest rates are established by the Board of Agriculture and Conservation and are comparable to rates charged by other Alaska agriculture lenders. The total outstanding balance of ARLF loans may not exceed \$1 million per borrower. Loans may not exceed 75 percent of the value of the collateral, less existing loans. Collateral may include land, improvements, machinery, equipment, crops or livestock.

Functions: The ARLF has supported vegetable farmers, hay and grain producers, animal producers, ranchers, greenhouse operators, dairy farmers and sod farmers. The program also has supported value-added businesses including a potato chip factory, flour mill, dairy operations and slaughterhouses.

OVERVIEW *of the* Division of Agriculture's Industrial Hemp Pilot Program



Critical Function: The Industrial Hemp Pilot Program will establish the ability of Alaska farmers, manufacturers and retailers to grow industrial hemp and to manufacture and sell products derived from legally grown industrial hemp.

Economic impact without the section's services: Failure to establish regulations and start the program will result in the shutdown of the potential industry, and the loss of a number of businesses who sell products derived from industrial hemp.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other*	Total
2	0.0	375.0	0.0	0.0	375.0

Description: Managers of the Division of Agriculture and attorneys from the Department of Law have been drafting regulations to implement Alaska's Industrial Hemp Program. The regulations should be promulgated in the first quarter of 2020, after which registration of businesses will begin.

Key duties and functions:

- Establish regulatory program
- Operate the program using receipts from fees paid by the industry
- Hire and train staff to do the essential program functions of registration, oversight and testing, and program enforcement
- Propose changes to statutes and regulations to become compliant with the permanent Industrial Hemp Program requirements established in the 2018 Farm Bill

OVERVIEW *of the* Division of Agriculture's Inspection Services



Critical Function: Provides awareness, inspections and audits of domestic agricultural products; provides inspection and certification services necessary to export agricultural products; surveys, tracks, and provides outreach on invasive pest species.

Economic impact without the section's services: Lack of inspection services would halt annual exports of approximately \$100 million of Alaska agricultural and timber products. Local farmers would need to absorb the cost of inspections, undermining their ability to compete with imported food and farm products. All Alaska agricultural commodities would be vulnerable to pests coming in from other countries and domestically; and would not be monitored in-state to meet industry or national standards. Without agricultural services protecting Alaska production, food costs would likely increase as Alaska would become 100-percent dependent on imported agricultural food and farm products.

FY2021 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
3	265.8	0.0	152.3	49.0	467.1

Description: Inspection Services provides necessary inspections and audits to assure grade and quality control, monitors for disease and pest issues, and issues certifications to enable export. Serves as the liaison/educator for the FDA's Food Safety Modernization Act (FSMA) and the USDA's Good Handling Practices / Good Agriculture Practices (GHP/GAP) educator to help farmers understand the difference in inspections while meeting regulatory compliance versus accessing market and industry requirements.

The following programs are managed through this section:

- Potato seed certification
- Good Agricultural Practices / Good Handling Practices
- Inspections of elk, eggshells, fruits and vegetables
- Grade inspections
- Registration of brands, bees
- Timber and phytosanitary export program

Key duties and functions:

- Performs audits and inspections required by vendors/retailers as a condition of purchase
- Ensures compliance with the audit requirements adopted by the Global Food Safety Initiative
- Provides certification necessary for agricultural exports
- Writes and enforces state and border quarantines for agricultural commodities
- Monitors and makes recommendations on national pest; surveys state to prevent outbreaks
- Keeps farmers, marketers, policy makers, and support agencies informed about changing regulations and conditions as they relate to agriculture commodities and crop success



OVERVIEW of the Division of Agriculture's Invasive Plant and Pest Management Program

Critical Function: Limits the introduction and spread of freshwater invasive plants, terrestrial invasive plants and plant pests in Alaska through education, prevention, collaboration, effective management and eradication.

Economic impact without the section's services: Invasive species damage the environment and economy. Education, early detection and rapid response is key to avoiding costly long-term eradication and mitigation efforts.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
2	26.9	0.0	152.5	100.0	279.4

Description: The Invasive Plant and Pest Management Program collaborates with other land managers, agencies, organizations, and policy makers for the detection, management, outreach, education, and research on invasive plants and pests. The division is the lead agency when treatment is necessary.

Invasive species threaten Alaska's environment and economy due to their impacts on agriculture, fisheries, forestry, tourism, subsistence, recreation and public safety. They can be highly adaptive, can outcompete and displace native plants and animals, and alter valuable habitat. It is critical to prevent and manage infestations of non-approved invasive species. Identifying and permitting beneficial agricultural and related species is also important.

Invasive plants such as *Elodea* have already altered habitat and threatened fish resources. In 2015 *Elodea* was found in Sand Lake and Lake Hood. In 2016, *Elodea* was discovered in Alexander Lake. *Elodea* provides favorable conditions for other invasive species such as northern pike. The Alaska Department of Fish & Game (ADF&G) has spent millions of dollars to eradicate pike and restore the salmon fishery in the Alexander Lake/Creek system. In 2019 the Division of Agriculture and ADF&G Division of Sport Fish declared this *Elodea* infestation a crisis, and undertook extra management and treatment measures.

The Invasive Plant and Pest Management program also provides the following support:

- Detection efforts necessary to identify new infestations of invasive species
- Coordination of multi-agency management efforts that often involve multiple permits
- Treatment programs for high priority regulated invasive species such as Canada thistle and *Elodea*
- Pass-through funding agency for state and federal funds, available to soil & water conservation districts, businesses and local groups, used to treat high-priority invasive species statewide



OVERVIEW of the Division of Agriculture's Market Services Section

Critical Function: Economic diversification and promotion of state, regional, and international food and farm security through market services.

Economic impact without the Market Services Section: Loss of millions of dollars in federal grant pass-through funding aimed at developing the agricultural industry, international markets and Alaska food security. Loss of services and resources would have a direct economic impact on nearly 1,000 Alaska farms and 737,000 residents. The section helps address food security concerns, helping producers scale-up operations by opening international, institutional and domestic markets via diverse partnerships & staff roles.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
5	347.8	47.1	556.2	99.0	1,050.1

Description: The Market Services Section manages all federal farm bill grants to industry, including the specialty crop block grant and the food security mini grants. Market services have grown state, regional and international markets, as noted by the 2017 USDA agriculture statistics. It also manages development and operations of the official “Alaska Grown” registered trademark program, which has served Alaska farmers for 34 years and is the second-longest state brand agricultural program in the nation. This section serves as a member of the Western United States Agricultural Trade Association (WUSATA), with which the division partners to host international trade activities to link foreign markets with Alaska businesses that utilize Alaska’s fish, farmed, and/or harvested products.

Key duties and functions:

- Federal grant administration and management of farm bill grant program awards
- Managing programs for grants for which the Division of Agriculture is the required applicant, often high-profile R&D projects requested by industry, and part of the Plant Materials Center’s mission.
- Leveraging funds and expertise across government agencies, foundations, tribal entities, and non-profit organizations that have like-minded missions but lack agricultural expertise
- State and international services for entering markets, e.g. meeting buyers’ country-of-origin labeling requirements, learning how to write food safety plans, meeting exemption requirements for the Food Safety Modernization Act (FSMA), registering participants in the Alaska Grown program, and assisting with institutional procurement as businesses scale their operation up in size and readiness
- Manages and develops state-wide and national campaigns designed to boost state-branded agricultural recognition, increasing member product demand and campaign participation
- Maintains integrity and use of the federal and state registered “Alaska Grown” trademark, as well as administering annual promotional merchandise license agreements for eligible businesses



Overview of the Division of Agriculture's Plant Production and Environmental Services (Plant Materials Center/PMC)

Critical Function: Evaluates, maintains and produces high-quality native seed needed for commercial production. Develops plant materials and crop production methods suitable for agriculture and revegetation and reclamation projects in Alaska's unique environment. Provides expert services to agricultural producers in order to maximize successful farm and reclamation activities.

Economic impact without the section's services: The absence of native seed and reclamation services would limit agricultural profitability and longevity, and constrain the revegetation activities that are critical elements of Alaska construction and resource development projects.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
12	1,218.8	0.0	135.1	190.9	1,544.8

Description: The Foundation Seed, Generation Zero Potato, and Native Plant programs at the Plant Materials Center (PMC) have the following key duties and functions:

- Produce high-quality, foundation-level seed necessary for grass and grain seed production in Alaska
- Trial, evaluate, develop production methods and varieties for Alaska commercial potato production
- Produce virus- and disease-tested seed potatoes that are the foundation of Alaska's potato industry
- Trial, evaluate, and release native plants suitable for commercial production and revegetation
- Maintain and assist in all foundation-level grass, grain, and potato seed stock selected, bred and released within the state in conjunction with the University of Alaska Fairbanks, Agricultural Research Services and the U.S. Department of Agriculture

The PMC's repository of seeds and plant material is the only facility of its kind in Alaska. It maintains and stores foundational-level grass and grain seed, seed potato stock, and other seed for production in Alaska. These include 231 potato, 51 forb, 16 grain and 95 native grass seed varieties available for sale to Alaska agricultural producers.

These programs provide critical services to producers, nurseries and greenhouses, processors (potato, flour, distillery, etc.), retail stores selling "Alaska Grown" products, seed distribution centers (feed and seed retailers throughout Alaska), land management agencies, contractors for reclamation projects, "Alaska Grown" product consumers, and home gardeners.

OVERVIEW *of the* **Division of Forestry**



The Division of Forestry (DOF) is the State's lead agency for wildland fire management on 150 million acres of land, with a primary goal to protect life and property. The wildland fire management program plays a critical role in emergency management activities, including Incident Management Teams essential to effective, prompt response to disasters of all types.

The division manages 47 million acres of forest on state land for commercial timber sales and public use. State timber sales are the primary source of wood for local sawmills and value-added, wood product manufacturers in most of Alaska, and they are an important source of woody biomass, producing heat and electricity for rural Alaskans.

Protection of life and property

- Wildland fire operations in the 2019 McKinley fire protected 1,068 structures and land valued at more than \$129 million. Unfortunately, 52 primary residents and three businesses were lost in this incident.
- Operations in the Shovel Creek fire near Fairbanks protected 1,691 private parcels with an assessed value of \$188 million. On the Kenai Peninsula, operations at the Swan Lake fire protected 1,346 parcels assessed at \$438.9 million, and at the North Fork fire, protected 783 parcels assessed at \$90.3 million.

Employment and public access

- Emergency firefighters (767) were paid \$6 million in wages to date in the 2019 fire season – an important source of cash income in rural communities.
- The division builds new roads and maintains ~596 miles of roads in state forests and on other state land, used by citizens for subsistence, recreation and business activities. Work completed in FY2018 on the eight-mile Vallenar Bay Road providing access to public and private land on Gravina Island near Ketchikan.

Impacts to state revenue and the economy

- The division supports 450 FTE wood-products jobs, and hundreds of jobs for rural firefighters
- The division completed its first Good Neighbor Authority timber sale in the Tongass National Forest in 2017 and sold a second sale on Tongass National Forest and state forest lands in 2019. The first sale was for 29 million board feet of timber, and the joint Vallenar Bay sale was for 16 million board feet.
- The division held 31 commercial timber sales and collected \$2.3 million in stumpage revenue in FY2019.
- Successful implementation of the Alaska Forest Resources and Practices Act supported approximately \$119 million in log sales (128 million board feet) by landowners and companies to foreign markets in CY2019.

Renewable energy and resilient communities

- The division supports the Alaska Energy Authority and other partners investing millions of dollars in smaller, rural communities to create jobs and meet local energy needs through biomass projects, 51 of which operated in Alaska in 2019, including one producing both power and heat; four more are under construction.



STRUCTURE & FUNCTIONS *of the* Division of Forestry

The Division of Forestry (DOF) comprises two major programs. The Fire and Aviation Program protects life, property and other values at risk from wildland fire on state, municipal and private lands, and on federal lands via agreement. The Forest Resources Program provides a sustainable wood supply to the forest industry and public, and commercial forestry practice oversight on private, municipal and state lands under the Forest Resources and Practices Act (FRPA). Staff work across program boundaries to provide fire season support and mitigate fire risks near communities.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
256	33,215.6	997.0	17,024.8	3,389.6	54,627.0

Forest Resources Program

Forest Management – Manages 47 million acres of forest on state lands

Forest Practices – Oversees forest practices on state, municipal, private lands with a mandate to protect fish habitat and water quality under FRPA

Cooperative Forestry – Provides stewardship assistance on private land and forest health & community forestry on all lands per state Forest Action Plan

Tongass Challenge Cost Share & Good Neighbor Authority – Conducts workforce development, forest inventory, economic analysis and other work associated with the 2015 Tongass Land Management Plan

Forest Inventory and Analysis (FIA) – Implements the federal FIA program in Interior Alaska, establishing permanent forest inventory plots in support of sustainable forest management, including biomass projects

Fire & Aviation Program

Fire Preparedness – Provides fire protection on 150 million acres; funds personnel, aviation contracts, fire engines, facilities and training to build capacity so the division is prepared to safely and efficiently fight fire

Prevention – Completes fire investigations on cause and responsibility, educates public on safe burning, and burn permit program oversight

Administration & Grants – Provides technical and executive direction and leadership, budget development and fiscal management, operational and administrative management, grant tracking, and coordination

Fire Activity Component – Pays to suppress and manage wildland fire on state, municipal and private lands, reimbursed for activity on federal land

PCNs	UGF	Total
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27	2,175.6	4,021.8
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2	234.8	234.8
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7	0.0	1,099.2
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3	0.0	1,119.7
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2	0.0	1,119.7
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203	16,450.8	18,982.6
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9	674.0	674.0
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3	274.2	274.2
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OVERVIEW of the Division of Forestry's Administration & Grants Section

Critical function: Provides technical and executive direction and leadership, budget development and fiscal management, operational and administrative management, grant tracking, and coordination.

Economic impact without the section's services: This section provides overall leadership and coordination for DOF activities in the Fire and Aviation and Forest Resources programs. Both sections provide critical services to the state, including the protection of life and property.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
3	274.2	0.0	0.0	0.0	274.2

Description: The leadership and support of the Administration & Grants Section is essential to ensure that processes run efficiently, and policies and procedures are consistently implemented through all program areas. The section ensures that the division is responsive to public and business sector needs. Division leadership continues to take actions to improve the division's delivery of consistent, timely and effective services, while utilizing science to support natural resource development and science-based decision making.

Director's Office – As required by statute, provides direction, goals, strategies, oversight, coordination and decision making for and between the multiple programs within the division

Budgeting – Prepares and manages the division's budget, supports division managers in their management of expenditures, creates and manages Reimbursable Service Agreements (RSAs) and manages federal funds consistent with applicable OMB circulars and other grant reporting requirements

Operational Management – Coordinates field programs to effectively and efficiently utilize fiscal, equipment and personnel resources

Administration – Provides personnel management and hiring, procurement, and travel authorizations

External Funding – Identifies, coordinates and manages all aspects of external funding sources, federal and local government grants, capital projects, program receipts and reciprocal service agreement funding streams. Builds strategic relationships with a variety of partners, including federal agencies, non-governmental organizations, University Trust Lands and the Alaska Mental Health Trust

OVERVIEW *of the* Division of Forestry's Cooperative Forestry Section



Critical Function: Provides 100 percent federally funded technical and financial forest management assistance to diverse landowners through cost-effective, non-regulatory partnerships.

Economic impact with the section's services: Infuses more than \$1 million in annual federal funds into the state economy through technical and financial assistance to Alaska Native corporations, other private forest landowners, utility companies, college campuses, boroughs, and local governments. This funding, in part, has supported the creation of 1,084 Forest Stewardship plans which encompass 7.1 million acres of private land and contribute to timber product output and forestry jobs.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
7	0.0	0.0	1,099.2	0.0	1,099.2

Description: The programs listed below implement national programs funded by the U.S. Forest Service:

Forest Health Program:

- Provides effective early detection and response to invasive forest pests
- Identifies, monitors, and provides mitigation recommendation for damaging forest pest species
- Adapts forest health survey strategies and management practices to keep pace with changing climate

Community Forestry Program

- Supports community development that maintains and enhances urban trees and forests, which enhance air and water quality, public health and quality of life
- Builds community forestry program capacity at the local and statewide level and provide technical assistance and training to those who plan for, plant and maintain community trees and forests

Forest Stewardship Program

- Develops strategies for better wildland fire preparedness by private, urban, & rural landowners
- Recommends practices for second growth forest management on private lands
- Supports development of biomass energy and cost-effective habitat management
- Meets increasing demand for wood in home and business space heating

Conservation Education Program

- Maintains and increase public support for forest management (social license) by:
 - Expanding the geographic breadth of conservation education in Alaska
 - Expanding support for wildland fire education in the Alaska educator's series
 - Continuing to emphasize service-learning opportunities for educators
 - Working with cooperators to implement a statewide environmental literacy plan

OVERVIEW of the Division of Forestry's Fire Preparedness Section



Critical Function: Protects life, property and other assets at risk from wildland fires on state, municipal and private lands, and by agreement on federal lands, in a safe, efficient and cost-effective manner.

Economic and public safety impact of the section's services: Provides for direct employment of emergency firefighters and purchases of services or goods from 1,085-plus private-sector vendors in 2019, valued at over \$13 million for the 2019 fire season. The value of personal and business property protected from wildland fire is significant, as demonstrated by 2019 project fires such as Oregon Lake, Montana Creek, Malaspina, Swan Lake, Shovel Creek, McKinley, Deshka Landing, Caribou Lake, and several others with an assessed property value of hundreds of millions of dollars.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
203	16,450.8	0.0	1,544.0	987.8	18,982.6

Description: The Fire Preparedness Section provides wildland fire protection on 150 million acres of land and assistance to the State's interagency partners, the U.S. Bureau of Land Management-Alaska Fire Service and the U.S. Forest Service, as needed during the fire season. It houses most of the state's firefighting workforce, mainly full-time seasonal employees dispersed through the state. Firefighters share facilities with our Forest Resources Program in 10 locations (Ketchikan, Juneau, Haines, Soldotna, Palmer, McGrath, Copper River, Tok, Delta, and Fairbanks) represented by five area offices. This section has lost about 7 percent of its UGF appropriation and 18 PCNs from FY2014-16; most staff cuts affected McGrath in FY2016, the second-worst season on record, when over 5.1 million acres burned statewide (Figure 1).

The backbone of this section's Initial Attack operations is its six contracted medium helicopters (4 B 212s and 2 BK 117s) and wildland fire engines staffed by firefighters. These resources are supported by the fixed-wing aviation program that provides two contract vendor air tankers (Convair 580s), two state-owned lead plane/air attack platforms (Turbo Aero Commanders), and logistical support via two additional state-owned aircraft, a Shrike and Beaver. The section maintains and operates five air tanker bases located to allow two-hour or less response times to any location in our service area.

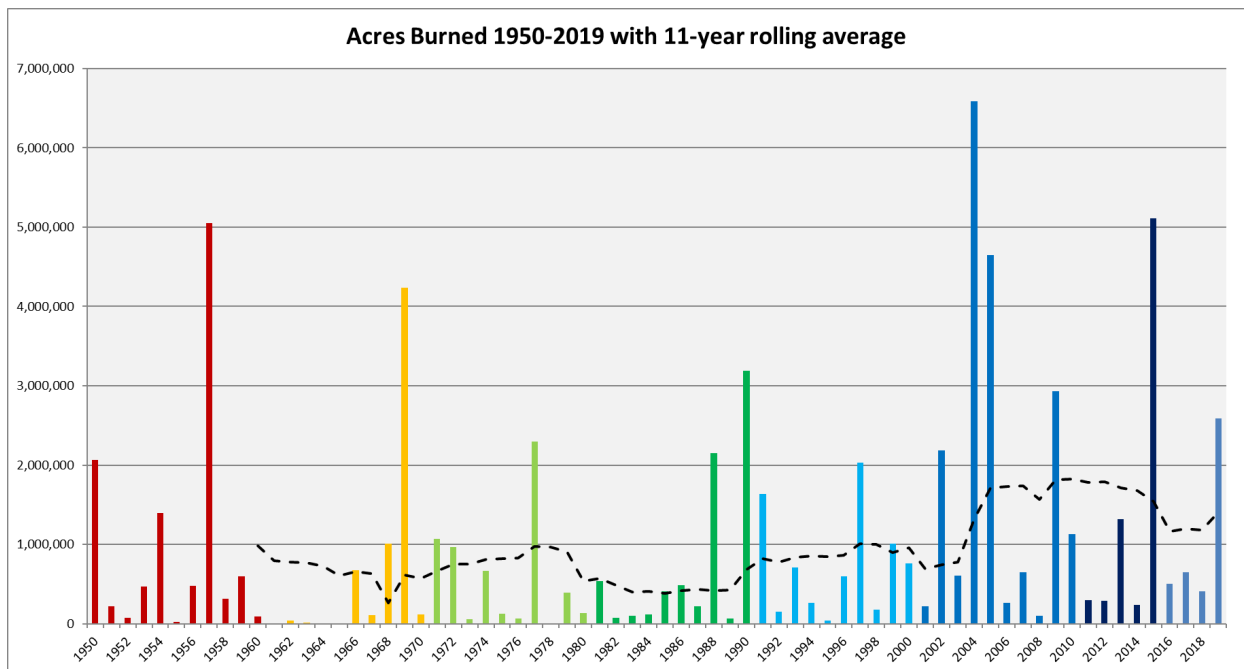
The section also maintains support functions that allow staff to be placed and maintained in the field. The initial attack and support dispatch centers are the nerve centers of the operation, and order and track all resources assigned to a fire. Warehouse and cache operations provide the supplies needed in the field, with the principal facilities located in Palmer and Fairbanks. Ten local fire caches that each support 100-500 personnel are located with or near the statewide forestry offices.

The administrative staff supports both the Forest and Fire Management programs and ensures the fiscal aspects of both programs run smoothly and support the needs of each, especially during the fire season.

Key duties and functions:

- In critical and full designated fire protection areas, keep fire starts at 10 acres or less through aggressive initial attack and rapid response
- Manage wildland fire prevention program through enforcement and education. Maintain a burning permit program in conjunction with cooperating fire departments and communities. Provide required annual fire line refresher training and physical testing (arduous to light depending on Red Card qualifications) to village emergency firefighter crews to provide in-state fire crews
- Ensure all fixed and rotor wing aircraft meet interagency carding certifications including the pilots
- Work in an interagency environment and provide support to federal, state, and Canadian partners as our fire season allows. The Incident Management System is a scalable process that allows emergency response agencies the ability to rapidly increase their capabilities by using other resources. During the 2019 fire season, approximately 1,522 Alaska and 2,156 Lower 48 overhead were on assignment. In addition, 187 Lower 48 crews came up on assignment through the National Interagency Coordination Center and the Northwest Compact.
- Track and assign fiscal expenses to appropriate incidents and determine the need for additional fiscal resources via disaster declarations coordinated with the Office of Management & Budgeting and the Governor's Office.

Figure 1- Annual history of acres burned in Alaska with 11-year rolling average



OVERVIEW *of the* Division of Forestry's Fire Prevention Section



Critical Function: Administers the state's wildland fire prevention program by educating the public, enforcing open burning regulations, investigating human-caused fires, and preparing criminal or administrative cases to recover the state's suppression costs.

Economic impact without the section's services: Cost recovery from human-caused fires due to negligent actions and the conviction of responsible parties sends a strong fire prevention message to the public; even one less project fire can save millions. In FY2015 this section recovered approximately \$680,000 in fire suppression costs.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
9	674.0	0.0	0.0	0.0	674.0

Description: The Fire Prevention Section plans and executes a statewide fire prevention program. Outreach is provided on safe burning practices and the burn permit program in addition to classes, public workshops and the dissemination of information on wildfire prevention and education topics including the Firewise program and Community Wildfire Protection Plans (CWPP).

The Firewise program instructs homeowners and businesses how to reduce wildland fire risk. Through the Cooperative Forestry Section, it provides competitive federal matching grants to Alaskans to complete treatments. The Firewise program works at the property level, while CWPPs reduce community risks by mapping high-risk areas and evacuation routes and planning mitigation projects such as fuel breaks.

During the fire season, this section administers the state's small and large-scale burn permit programs, and assesses weather and fuel conditions to decide whether to allow or restrict burning. Prevention technicians maintain public wildfire danger signage and notices, investigate smoke reports, address public inquiries or concerns, and may undertake enforcement actions in response to violations of wildland fire laws.

This section investigates wildland fires to determine origin and cause while working collaboratively with local, state and federal agencies to identify responsible parties when applicable. Prevention technicians testify at hearings and work closely with the courts and prosecuting attorneys to prepare criminal cases. Civil cost recovery cases are coordinated with the Attorney General's office.

Key duties and functions:

- Minimize the impact of fire on the public by reducing human-caused fire starts through education, enforcement and hazard fuel mitigation around homes, businesses and communities
- Prepare fire investigative reports for use in criminal or civil court cases
- Update annual suite of fire prevention statistics to track effectiveness of prevention activities
- Deliver fire prevention message at civic and other highly visible public events



OVERVIEW *of the* Division of Forestry's Fire Suppression Activity Component

Critical Function: This component covers costs associated with wildland fire suppression activities and fixed costs not funded in the operating budget for an average fire year. Because fires fluctuate in severity and length, temporary increases above the initial authorization are covered by this account.

Economic impact without the component: See Fire Preparedness Section narrative.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
0	13,641.0	0.0	11,960.4	1,500.0	27,101.4

Description: The Fire Suppression Activity Component ensures that the State is fully authorized to prepare for and respond to wildland fires. It allows the division to pre-position overhead personnel, fire crews, Incident Management Teams (IMTs), aircraft, and supplies in preparation for natural and human-caused events. Without preparation for multiple fire starts or extreme fire behavior (Red Flag Warnings), catastrophic results can occur; this is a public safety issue – protection of life and property.

Key duties and functions:

- Train Alaska crews, crew bosses, overhead and emergency fire fighters
- Make timely payments to cooperators, vendors, and contractors
- Pre-position of initial attack resources according to fire potential predictions
- Supply aircraft with fuel and retardant and secure additional aviation resources from Canada and the Lower 48 when Alaska resources are fully utilized
- Staffing for large, problematic fires with organizational requirements
- Ensure investigation procedures of person-caused fire with potential for cost recovery
- Provide for logistical network of supplies, equipment and communications needs

During most fire seasons, this component has additional funding authorized by either a budget supplemental or disaster declaration process. Ideally, the authorization for this budget component would be based on the previous 10-year average of costs and has been updated for FY2020.



OVERVIEW of the Division of Forestry's Forest Inventory and Analysis Program

Critical Function: Implement long-term, continuous forest inventory of lands in Interior Alaska as part of the national Forest Inventory and Analysis (FIA) to support sustained yield forest management, track changes in the region's forests and provide workforce development opportunities.

Economic impact without the section's services: Data is utilized by the forest products sector and communities to make decisions about development projects that utilize wood from sawmills to wood energy investment in rural communities. This dataset is also used for establishing regional baseline forest conditions, which is needed when developing carbon offset projects.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
2	0.0	0.0	1,119.7	0.0	1,119.7

Description: In 2015, the division received federal funding to fully implement the Forest Inventory and Analysis (FIA) Program in Interior Alaska. This is a U.S. Forest Service (USFS) research program that collects and publishes information needed to assess America's forests. It provides a comprehensive permanent sample plot grid to assess timber and biomass resources, vegetation structure, carbon storage in above- and below-ground reservoirs, permafrost dynamics, forest change due to insects, disease, climate, fire, and development. This is especially important in the Interior where mean annual temperatures have increased by 3 to 5 degrees since 1950. Both the length of the fire season and the number of acres burned annually have also increased significantly since 2004. Five of the top 10 years for acres burned have occurred since 2004: 2004 (1st), 2015 (2nd), 2005 (4th), 2009 (7th), and 2019 (8th).

FIA plots were established in coastal Southeast and Southcentral Alaska in the early 2000s, but not in the Interior. FIA is administered by a Joint Venture Agreement (JVA) with the USFS Pacific Northwest Research Station. Work began with a pilot project, featuring a partnership with NASA to test and develop a new remote sensing tool that collects hyperspectral, Lidar, and infrared data via aircraft, which should greatly expand the ability to collect data over Interior's large distances and acreage. The division has completed its initial three-year "ramp up" stage and now conducts the program with minimal Forest Service involvement except for funding, quality assurance, and IT support. A four-year helicopter contract concluded with minimal unavailability and no major incidents. Field crews began sampling the Susitna/Copper River unit in 2019 with two permanent coordinators, two non-permanent assistants, six non-permanent crew leads and 14 non-permanent crew members. In the 2020 field season, crews will begin installing plots in the more remote Southwest unit.

Key duties and functions:

- Complete annual forest inventory work per the JVA, on an ongoing basis

OVERVIEW of the Division of Forestry's Forest Management Section



Critical Function: Manages general state forest lands, including three state forests. Ensures commercial timber sales are offered on a consistent and regular basis in support of the forest products sector.

Economic impact without the section's services: The remaining forest products industry in Southeast Alaska would fail or be reduced to minimal levels of activity. In Interior Alaska, a growing forest products sector would diminish, and production facilities would struggle to secure a wood supply.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
27	1,941.2	997.0	181.8	901.8	4,021.8

Description: The Forest Management Section oversees commercial and personal use activities on the three state forests representing 2.1 million acres of land, with the primary purpose of timber management. In consultation with the Division of Mining, Land & Water, manages forests on approximately 48 million acres of state land under sustained yield and multiple-use principles. Additional oversight and direction are provided by the Board of Forestry and local citizen advisory committees.

The commercial timber sale program is the section's primary activity, with 31 individual sales representing 15.9 million board feet sold in FY2019. Over the past 10 years, the division has sold 151 million board feet of timber. In most locations, the division is the sole provider of timber to the forest products sector and in Southeast Alaska plays a key role in maintaining the current industry.

This section provides a source of wood for home heating and the wood biomass industry. Statewide, many communities utilize wood chips or pellets to heat public facilities. Some notable projects are in Craig, Mentasta, Delta, Galena and Tok where wood products heat schools and core buildings, in Tok also produce power. While these activities are often overlooked in the bigger energy discussion, they provide jobs and circulate money in some of the smallest, most remote communities of the state.

The section has important responsibilities in the division's public safety mission: area and regional foresters work together with the wildland fire program to manage fires on public and private lands.

Key duties and functions:

- Completes forest management plans at the forest level, publishes the Five-Year Schedule of Timber Sales, and writes Best-Interest Findings and Forest Land Use Plans for individual timber sales
- Oversees and administers timber sale contracts with purchasers
- Maintains and builds roads to access state land as part of the timber management program
- Ensures state timber harvest unit restoration to maintain public forests and a perpetual timber supply

OVERVIEW *of the*

Division of Forestry's Forest Practices Section



Critical Function: Implements the Forest Resources and Practices Act (FRPA) on state, private and municipal lands. Ensures timely review of Detailed Plans of Operation (DPOs) submitted by harvesting contractors/landowners, and conducts field inspections to ensure timber harvest areas and roads comply with statutes and regulations that ensure prompt reforestation and protect fish habitat and water quality.

Economic impact of the section's services: Commercial forestry activities represent an important segment of the state's economic activity. In coastal Alaska, successful FRPA implementation supported 128 million board feet of log exports in CY2019. Recently published customs district data show the value of log exports between 2008 to 2018 was nearly \$1.15 billion, averaging over \$100 million per year.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
2	234.4	0.0	0.0	0.0	234.4

Description: The Forest Practices Section coordinates FRPA administration and fulfills DNR's lead agency role while working with its sister agencies, the departments of Fish and Game (ADF&G) and Environmental Conservation (ADEC). This small section has a big task, and has seen reductions in staff due to falling appropriations. Four foresters who worked in this section and Forest Management Section were lost in FY2016.

Reviews and approves DPOs within 30 days of notice, after which the activity can proceed unless it is found to be inconsistent with FRPA provisions. Conducts field inspections during commercial operations. Inspections include a representative from ADF&G and ADEC when needed, as DOF gives due deference to these agencies on issues of fish habitat and water quality. Inspectors conduct compliance monitoring and provide the operator and landowner a report of the results. When required, staff can issue stop-work orders, directives to correct deficiencies, or notices of violation. Staff serve as prosecution coordinators and hearing officers to adjudicate violations of FRPA under the administrative law process.

The Board of Forestry helped develop FRPA, which uses both the best available science and the practical experience of field operations to ensure the Act is efficient, economical and effective. The regulations and statutes are updated as needed based on this process.

Key duties and functions:

- Reviews DPOs and approve the proposed activity, or issue a directive or stop work order
- Coordinate activities with DEC and ADFG and complete field inspections of operations
- Ensure appropriate fish buffers and water quality measures are applied where required
- Educate landowners and operators on FRPA requirements and their responsibilities under the Act
- Brief the Board of Forestry on activities and help prepare its annual report on FRPA's effectiveness
- Collect and analyze statistics on use of best management practices



OVERVIEW *of the* Division of Forestry's Tongass Challenge Cost Share & Good Neighbor Authority

Critical Function: To develop a long-term working partnership with the U.S. Forest Service (USFS) to ensure enough timber is offered from federal lands to sustain and grow Alaska's forest products sector.

Economic impact without the section's services: The remaining forest products industry in Southeast Alaska would fail or be reduced to minimal levels of activity.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
3	0.0	0.0	1,119.7	0.0	1,119.7

Description: In 2013 the U.S. Secretary of Agriculture issued Memorandum 1044-09 addressing sustainable forestry in Southeast Alaska, directing the Tongass National Forest (TNF) to speed the transition away from old-growth timber harvest and toward an industry that utilizes young growth. The memo states the transition must take place in a way that preserves a viable timber industry providing jobs and opportunities for residents of the region. The division and USFS are working with communities and other partners through a Challenge Cost Share Agreement signed in June 2015 to improve young growth and old growth forest inventory information, provide local economic opportunities, and complete local workforce development. A second Challenge Cost Share Agreement was signed in July 2019 to promote uneven-aged old growth helicopter opportunities in Southeast Alaska. The division is leading both efforts, coordinating over \$6.8 million in federally funded activities.

The division also is using the Good Neighbor Authority (GNA) program that allows states to perform forest management and other services on national forest system and Bureau of Land Management lands. In November 2016, the division entered a master GNA agreement with the USFS for Tongass work. The agreement provides overall intent and administrative process, while individual projects are governed by a Supplemental Project Agreement (SPA). The division signed a SPA for the Kosciusko Vegetation Management and Watershed Improvement Project. This project includes a 29 million-board-foot young-growth timber sale that sold in FY2018, providing \$2.6 million in federal revenue. The Vallenar timber sale, which is on TNF and state forest lands for a combined 16 million board feet, is the second GNA project accomplished. The timber sale sold in FY2019 for \$2.1 million in state and federal revenue.

Key duties and functions:

- Complete forest inventory work to determine timeline for transition from old- to young-growth forests and update Tongass land management plan with new information including economic analysis
- Continue working with a wide range of partners to ensure benefits from forest management accrue to the region, including conducting additional training and workforce development for residents.
- Plan and facilitate at least one new GNA project each year to grow timber sale offerings, while completing other service-oriented work in restoration, recreation and access projects.

OVERVIEW *of the* **Division of Geological & Geophysical Surveys**



The Division of Geological & Geophysical Surveys (DGGS) collects, analyzes, and publishes geologic information that stimulates resource development and identifies geologic hazards. Its cutting-edge work is available to all users and preserved for future generations.

Geologic information is critical for discovering and commercializing the state's oil, gas, coal, and mineral resources and protecting Alaskans from geologic hazards. Long-term investment in DGGS research leads to targeted exploration, new discoveries, additional oil and gas and mineral production, state revenue, jobs, resilient communities and a sound economy.

Driving future revenue and economic activity

- DGGS is tasked with energy and mineral resource evaluations of 160 million acres of state lands.
- The division's research, presentations and publications, including numerous maps and reports, aided recent significant oil discoveries in the Nanushuk and Torok formations companies say could hold 800 million barrels, deliver 200,000-250,000 barrels of daily production, and billions to the state treasury.
- Industry geologists' credit DGGS maps, data, and interpretations for discoveries at the Livengood gold deposit and at the Pogo gold mine, which employs 339 workers and pumps \$280 million per year into the state and local economy. Livengood will likely have a similar economic impact when developed.
- DGGS airborne geophysical, geological and geochemical data facilitated a significant copper-gold discovery at Shorty Creek in 2015, and precipitated major claim staking activity in 2016.
- The resurgence of industry interest in Cook Inlet natural gas was preceded by a surge of publications from the division based on its Cook Inlet field studies.

Alaska's storehouse for invaluable data

- The Geologic Materials Center (GMC) and its contained core samples were used by industry in its recent Nanushuk discoveries. This facility makes all of Alaska's public geologic materials - and now seismic datasets - available for industry and research use.
- No other entity collects, stores and provides public access to Alaska's invaluable geologic data, maps, reports, and drill samples, which are used by current and future explorers.
- In FY2019, 1.15 million dataset and report downloads from the division's website along with 3,100 geologic information requests demonstrate the demand for, relevance, and quality of DGGS products.

Providing for public and infrastructure safety

- Volcano eruption alerts to the aviation industry have prevented major loss-of-life incidents. Ninety percent of Asia's air cargo passes through airspace threatened by Alaska's 54 active volcanoes.
- Flooding and erosion affect many Alaska communities, including 184 of 203 ANCSA-eligible villages. Forecasts support avoidance and response efforts; continuous monitoring is essential for accurate baseline data, long-term predictions, and up-to-date assessments.

STRUCTURE & FUNCTIONS of the Division of Geological & Geophysical Surveys



The Division of Geological & Geophysical Surveys (DGGS) is the state agency responsible for determining the potential of Alaska land to host oil, gas, mineral and other resources, and for evaluating geologic hazards. The division is organized into five sections and operates the Geologic Materials Center, the state repository in which geologic materials are cataloged, stored and studied.

FY2020 Governor's Amended Budget

PCNs	UGF	DGF	Fed	Other	Total
48	3,562.0	1,081.0	2,100.2	2,135.4	8,878.6

Resource Development

Energy Resources – Evaluates Alaska's undiscovered oil, gas, coal and geothermal resources to stimulate exploration and development.

Mineral Resources – Evaluates Alaska's undiscovered mineral resources to stimulate exploration and development.

PCNs	UGF	Total
7	522.1	1,170.6
9	435.3	735.4

Public Safety and Community Resilience

Engineering Geology – Provides information on geologic hazards, climate change, groundwater, and industrial minerals to assist public safety, community resilience and industrial development.

Volcanology – Monitors Alaska's volcanoes and issues alerts during unrest and eruptions through the Alaska Volcano Observatory.

10	603.8	1,732.0
4	0.0	1,480.0

Information Availability

Geologic Materials Center – Makes the state's collection of drill samples (28 million representative feet) available to developers and academic researchers to stimulate discoveries.

Geologic Information Center – Produces division's maps and reports; manages databases and the division website through which data, maps and reports are made available; develops data delivery applications.

5	231.3	1,156.2
8	840.6	1,517.6

Administration & Grants

Provides technical and executive direction and leadership, budget development and fiscal management, operational and administrative management, grant tracking, coordination and administration.

5	928.9	1,086.8
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Overview of the Division of Geological & Geophysical Surveys' Administration & Grants Section

Critical function: Provides technical and executive direction and leadership, budget development and fiscal management, operational and administrative management, external funding tracking, coordination and administration.

Economic impact without the section's services: Other DGGS functions critical to support the economic well-being of the state would not properly function.

FY2020 Governor's Amended Budget

PCNs	UGF	DGF	Fed	Other	Total
5	928.9	0.0	0.0	157.9	1,086.8

Description: The leadership and support of the Administration & Grants section is essential to ensure processes not only run efficiently but are regularly improved. Anticipating trends, internal and external dependencies and influences, the unit ensures that the division is responsive to public needs. Division leadership continues to take actions to improve the division's delivery of consistent, timely and effective science to support natural resource development and science-based decision making.

Director's Office – As required by statute, provides direction, goals, strategies, oversight, coordination and decision making for and between the multiple programs within the division.

Budgeting – Prepares and manages the division's budget, supports division managers in their management of expenditures, creates and manages Reimbursable Service Agreements (RSAs).

Operational Management – Coordinates field programs to effectively and efficiently utilize fiscal, equipment and personnel resources.

Administration – Provides personnel management and hiring, procurement, and travel authorizations.

External Funding – Identifies, coordinates and manages all aspects of external funding sources, federal and local government grants, capital projects, program and industry receipts and reciprocal service agreement funding streams. Builds strategic relationships with outside organizations with the capacity to fund geoscience research. Without securing and coordinating outside funding, division programs could not function.

"Other" funding sources: Inter-agency Receipts (I/A)

OVERVIEW of the Division of Geological & Geophysical Surveys' Energy Resources Section



Critical function: Evaluates the energy resource potential of 160 million acres of state land in support of the \$3.5 billion in wages earned by the 51,000 energy industry jobs and \$808 million in state revenue generated from those resources. Publicly available geologic information regarding the state's petroleum systems bolsters the success of oil and gas exploration and development, and enhances state revenue from production of Alaska's oil, gas, coal, and geothermal resources.

Economic impact without the section's services: A static, deficient understanding of the energy resource potential of state lands would slow investment in exploration and development of energy resources, limit future state revenues, and delay recognition of potential energy sources for rural Alaska.

FY2020 Governor's Amended Budget

PCNs	UGF	DGF	Fed	Other	Total
7	522.1	0.0	234.9	413.6	1,170.6

Description: The Energy Resources Section generates new, objective geologic information on the energy resources of Alaska, primarily oil and gas. It conducts bedrock geologic mapping of key areas, and conducts geologic studies to understand the evolution of petroleum systems and the characteristics of oil and gas source and reservoir rocks. This information leads to improved models for the generation and accumulation of oil and gas, which reduce exploration and development risk, and supports science-based decisions by policymakers. The section focuses primarily on the petroleum potential of the North Slope and Cook Inlet, with a secondary focus on prospective frontier basins, including the Susitna, Nenana, and Yukon Flats basins.

Increasing oil production on the North Slope, assuring stable natural gas supplies in Southcentral Alaska, and providing information on local energy sources for rural communities requires the long-term investment in the unbiased, relevant geologic information this section provides. The recent discoveries totaling at least 1.7 billion barrels of recoverable oil in the Nanushuk Formation, and potentially up to 6 billion barrels in the Torok formation demonstrate the value of long-term investment in geologic research.

Key functions and objectives:

- Provide new geologic information on the state's oil, gas, coal, and geothermal resources
- Improve the success of commercial oil and gas exploration and development
- Identify local energy sources for rural Alaska villages
- Inform state and federal land management decisions to ensure future access to state resources
- Collaborate with Division of Oil & Gas, U.S. Geological Survey, University of Alaska Fairbanks, and University of Alaska Anchorage to maximize understanding of Alaska's energy resource potential

"Other" funding sources: IA, Capital Improvement Projects (CIP), Statutory Designated Program Receipts (SDPR)



OVERVIEW of the Division of Geological & Geophysical Surveys' Engineering Geology Section

Critical Function: Increases public safety and strengthens community and infrastructure resilience by providing geologic hazard information and expertise, and locating construction materials and groundwater resources across all 400 million acres of Alaska.

Economic and public safety impacts without the section's services: Incorporating geologic hazard analysis into decision-making saves lives. It also saves the public and private sectors millions of dollars each year when projects can be designed for prevailing geologic conditions and hazards, and take advantage of available construction materials and water resources. These services help to ensure the state's economic, community, and social resilience.

FY2020 Governor's Amended Budget

PCNs	UGF	DGF	Fed	Other	Total
10	603.8	0.0	190.6	937.6	1,732.0

Description: The Engineering Geology Section produces maps and reports about geologic hazards (e.g., tsunamis, landslides, erosion, avalanches, earthquakes, active faults) throughout the state, as well as engineering-geology information on permafrost, soil conditions, and location and availability of groundwater and construction materials.

In most Alaska communities, the fundamental geologic data needed to guide community development, building codes, land-use zoning, and contingency planning for major floods, landslides, or earthquakes are not available. The section's data helps protect public safety and fosters community and infrastructure resilience, and helps communities qualify for government geologic hazard mitigation assistance.

Engineering-geologic maps depicting construction materials resources are useful for locating materials sources for highways, airports, and community and natural resource development. Groundwater analysis and aquifer modeling in areas of high development potential, such as near communities or in oil and gas basins, are essential to ensuring an adequate and safe residential and commercial supply of water.

Key functions and objectives:

- Protect life and property by mapping and distributing information on geologic hazards
- Identify sources of geologic construction materials and potential sources of groundwater to support the development of other natural resources, assist communities, and support Alaska's infrastructure
- Foster informed, science-based, and economically prudent land-use and management decisions, as outlined in the Division's statutory requirement to "Determine ... the locations and supplies of groundwater and construction material, and the potential geologic hazards to buildings, roads, bridges, and other installations and structures" (AS 41.08.020)

"Other" funding sources: I/A, CIP, SDPR



OVERVIEW of the Division of Geological & Geophysical Surveys' Geologic Information Center (GIC)

Critical Function: Creates, preserves, publishes, and delivers division-generated or archived geologic maps, reports and databases to the public, academia and industry. Public availability of geologic information help companies explore and develop Alaska's resources.

Economic impact without the section's services: Distribution of information from research and field-work performed by the division's scientific staff would be drastically reduced without support and publication services. This section is the only entity providing access to the bulk of published geologic, mineral and energy resources information for Alaska. Without this, discovery and development of Alaska's energy and mineral resources will be impeded and land management decisions will be uninformed, with the likely loss of billions of dollars to the state's economy. Timely information related to earthquakes, landslides, tsunamis, coastal erosion or other natural hazards would not be available to help mitigate geologic hazards, increasing the risks of loss of life and/or property and damage to critical infrastructure.

FY2020 Governor's Amended Budget

PCNs	UGF	DGF	Fed	Other	Total
8	840.6	270.0	166.7	240.3	1,517.6

Description: The Geologic Information Center designs, edits, publishes, and delivers division-generated geologic information in the form of authoritative, impartial, peer-reviewed maps, reports, geospatial datasets, and user-friendly online applications. In 2019 the section helped publish new, peer-reviewed geologic mapping of 1,311 square miles to help evaluate energy resources, mineral resources and geologic hazards. The section archives and maintains about 723 terabytes (1 terabyte = 1,000 gigabytes) of digital and map-based geological, geophysical, and geochemical data in a database that drives DGGS's website (dggs.alaska.gov), which helped foster 1.15 million downloads of digital datasets and reports, totaling more than 50 terabytes (16.7 terabytes from elevation data alone) of information in FY2019, with even more data being provided via interactive maps, online databases, and geographic information system services. DGGS personnel responded to more than 3,100 geologic information requests. The section's ability to host and distribute data helps maintain collaborations with federal and other state organizations, minimizing duplication of effort and cost. It will keep playing an integral role in geospatial and digital data distribution as it develops new and maintaining existing online maps, reports, and digital datasets.

Key functions and objectives:

- Publish and distribute division-generated geologic information to maximize public understanding of Alaska geology and its natural resource potential.
- Stimulate economic activity by providing access to published public geologic data for Alaska.
- Mitigate risks to public safety by disseminating time-sensitive information on geologic hazards.

"Other" funding sources: I/A, CIP, SDPR



OVERVIEW of the Division of Geological & Geophysical Surveys' Geologic Materials Center (GMC)

Critical Function: Permanently archive, index, protect, and make accessible for public, academic and industrial use geologic materials, seismic, borehole and related data to help advance exploration and knowledge of Alaska's geology, oil, gas and mineral resources. Public availability of large collections of geologic materials assists successful entry of independent companies to Alaska resource exploration.

Economic impact without the Center's services: The loss of 75 years' worth of geologic data and nearly 665,000 energy, mineral and geologic research samples would cost the State at least \$30 billion dollars to reacquire. This irreplaceable collection is well used by industry, and its loss would significantly retard oil, gas, and mineral development for decades.

FY2020 Governor's Amended Budget

PCNs	UGF	DGF	Fed	Other	Total
5	231.3	811.0	0	113.9	1,156.2

Description: The Geologic Materials Center is the repository where Alaska's geologic materials are cataloged, stored, and made available. Its chief users are the oil, gas, and minerals industries, government agencies, academia, and the general public, with 1,475 visitors in FY2019. Drill samples stored at the GMC have been used to help discover hundreds of millions, to billions of barrels of oil in the North Slope region, billions of cubic feet of natural gas in Cook Inlet, and numerous mineral discoveries across the state. One foot of core can lead to a discovery, millions to billions of dollars in lease, tax, and royalty revenue to the State, and hundreds of Alaska jobs. The GMC hosted visits by major and independent oil companies and government researchers operating in both the North Slope and Cook Inlet regions, including ConocoPhillips, Hilcorp, Glacier Oil & Gas, Alaska Gasline Development Corporation, U.S. Geological Survey, U.S. Department of Energy, and U.S. Bureau of Ocean Energy Management. In FY2018, the GMC began collecting fees and is now a revenue-generating facility for the state.

The geologic archive includes nonproprietary rock core and cuttings from more than 3,100 oil and gas wells, representing 27 million feet of exploration and production drilling. Additionally, the collection holds more than 350,000 linear feet of hard-rock mineral core from 2,242 exploratory boreholes.

Geologic Materials Center objectives:

- Ensure the repository's geologic materials and related data are properly archived and publicly accessible to help advance exploration and knowledge of Alaska's natural resources
- Coordinate with other agencies, organizations, companies, academic institutions and individuals to develop, improve and make accessible the geologic sample and data archive
- Provide world-class customer service to the facility's users and promote learning and the propagation of scientific knowledge among the general public

"Other" funding sources: IA, CAP, SDPR



OVERVIEW of the Division of Geological & Geophysical Surveys' Volcanology Section

Critical Function: Increases public safety by monitoring and evaluating hazards from Alaska's volcanoes and providing timely and accurate warnings of volcanic unrest and eruptions.

Economic loss and public safety impacts without the section's services: Advance warning of volcanic eruptions allows communities to properly prepare for impacts such as ashfall and mudflows, resulting in lives saved and protection of millions of dollars in property. Drifting ash clouds from the state's 54 active volcanoes pose a serious danger to international air cargo jets, and to the hundreds of daily passenger jets and local aircraft that fly through airspace impacted by ash in the atmosphere.

FY2020 Governor's Amended Budget

PCNs	UGF	DGF	Fed	Other	Total
4	0.0	0.0	1,480.0	0.0	1,480.0

Description: The Volcanology Section conducts and publishes geologic investigations of Alaska's volcanoes to increase awareness of volcanic hazards and processes; continuously monitors volcanic activity; and issues timely and accurate warning of increasing unrest and eruptions to emergency management agencies, other government entities, the private sector, and the public. The section is part of the Alaska Volcano Observatory (AVO), an interagency partnership of DGGs, the U.S. Geological Survey (USGS), and the University of Alaska Fairbanks Geophysical Institute. In the past decade, the section has responded to more than 26 eruptions at 10 Alaska volcanoes.

As most of Alaska's 54 historically active volcanoes underlie the heavily traveled North America to Asia air passenger and cargo routes, aviation sector highly values volcano monitoring and reports on eruptions and drifting ash clouds. Local infrastructure's vulnerability to active volcanoes was illustrated by the near flooding of the Drift River Oil Terminal on the west side of Cook Inlet by lahars (volcanic mudflows) generated during the spring 2009 eruption of Redoubt Volcano. Transportation hubs at Cold Bay, Unalaska/Dutch Harbor, and Adak, as well as the new Akutan airport, are all downwind from nearby active volcanoes. In FY2019, DGGs Volcanology Section staff responded to volcanic unrest at Cleveland, Semisopochnoi, Shishaldin, Veniaminof, and Great Sitkin volcanoes. Response activities include issuance of volcanic eruption alerts in collaboration with the USGS and UAF, 24/7 seismic and satellite monitoring, detailed record-keeping of eruptions and impacts, and maintaining current information on the public website and social media.

Key functions and objectives:

- Mitigate risks to health and public safety by providing volcanic hazards and eruption information
- Represent the State of Alaska's interests in the multi-agency Alaska Volcano Observatory
- Provide historic and current comprehensive information on Alaska volcanoes to the world
- Provide year-round, 24/7 volcano monitoring and eruption notifications to military and civilian aviation, government and emergency response organizations

OVERVIEW *of the* **Division of Mining, Land & Water**



Thousands of jobs and millions of dollars in state revenue depend on the management of state land, freshwater and tidelands by the Division of Mining, Land & Water (DMLW). The division's responsibilities range from land acquisition and planning to land sales, permitting and stewardship. The division manages more than 165 million acres, a land base comparable in size to California and most of Oregon combined.

Impacts to state revenue and the economy

- The division is a state revenue generator, producing \$27.2 million in FY2018 from leases, land sales, mineral royalties, and other payments while costing \$6.1 million in unrestricted general funds.
- In FY2018, \$1.42 billion in oil and gas royalties, bids and rents and \$20.28 million in lease sales were collected from state lands via DNR's Division of Oil & Gas.
- In CY2018, the mining industry supported 4,700 full-time-equivalent jobs, spent over \$135 million on exploration and \$170 million on development, and paid \$183 million to state and local governments, not including sales tax.
- Oil and gas-related authorizations include cross-country travel permits, temporary water-use authorizations, material sales, title reports, and surveys. Mining-related authorizations are issued for claims, leases, dams, reclamation plans, temporary water use authorizations and water rights.

Commercial enterprise and public access

- Alaska's private sector relies on the division for water rights, leases, easements, and authorizations for dams, hunting and fishing lodges, fish processing docks and hatcheries, hydroelectric projects, barge landings, gravel extraction, utility lines, interties and communication towers, bridges, hunting camps and equipment storage yards.
- The division is central to the State's efforts to work with other landowners to ensure access to public lands for recreation, hunting and fishing and commercial activity.

Renewable energy

- The Kodiak, Fire Island and Eva Creek wind projects that received authorizations from the division are supporting the effort to diversify the State's energy portfolio and stabilize future energy costs.
- Hydrokinetic projects on state waters have the potential to reduce remote rural dependency on diesel for heat and energy. Alaska has 17.1 percent of the U.S. potential for riverine hydrokinetic energy and its rural villages are largely clustered along rivers.

Community development

- The division has conveyed more than 1 million acres of land and tidelands to 26 municipalities, enabling growth and tax base development to support local services. Such land now holds schools, harbors, industrial or shopping centers, subdivisions, landfills, cemeteries, and energy projects

STRUCTURE & FUNCTIONS *of the* Division of Mining, Land & Water



The Division of Mining, Land & Water (DMLW) manages the State of Alaska's public domain land and water, and is responsible for securing its remaining land entitlement from the federal government. The division maintains public access to state lands and conveys land to local government and for private ownership. The division has five main programmatic functions supported by multiple subprograms.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
205	4,667.4	18,426.7	1,291.7	3,116.6	27,502.4

Realty & Planning

Realty Services Section – Provides realty services to state agencies and issues deeds for transferring title to land

Resource Assessment & Development Section – Develops plans for the management and use of state lands with public input

Survey Section – Ensures location, boundaries of land subject to disposal

Appraisal Unit – Assesses the value of land subject to a disposal

Public Access Assertion & Defense Section – Asserts and defends state land interest rights in conjunction with the Department of Law

Land Sales & Municipal Entitlements

Land Sales Section – Sells land for private ownership

Municipal Entitlements Unit – Conveys land to municipalities

Authorizations & Regulatory

Land Regional Offices – Authorizes commercial and private use of state land.

Mining Section – Authorizes large and small-scale mining on state land; regulates coal mining and reclamation

Water Resources Section – Adjudicates rights, authorizes temporary uses

Safety & Stewardship

Dam Safety Program – Protects public safety by regulating the construction and maintenance of jurisdictional dams

Abandoned Mine Lands Program – Removes past mining hazards

Land Stewardship Unit – Removes unlawful encumbrances from state land that prevent further lawful use

Director's Office & Support

Central support for all programs including director's office, budgeting, support services, IT, program development, contracting, revenue recovery

PCNs	UGF	Total
16	418.9	1,698.4
11	0.0	1,331.8
18	367.9	2,569.6
4	0.0	505.0
5	754.5	877.9
12	0.0	1,623.2
3	0.0	347.8
61	1,385.0	7,095.3
24	506.9	3,024.0
18	817.1	2,446.2
2	0.0	316.9
4	35.4	694.6
3	208.4	425.8
24	173.3	4,545.9



OVERVIEW *of the* Division of Mining, Land & Water's Abandoned Mine Lands Program

Critical Function: Regulates reclamation and removes hazards from past mining operations.

Economic impact without the program's services: Lands not reclaimed are unavailable for other uses that contribute to the state economy and benefit local communities.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
4	35.4	0.0	532.3	127.0	694.6

Description: The Abandoned Mine Lands Program reclaims abandoned historic mines of many types, primarily coal, and keeps an inventory of sites that need to be cleaned up or modified to protect public health and safety. Funding is derived from a fee assessed on coal mines. The program contracts with private construction companies to rehabilitate and reclaim these sites. Activities can range from removing abandoned dynamite, closing mine portal shafts, removing dangerous highwalls, putting out coal fires, to removing mining equipment and waste. Cleaning up these sites can make them available for other beneficial uses.

Any mine in Alaska must have a reclamation plan approved by DNR. The Abandoned Mine Lands Program staff review reclamation plans to ensure that appropriate standards are met, and that appropriate bonding is in place.

This program receives \$3 million annually in federal grant funding appropriated through the state capital budget. This funding is used for construction contracts associated with reclamation projects.

“Other” funding sources: CIP



OVERVIEW of the Division of Mining, Land & Water's Appraisal Unit

Critical Function: Ensures accurate fair market value is determined for land acquisitions, disposals, or other management actions.

Economic impact without the unit's services: State land cannot be sold to private individuals or developed for its maximum economic potential without an appraisal. Lack of an appraisal would limit development of state lands, which would reduce jobs and investment in local communities.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
4	0.0	505.0	0.0	0.0	505.0

Description: The Appraisal Unit performs appraisals and market checks and reviews the work of contract appraisers to determine fair market value of land, which is a statutory requirement for many disposal actions. The unit can assess private and commercial properties. Appraisals must be reviewed for compliance with the Uniform Standards of Professional Appraisal Standards and the results must be appropriately justified.

Appraisals are used as a basis for land exchanges and to set fees for leases and easements and other types of land disposals. Often, after a disposal decision is issued, an early entry authorization is given for the entity to construct, survey, and then appraise the project to set the appropriate final lease or easement fee. The Appraisal Unit manages contracts to obtain appraisals for all the sales conducted by the Land Sales Section.

Unit staff are considered experts in court actions regarding the valuation of land and resources. The unit works closely with the Realty Services Section during acquisition projects for DNR and other departments.

DGF funding sources: General Fund Program Receipts (GFPR), Land Disposal Income Fund (LDIF)



OVERVIEW *of the* **Division of Mining, Land & Water's** **Dam Safety Program**

Critical Function: Protects public safety by regulating construction and maintenance of jurisdictional dams.

Economic impact without the program's services: Large projects that depend on dams, such as hydroelectric projects or mines, would not be able to lawfully operate, causing failure of significant industries as well as a loss of power and drinking water in many communities.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
2	0.0	0.0	113.5	203.4	316.9

Description: The Dam Safety Program authorizes construction, modification, and decommissioning of jurisdictional dams in Alaska. This includes small water-supply dams in many Alaska communities, and large tailings dams at mines such as Fort Knox and Red Dog and the proposed mine at the Donlin prospect. Certain dams that exceed a certain height or water impoundment are jurisdictional dams. Some of the larger dams in Alaska are under authority of the Federal Energy Regulatory Commission rather than the State of Alaska.

The key reason for the engineering review of work on dams is to ensure public safety, even in remote operations. It is critical that dams are constructed correctly and maintained well to prevent catastrophic failures. The Dam Safety Program inspects jurisdictional dams and requires reporting by the operators.

“Other” funding sources: IA, CIP, SDPR



OVERVIEW of the Division of Mining, Land & Water's Director's Office & Support

Critical Function: Directs and supports all division functions to include budgeting, administration, information technology and program development.

Economic impact without these shared services: Division operations would be unfocused and cost inefficient. Implementation of information technology (IT) applications would be haphazard and fail to achieve the desired efficiencies, and development of regulation updates will be reduced. Revenues due to the State would not be recovered.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
24	173.3	3,542.4	0.0	830.2	4,545.9

Description: The Director's office provides leadership and support to ensure Division of Mining, Land & Water processes run efficiently, are regularly improved, and are responsive to public needs. Division leadership continues to take actions to improve internal and external services to provide consistent, timely and effective decisions that are legally sound, environmentally responsible, and consistent with public interests.

Director's Office – Provides direction, goals, strategies, oversight, decision making for division sections

Budgeting – Prepares and actively manages the division's budget, supports division managers in their management of expenditures, creates and manages Reimbursable Service Agreements (RSAs)

Administration – Provides personnel management and hiring, procurement, and travel authorization help

Information Technology – Provides web management, programming support for IT applications, IT project management, and business analysis, as well as the Unified Permit Project

Program Development and Support – Develops and promulgates regulations, and provides legislative analysis support, statutory analysis, public records requests, appeal assistance to the Commissioner's Office, and trial action support to the Department of Law

Contract Initiation and Revenue Recovery – Provides contract initiation services for land sales, material sales, leases, and easements, tracks indemnification and bonding requirements, and provides notice to lessees when appraisal updates are due to maintain compliance with lease agreements. Ensures existing contracts are current and have received all required rate renewals. Where necessary, recovers revenues where contracts are in arrears or rate renewals are not current, including recovery of Alaska National Interest Lands Conservation Act (ANILCA) 906(k) revenues from the U.S. Bureau of Land Management

DGF funding sources: GFPR, LDIF

"Other" funding sources: APF



OVERVIEW of the Division of Mining, Land & Water's Land Regional Offices

Critical Function: The division's three Regional Land Offices manage nearly 165 million acres of state public domain land for multiple and maximum use consistent with the public interest.

Economic impact without the office's services: Commercial uses that depend on the use of state land and resources would not be able to lawfully operate, causing failure of significant industries as well as reduction of state revenues gained from the authorized use of state lands.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
61	1,385.0	5,133.6	0.0	576.7	7,095.3

Description: Through decisions based on facts, good science, and assessment of public comments, the Land Regional Offices located in Juneau, Anchorage and Fairbanks issue land use authorizations if such authorizations are in the best interest of the State. These authorizations must conform with area and management plans, and can range from allowing storage of equipment to construction of roads, driveways, pipelines, lodges, docks, material sale sites, wind towers, utility lines, industrial facilities, ball parks, schools, hatcheries, mariculture facilities, cemeteries, and much more. These authorizations support businesses, private individuals, communities, public entities and non-profit organizations. Many significant projects in Alaska require authorizations from the State for all or a portion of the project that touches or depends on state land and natural resources.

The authorizations issued by regional land offices are supported by the division's Realty Services, Surveys, Appraisals, Public Access Assertion & Defense, and Director's Office & Support sections. Once a land-use authorization is issued, administrative actions may occur for many years on that authorization. Staff administer 9,000-plus active cases with field inspections, amendments, assignments, renewals, bond and insurance renewals, compliance actions.

Authorizations issued by the regional land offices include permits, leases, easements, material sale contracts, management agreements, tideland and shoreland conveyances, and public and charitable disposals.

DGF funding sources: GFPR, LDIF, Shore Fisheries Development

"Other" funding sources: APF, IA



OVERVIEW of the Division of Mining, Land & Water's Land Sales Section

Critical Function: Sells state land into private ownership pursuant to Article VIII, Sections 1 and 9 of the Alaska Constitution.

Economic impact without the section's services: Individual Alaskans would be denied the opportunity to purchase home and recreational properties and the State would not fulfill its constitutional mandate to encourage the settlement of its lands.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
12	0.0	1,623.2	0.0	0.0	1,623.2

Description: The Land Sales Section disposes of state land from public to private ownership through competitive auctions, lotteries and over-the-counter sales. Some lands are sold to long-term lessees as well as for other legislatively prescribed purposes.

Several types of land sales are performed by this section. Subdivision sales are predesigned subdivisions from which lots are individually sold. The Remote Recreation Cabin Site program allows people to stake their own parcel boundaries within predefined areas, and to progress from lease to eventual purchase of the parcel.

The section must write decisions, plan subdivisions and conduct various sale procedures to sell state land. Frequently such land is not purchased outright, but rather, buyers make a down payment and follow it with scheduled payments to the State over time. The Land Sales Section works collectively with other sections in the division, such as the Realty Services, Resource Assessment & Development, Surveys, and Appraisals sections, to conduct land sales.

DGF funding sources: LDIF



OVERVIEW of the Division of Mining, Land & Water's Land Stewardship Unit

Critical Function: Provides stewardship of nearly 165 million acres of state land with the intent to keep the land unencumbered and available for public use.

Economic impact without the unit's services: Land may not be available for lawful development and use due to unauthorized uses or other encumbrances, preventing businesses from operating on state land and creating jobs. The State loses revenue when unauthorized uses occur without appropriate financial return.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
3	208.4	217.4	0.0	0.0	425.8

Description: The Land Stewardship Unit cleans up state land, enforces regulations, resolves access disputes, eliminates unauthorized or trespass uses, and approves reclamation plans for gravel pit operations and fire management activities. Reclamation plans are necessary for gravel or material site operations regardless of land ownership. Bonds are released when reclamation is completed.

Staff contend with many unauthorized uses of state uplands, tidelands and submerged lands and prioritize their efforts, as they can resolve a limited number of unauthorized uses in any given year. Cabins, dumps, machinery and other wastes left on state land sometimes contain hazardous contaminants that require involvement of the Department of Environmental Conservation and a more expensive cleanup. Whenever possible, staff work with responsible parties to bring them into compliance through an appropriate authorization.

Staff also deal with abandoned and derelict vessels left on state tidelands and submerged lands due to shipwrecks or intentional disposal. Staff work with responsible parties to remove these abandoned vessels, but often responsible parties cannot be found or do not have funds to clean up the land.

DGF funding sources: GFPR

OVERVIEW *of the* Division of Mining, Land & Water's Mining Section



Critical Function: Manages and authorizes the use of state land for large and small-scale mining and oversees reclamation of those lands.

Economic impact without the section's services: Mining projects that use state lands and resources would not be able to lawfully operate, causing failure of an industry that feeds over \$488 million into the state economy and funds approximately 4,700 full-time-equivalent jobs each year with about \$715 million in payroll.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
24	506.9	1,635.9	446.2	435.0	3,024.0

Description: The Mining Section processes mining claims, approves mining permits and leases for large and small mines, and approves reclamation plans (inclusive of gravel pits) and bonding for mining activities on all lands in Alaska. The State has primacy for regulating coal mining under federal law; this work is administered by the section's Coal Regulatory Program.

This section monitors compliance with state requirements for maintaining valid mining claims and maintains the property records for over 32,500 mining claims. The section administers the Application for Permits to Mine in Alaska (APMA) which allows miners to obtain multiple types of authorizations through a single application. The section also issued mineral leases when appropriate.

The section performs inspections and compliance actions and collects fees and royalties. The authorizations under this function are supported by the Realty Services, Regional Land Offices, and Director's Office & Support sections.

DGF funding sources: GFPR

"Other" funding sources: APF, IA, CIP Receipts

OVERVIEW *of the* **Division of Mining, Land & Water's** **Municipal Entitlements Unit**



Critical Function: Conveys land to municipalities to provide them with a means to generate revenue and support local government and community functions.

Economic impact without the unit's services: Municipalities cannot build resilient communities to support themselves and generate revenue without a land base.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
3	0.0	347.8	0.0	0.0	347.8

Description: The Municipal Entitlements Unit conveys land to incorporated municipalities based on statutory formulas. A municipality can select its land from vacant, unappropriated, and unreserved state land within a given boundary. Unit staff determine which selections are allowable and whether an overriding state interest warrants retaining state ownership.

Once DNR issues a decision to convey selected land, municipalities receive full management authority even though survey and patent may come later.

DGF funding sources: LDIF

OVERVIEW *of the* Division of Mining, Land & Water's Public Access Assertion & Defense Section (PAAD)



Critical Function: Protects state land ownership rights and public access.

Economic impact without the section's services: Loss of access to state lands may prevent or add substantial cost to resource development projects. If the State does not assert ownership to submerged lands under navigable waterways, it may significantly reduce development potential, including for oil and gas leases and royalty revenues.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
5	754.5	123.4	0.0	0.0	877.9

Description: The Public Access Assertion & Defense (PAAD) Section defends ownership of state lands under navigable waters and asserts RS 2477 rights-of-way, both of which involve extensive research.

The section defends the State's interest in circumstances when specific patents, title or surveys that clearly depict the location of state ownership are lacking, leading to disputes between the State and the federal government or private entities on what is rightfully owned by the State. The section also makes state navigability determinations that assist DNR divisions and other departments in decision making and maintains files and web sites regarding the navigability determinations for the State.

PAAD files applications with the U.S. Bureau of Land Management (BLM) to obtain a Recordable Disclaimers of Interest (RDI) to remove the cloud of title for lands under navigable waters, ownership of which the State received at statehood. When BLM agrees with the State, it files an RDI that removes the cloud of title. When the two parties cannot agree, the State determines whether to file an appeal with Interior Board of Land Appeals or file a Quiet Title Action in court.

The Section conducts research, and keeps and maintains records regarding valid RS 2477 rights-of-way. These are typically unsurveyed rights-of-way created by law, upon a number of factual conditions being met. The fact-specific determinations of the validity of RS 2477s require extensive research. PAAD works with the Department of Law to either defend the State's interest in court or file original lawsuits to assert RS 2477s, as circumstances warrant.

DGF funding source: GFPR



OVERVIEW of the Division of Mining, Land & Water's Realty Services Section

Critical Function: Acquires title from the federal government to fulfill Alaska's land entitlement, and acts as the realtor for DNR and other state agencies that do not have their own real estate ownership authority.

Economic impact without the section's services: The State would lose natural resource development opportunities and the ability to convey land to local governments and private ownership without the ability to appropriately accept clear title of certain lands and process disposals of interest with title reports.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
16	418.9	817.3	129.0	333.2	1,698.4

Description: The Realty Services Section provides real estate title services that are foundational to any disposal of interest, conveyance, acquisition, exchange, or other land title transfer.

This section works with the U.S. Bureau of Land Management to ensure that Alaska receives its Statehood land entitlement, under which Alaska still has approximately 5 million acres left to acquire. This entails prioritizing selections, evaluating conveyance documents, and ensuring the State receives clear unencumbered title. Without it, the State cannot effectively manage its land. The section reviews incoming land to avoid receiving land with contamination or with unauthorized uses that would cost the State to resolve.

The section also acquires land on behalf of DNR, as well as the departments of Fish & Game, Military & Veterans Affairs, and Education & Early Development, which cannot hold title to land. It maintains thousands of ownership records to show proof of ownership of state lands and interests. It also asserts and defends state ownership interests, and may litigate when necessary for resolution.

When the division disposes of any lands through sale or conveyance, this section reviews all the title documents before issuing patents that transfer ownership of state land to municipal governments and private individuals. The section provides expert land ownership research to division staff when there are complex land ownership patterns. Prior to most disposals of state lands or interests, department staff obtain title reports from this section on the land. The section also assists with the creation of complex legal descriptions for properties.

It is also responsible for issuing decisions for the Alaska Native Allotment Program and reviewing all federal land conveyances.

DGF funding sources: GFPR

“Other” funding sources: IA, CIP Receipts, APF



OVERVIEW of the Division of Mining, Land & Water's Resource Assessment & Development Section (RADS)

Critical Function: Develops area plans for the management and use of state lands and classifies state lands for designated uses.

Economic impact without the section's services: Lands cannot be conveyed to municipalities, sold to private individuals, or authorized for development without statutorily required land classifications. This would prevent significant development of state lands, which would reduce jobs, investment in the local communities and their respective economies.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
11	0.0	1,243.4	0.0	88.4	1,331.8

Description: Once the State receives title to land, the division must prepare plans that appropriately classify land, making clear the management intent for how state lands will be developed. This is constitutionally and statutorily mandated and is the foundation for future natural resource and land management decisions. Resource Assessment & Development Section staff conduct extensive public review processes to create area plans and management plans. Area plans are enacted by the Commissioner and set the land management policy for the division. In addition, this section provides planning services to other divisions such as Parks and Outdoor Recreation, and Forestry.

RADS tracks and manages any mineral orders that open or close state land to mineral location filings.

The staff in this section review numerous federal plans, regulation proposals, and other federal actions to see if the proposed actions run afoul of the Alaska National Interest Lands Conservation Act (ANILCA) or other state interests. At times, staff participate in federal planning exercises as a cooperating agency and submit comments on federal plans as appropriate.

This section is also tasked with the additional duties of preparing and implementing Title 38 land exchanges and processing non-competitive lands sales. Non-competitive land sales include preference right applications, Public and Charitable requests, and land conveyed by Municipal Entitlement Unit.

DGF funding sources: LDIF

“Other” funding sources: APF



OVERVIEW of the Division of Mining, Land & Water's Survey Section

Critical Function: Determines boundaries of state lands, submerged lands and navigable waters. Ensures the boundaries of lands conveyed to or by DNR are legal and protect the rights of the State and other adjacent landowners. Ensures lands acquired by DNR are adequately described and state property interests are protected from loss to federal overreaching surveys which encroach onto state land interests.

Economic impact without the section's services: Commercial development opportunities and land transactions such as oil and gas lease sales would be missed or preempted without a clear legal description to define unit boundaries, and the State could not effectively manage its land. Surveys reduce costly and time-consuming litigation, which can effectively stop development of public and private projects.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
18	367.9	2,018.0	0.0	183.7	2,569.6

Description: The Survey Section provides the necessary surveys for DNR activities such as land sales, oil and gas lease sales, granting of easements and municipal conveyances.

Federal Overreach – Aggressively responds to federal agencies laying claim to state land interests. Reviews BLM surveys for improper conveyance of State lands, such as beds of navigable waters or islands emerging from navigable waters, to other parties, state interest easements, and the monumentation required under the Statehood Act. Reviews and protests U.S. Baseline Committee decisions if they result in taking of state submerged lands. Reviews and jointly approves the three-nautical-mile state-federal boundary.

Conveyance Surveys – Oversees and approves surveys for state land conveyances, and leases and easements to ensure compliance with state law and approval decisions legal intent. These are funded by applicants and done by private surveyors, and include municipal entitlement, pipeline and utility corridors, preference rights, tidelands leasing, public and charitable conveyances, etc. Surveys vary in size depending upon the authorization, from a fraction of an acre to full 23,040-acre townships, and can be hundreds of miles long. The section also administers state-funded contracts for subdivisions and sale of DNR lands.

Protect State Interests – Participates in efforts to prevent theft or loss of state land interests, e.g., gravel, by providing riparian boundary expertise in quiet title actions and by identifying the ordinary high-water mark or mean high tide for water boundaries. Participates in field location of RS 2477 trails and trespass investigations. Provides legal description review to the legislature and state agencies.

Platting Authority – Fulfills DNR's role as platting authority for all lands outside organized boroughs. Acts on petitions for vacation of DNR-managed easements statewide.

DGF funding sources: GFPR, LDIF

"Other" funding sources: APF, IA



OVERVIEW of the Division of Mining, Land & Water's Water Resources Section

Critical Function: Manages and authorizes the beneficial use of water in Alaska regardless of land ownership, consistent with the public interest.

Economic impact without the section's services: Commercial, public and private projects dependent on the use of State waters would not be able to lawfully operate, causing failure of significant industries, obstruction to development projects, and reduction of jobs and benefits to the economy related to those projects and industries.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
18	817.1	1,219.3	70.8	339.0	2,446.2

Description: The Water Resources Section authorizes the use of water through water rights or temporary water use authorizations.

The division is responsible for making legally defensible decisions for appropriation and use of the surface and ground water in Alaska. Water rights are typically long-term, conveyable property rights that are considered through the “first in time, first in right” doctrine. Water rights can be issued for taking of water for beneficial use or through water reservations that can be used to keep a certain quantity of water in place for certain purposes. Temporary water use authorizations are short-term, revocable authorizations that allow the use of waters but provide no lasting right.

Water use is critical for health and safety in both drinking water and sewage treatment systems. Most construction projects rely on water to mix concrete, control dust, clean up, drill, and do other essential tasks. Water-use authorizations can support a range of projects from road construction, ice road for oil and gas development, pipelines, lodges, dams, wind towers, mines, industrial facilities, schools, hatcheries, and much more. These authorizations support businesses, individuals, public entities, and non-profits. Most significant projects in Alaska require state water use authorizations.

This section also offers hydrologic assessments for understanding the impact of water appropriations on surface watersheds and ground water aquifers. A clear picture of the effects of water appropriations is critical for securing sufficient water resources for future generations. Various monitoring efforts are employed to increase the data on water use and availability in Alaska.

Authorizations under this section are supported by the Realty Services and Director's Office & Support sections. Administrative actions on any one authorization may continue for years. Staff administer more than 15,000 water rights and more than 800 temporary water-use authorizations, with field inspections, amendments, assignments, reissuance, compliance actions, and collection of water administrative fees.

“Other” funding sources: APF, I/A, SDPR



OVERVIEW *of the* **Division of Oil & Gas**

The Division of Oil and Gas (DOG) manages the state's oil and gas industry activities on state lands. Revenue derived from oil and gas leases managed by the DOG accounts for more than two-thirds of the state's general fund. Over the last five years, oil and gas contributions totaled \$2.22 billion to the Alaska Permanent Fund and \$162.5 million to the Constitutional Budget Reserve.

To ensure the best economic outcome for Alaska, the division retains highly skilled technical experts to manage the state's oil and gas resources. This team negotiates daily with multi-nationals, mid-size independents, and small LLCs from around the world.

Impacts to state revenue and the economy

- Alaska's oil and gas industry accounts for 32 percent of all employment and 35 percent of all wages.
- In FY2018, the Division of Oil & Gas accounted for and processed \$1.41 billion in oil and gas royalties, bids and rents from state lands as well as \$20.8 million from lease sales.
- The division recovered \$126.1 million for the State in the last five years through systematic audits.

Land and resource management

- The division manages oil and gas resources on more than 15 million acres of land, estimated to contain undiscovered technically recoverable resources of 40 billion barrels of oil, 200 trillion cubic feet of gas, and 2 billion barrels of emerging shale oil resource. The division's management includes mitigating environmental impacts and preventing economic and physical waste.
- As the composition of the industry in Alaska shifts from large multi-nationals to mid-size independents and smaller LLCs, the division is processing an increasing number of applications for lease and unit operations.
- In FY2018 the division oversaw activities on 34 oil and gas units, and managed 866 lease actions.

Ensuring maximum value for state energy resources

- The division provides commercial analysis, economic modeling, financial risk management, price and cost assessments, and market structure analyses to all levels of state government.
- The division vets the completeness and digital integrity of well and seismic data submitted in fulfillment of tax credit obligations, and is actively preparing and releasing eligible data to the publicly accessible inventory at the state's Geologic Materials Center. Wide distribution of early tax credit datasets is already driving new exploration projects; additional data releases in 2019 and beyond are expected to amplify this effect.

STRUCTURE & FUNCTIONS *of the* Division of Oil & Gas



The Division of Oil & Gas is responsible for the day-to-day management of the state's oil, gas and geothermal resources. Land is made available for leasing and exploration, which leads to energy production and state revenue including royalties and taxes. The division comprises nine sections that support the critical functions of resource access, exploration, production and transportation.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
95	8,315.5	710.4	198.9	11,844.7	21,069.5

Resource Evaluation Section – Provides the scientific basis for decisions regarding leasing and development of energy resources

Leasing Section – Develops best interest findings, performs lease sales, issues exploration licenses and administers leases and licenses

Permitting Section – Approves plans for surface activities related to energy exploration, development and production on state leases and units

Commercial Section – Conducts economic analyses to reduce risk in and protect the State's economic position on energy and resource decisions

Units Section – Manages unitized land to maximize production while ensuring optimal, long-term recovery of energy resources

Royalty Accounting Section – Performs accounting and distribution of more than \$1.1 billion annually in royalties and other payments from energy development

Audit Section – Conducts audits to ensure the State receives the full value of its oil and gas royalty production every year

Pipeline Section – Implements the Right-of-Way Leasing Act, with oversight of common-carrier pipelines on state lands

Support Services – Centralized support for all programs including director's initiatives, communications, regulatory changes, IT and administrative functions, and management of the Cook Inlet Energy Bond

Cook Inlet Energy Bond – Authorization to apply interest earned on the abandonment and reclamation bond to the principal

PCNs	UGF	Total
17	2,038.6	3,326.0
9	741.6	1,144.0
8	409.5	983.2
6	743.0	1,060.4
5	640.6	888.2
5	473.2	736.1
9	1,041.3	1,373.0
16	177.4	2,222.5
20	768.0	2,655.3
	0.0	150.0



OVERVIEW of the Division of Oil & Gas' Administration & Support Section

Critical Function: Provides centralized support for all division operations including Director's initiatives, communications, regulatory changes, information technology and administrative functions, and management of the Cook Inlet Energy bond.

Economic impact without the section's services: Loss of state royalty revenue management, all division operational activities, and industry support services.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
20	768.0	107.4	0.0	1,779.9	2,655.3

Description: The Administration and Support Section ensures that division processes run efficiently and are regularly improved. Division leadership continuously improves internal and external services to provide consistent, timely and legally defensible decisions that are consistent with the public interest.

Director's Team – Leads, sets goals, and implements strategic decisions for division operations. Conducts business analysis and project management to capture efficiencies at a department as well as division level. Provides legislative and statutory analysis, manages timely public outreach and external communications, supports the Commissioner's Office, and administers the Cook Inlet Energy Bond

Budgeting – Prepares and actively manages the division's budget, including billing to industry for pipeline right-of-way and inspection activities, and creating and managing Reimbursable Service Agreements (RSAs)

Administration – Provides personnel management and hiring, procurement, and travel authorizations

Information Technology – Responsible for writing and maintaining code for specialized in-house software applications, such as Royalty Management System (DOGMA), Division Process Management System (DOGI), web administration, and other DOG applications including GIS. Modernizing user interfaces and creating an environment enabling end-users to serve clients unencumbered by technology

OVERVIEW of the Division of Oil & Gas' Audit Section



Critical Function: Validates and confirms accounting and ensures the State receives full value for its state and federal energy resources each year.

Economic impact without the section's services: Loss of millions of dollars in royalty value due to the State from both producers and federal government, as well as in revenue and future economic potential from lease sales, leasing and licensing.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
9	1,041.3	0.0	115.6	216.1	1,373.0

Description: The Audit Section ensures the State receives the full value of oil and gas royalties and net profit shares. Auditors carry out this mission by performing state royalty and Net Profit Share Lease (NPSL) audits and federal royalty audits. Audits also encourage accounting compliance by the lessees and reduce the chance of discrepancies in payment. Revenues collected from audits are generally deposited into the state's Constitutional Budget Reserve Fund to help fund the operations of state government.

State Royalties – The state typically receives a one-eighth to one-sixth share of every barrel of oil produced. This section ensures the State is paid the amount allowed by the lease or royalty settlement agreement (RSA) by:

- An in-depth look at volume and value reported to the Royalty Accounting Section, as well as resolving some outstanding issues identified by other sections
- Determining “higher-of” value from leases lacking an RSA, protecting the state from bad marketing decisions and potential underpayment, and recovering millions of dollars

Net Profit Share Leases – In the 1980s, the state issued NPSLs which require audit of reported revenue and expenditures verifying that allowable and accurate expenses and revenues are claimed. NPSL audits recover millions of dollars in revenue that would otherwise be lost.

Federal Royalties – Under a fully reimbursed contract with the federal government, staff audits the oil and gas production that comes from federal lands in Alaska. Part of these audits is verifying federal/state revenue sharing, which is 90 percent of royalties from Cook Inlet production, 27 percent of royalties from offshore production within three miles of shore, and 50 percent of royalties from the National Petroleum Reserve-Alaska (NPR-A).

OVERVIEW of the Division of Oil & Gas' Commercial Section



Critical Function: Provides the financial expertise that establishes the value of and protects the State's economic position on energy and resource decisions.

Economic impact without the section's services: Loss of millions of dollars in economic potential to the state in actions not realizing full value of the resource in royalty value due to the state from both producers and federal government.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
6	743.0	0.0	0.0	317.4	1,060.4

Description: The Commercial Section serves as the in-house advisor that analyzes and provides strategic insight on all economic and financial matters. Its commercial expertise cuts across all division programs to fulfill DNR's constitutional goal of promoting responsible development of Alaska's natural resources, realizing maximum value, and protecting the state's interests.

Given the State's roles as landowner, resource owner and regulator, maximizing the State's value requires analysis on project economics, market structure, optimization, financial risk management, and price and cost assessments. This includes analyzing the commercial implications of laws, regulations, and contract provisions for state policy, legislative, and regulatory decisions. When resource negotiations are required, commercial analysts' expertise is essential to the state's negotiation strategy.

This section is an integral part of the division project teams, collaborating with the Royalty Accounting and Audit sections on managing royalty revenues; the Leasing Section on lease sales and assignments; the Units Section on development plans, redeterminations and other unit management issues; the Permitting Section on operating plans and bonding issues; the Resource Evaluation Section on royalty modifications; and the director's office on regulation packages and outside special projects. The Commercial Section's expertise is essential for the following functions:

- Royalty valuation for methodology, modification and in-kind contracts
- Unit decisions for development plans, redeterminations, expansion and contraction, well certification and "paying quantity" determinations and discovery royalties
- Dismantlement, Removal and Restoration financial assurance agreement negotiations
- Asset management decisions with lease terms and conditions, assignments and extensions
- Regulatory and legislative packages to address various commercial and economic issues
- Special executive or legislative projects that merit commercial analysis and guidance
- North Slope production forecasting

OVERVIEW *of the* Division of Oil & Gas' Leasing Management Section



Critical Function: Market and offer oil, gas, and geothermal resource lands through lease sale and exploration licensing programs. Coordinate management and protection of these resources over the life of the lease or license.

Economic impact without the section's services: Annually, tens of millions of dollars in revenue are directed to the state's General Fund from licensing and leasing of state lands. Leasing of state lands has provided more than \$268 million in bonus bids since areawide lease sales began in 1999. The section also administers lease rent payments collecting \$13.4 million during FY2018. Without this section's services, the initial stage of oil and gas development (leasing and licensing) is not present and the benefits of new royalties, taxes, and rentals on oil and gas resources would cease to exist.

FY2020 DNR Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
9	741.6	0.0	0.0	402.4	1,144.0

Description: The Leasing Management Section markets and offers the state's oil, gas, and geothermal resource lands through five areawide lease sales and the exploration licensing program. More than 4.4 million acres of state land are leased or licensed for oil, gas, or geothermal exploration and development. Leasing and licensing are the initial stages of Alaska oil and gas development, making state lands available for exploration, development, and production. The section manages state lands and protects the State's interest throughout the disposal, exploration, development and production phases.

The section's involvement in exploration starts with actively consulting a multi-disciplinary team to assess lands eligible for lease or license; then developing Best Interest Findings by incorporating agency, public, and industry insight; and finally, by offering state lands for lease or license. As a lease moves towards development and production, the section works cooperatively with other division sections to ensure compliance with lease provisions, administer transfers of lease interest, track rental payments, and manage lease activities and conversion of exploration licenses to leases. As the end of field life approaches, the section coordinates with operators and lessees as leases expire to protect the state resources and prepare the land to be offered for lease or license again.

OVERVIEW of the Division of Oil & Gas' Permitting Section



Critical Function: Approves surface activities, including new seismic surveys and infrastructure placement for oil, gas and geothermal exploration, development and production on state leased lands.

Economic impact without the section's services: Surface use of state oil and gas land would not be reviewed, approved and monitored to ensure the State's resources are protected and maximum value is obtained in a responsible manner.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
8	409.5	266.4	0.0	307.3	983.2

Description: The Permitting Section adjudicates and issues decisions for surface use and improvements supporting oil, gas and geothermal projects statewide. Permitting staff serve as the division's front line for the lessees, licensees and permittees conducting surface activities and operations. This includes reviewing and issuing decisions for Exploration License Plans of Operations, Lease Plans of Operations, Unit Plans of Operations, Plan Amendments and Miscellaneous Land Use Permits for seismic acquisition and Easements (on the North Slope). To accomplish this, the section conducts the following reviews:

- The Plan of Operations (for License, Lease and Unit areas) authorizes the proposed activities and operations to ensure that the state's interests are protected. The plan identifies the surface use requirements, sequence and schedule of operations, projected use requirements and the lease mitigation compliance methods
- Miscellaneous Land Use Permits for geophysical and seismic acquisition allows an applicant to utilize state land for acquiring data to determine subsurface geologic characteristics and perspective
- Easements on the North Slope provide access across existing oil and gas leases, often between leases with approved Plans of Operations, when it is in the state's best interest

This section administers the division's statewide bonds to ensure activities and work are done and completed according to appropriate authorization. Permitting staff do site inspections and field work to ensure State oil, gas and geothermal lands are returned in good condition and available for other uses. The section also responds to public, applicant, and agency inquiries for information and assistance.

OVERVIEW of the Division of Oil & Gas' Resource Evaluation Section



Critical Function: Provides in-depth analysis of State oil and gas resources including evaluation of producing reservoirs and qualitative appraisal of undiscovered resource potential in all regions of Alaska.

Economic impact without the section's services: Loss of data and scientific technical analysis necessary for leaders to make informed decisions that ensure the State realizes full value in managing its lands through selections, leasing, licensing, exploration, and production, including determinations of royalty allocations for maximization of resource potential and future state revenues.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
17	2,038.6	0.0	0.0	1,287.4	3,326.0

Description: The Resource Evaluation Section provides the scientific basis for strategic state land use decisions on leasing and developing state's energy resources. It provides critical data on state resource potential through geological, geophysical, and engineering analysis. It provides objective, in-depth interpretations of technical data on oil, gas and geothermal exploration and production, through work involving the division's every section:

- Providing information on land use, appraising resource potential for lease sales, lease management, exploration licensing, and land selections
- Analyzing industry applications for Unit and Participating Area formation, expansion, or contraction
- Evaluating annual unit plans of development to ensure delineation, development, and production activities are in keeping with unitization criteria
- Determining resource potential at stake in applications for royalty modification
- Assessing geological and geophysical exploration data submitted under the terms of state land use permits and exploration tax credits for oil, gas, and geothermal resource exploration
- Serving as lead agency for the management, quality assurance, and coordination of public release of eligible geologic and geophysical data in compliance with Department of Revenue tax credit programs pertaining to oil and gas exploration
- Auditing static and dynamic reservoir models to determine the distribution of in-place and recoverable hydrocarbons to determine equitable royalty production allocations
- Conducting research to inform both the public and policy makers within state and federal government on oil and gas resources to plan for future production and revenues
- Collaborating with the Division of Geological & Geophysical Surveys on furthering geologic knowledge of resource-prone basins to attract additional exploration investment

The section collects and maintains a diverse collection of confidential and public domain data that enhances both internal and public understanding of Alaska's oil, gas, and geothermal resources.



OVERVIEW of the Division of Oil & Gas' Royalty Accounting Section

Critical Function: Calculates, accounts for and distributes over \$1 billion per year in royalties and revenues received by the State from oil and gas production and development.

Economic impact without the section's services: There would be no accounting of or processing of royalty payments or reports, and potential loss of revenue impacting approximately 60 percent of the state's unrestricted general funds.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
5	473.2	0.0	0.0	262.9	736.1

Description: The Royalty Accounting Section accomplishes complex oil and gas royalty accounting analyses to ensure the State receives the correct royalty value based on lease terms or settlement agreements. This team works through the details on how royalty is calculated and paid, the royalty ownership from producing leases and units; the value of the state's net profit shares, the reported values and volumes produced on state acreage, and whether the royalty is taken in-value or in-kind. The team provides critical services that ensure over \$1 billion is received annually in a timely and accurate manner from our oil and gas resources and lands

In addition, section staff account for revenues generated in other sections in the division from rents, bonus bids, and commitment and storage fees as well as from royalties, rentals and interests from federal oil and gas lands in Alaska. When royalty and Net Profit Share Lease (NPSL) revenue is received, the section calculates the distribution of revenue to the General Fund, School Fund, Permanent Fund, and Constitutional Budget Reserve fund. This section's functions include:

- Determining net-back value for oil or gas removed from state leases and the related royalty rate
- Accounting for NPSL revenue for state profit share leases on allocated volume for each of 10 producing leases that have reached payout status
- Nominating and invoicing royalty-in-kind contracts to state refineries in lieu of royalty-in-value where producers sell the state royalty oil and account for revenue received, and
- Maintaining and reconciling supporting documentation (e.g., volumes from run tickets and Alaska Oil and Gas Conservation Commission reports, value information from contracts, invoices, quality bank statements and tariff notices) with reported royalty and NPSL filings

OVERVIEW of the Division of Oil & Gas' State Pipeline Coordinator's Section



Critical Function: Facilitates development and sound operation of pipelines on state land under the Right-of-Way Leasing Act.

Economic impact without the section's services: Coordinated review and regulatory compliance for pipelines authorized under the Right-of Way Leasing Act would not be achieved, potentially jeopardizing pipeline transport of Alaska crude to market and delaying permitting of new pipeline infrastructure. Loss of millions of dollars in economic potential to the state in actions not realizing full value of the resource.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
16	177.4	203.1	0.0	1,842.0	2,222.5

Description: The State Pipeline Coordinator's Section monitors the integrity of common carrier pipelines and serves as the lead state agency for processing pipeline right-of-way leases under the Right-of-Way Leasing Act (AS 38.35). Coordinates state oversight of preconstruction, construction, operation, and termination of common-carrier pipelines. The section consists of land managers, integrity engineers, and staff from five state agencies for habitat assessment, safety and electrical inspection, spill prevention and response, and fire safety. These agency liaisons facilitate cooperation and maintain a system-wide approach to pipeline oversight. Section functions include:

- Right-of-way leases for the full life of a pipeline: construction, operations, maintenance and termination to protect health, safety and the environment by safe pipeline operations and mitigation of environmental impacts. The section is responsible for 21 existing pipelines. The section is also charged with processing the right-of-way lease for pipeline projects to commercialize North Slope natural gas.
- Shared regulatory oversight when gaps or overlap of federal, state, or local jurisdictions are identified, the agency with specific regulatory authority is given primacy. The section provides subject matter expertise to each liaison agency to support the lease process, including providing the critical oversight for project activities and routine operations for a consistent regulatory presence
- Serves as the lead state agency in the Joint Pipeline Office (JPO), an organization created to provide full partnership for state and federal agencies in monitoring the Trans-Alaska Pipeline System (TAPS)

OVERVIEW *of the* Division of Oil & Gas' Units Section



Critical Function: Enforces state oil and gas lessees' obligations to explore, develop, and produce.

Economic impact without the section's services: Without the approvals generated by this section, lessees would be unable to develop and produce, and in turn the State would not collect royalties on production. Without its oversight of decisions and agreements, and negotiation of new or amended agreements, lessees would lack incentive to comply, resulting in reduced development and State royalties, and the loss of millions of dollars in economic potential to the state in actions not realizing the resource's full value.

FY2020 Management Plan

PCNs	UGF	DGF	Fed	Other	Total
5	640.6	0.0	0.0	247.6	888.2

Description: When lessees discover potential hydrocarbon resources within a lease, they will develop and produce those resources either as an individual lease operation or, more commonly, by combining leases into a "unit" for joint development of a common reservoir. The Units Section adjudicates the formation of units, coordinating input from the public and technical staff and evaluating the resource potential, the operator's proposed plans for the area, and the contractual agreement that will dictate the function and management of the unit going forward. This section adjudicates the operator's annual development plans for both lease operations and units and evaluates whether an operator has met its prior year's obligations. When an operator starts producing from a unit, this section adjudicates the formation of a "participating area" that defines the portion of the unit contributing to production and allocates production to each lease for purposes of determining the royalties due to the State and any other mineral owner within the unit. As an operator learns more about the resources, the unit and participating areas may expand or contract. This section adjudicates such expansions and contractions, as well as redeterminations of royalty allocations.

The section works across all sections to synthesize the division's areas of expertise into its decisions. Unit managers also serve as the primary point of contact for operators and are responsible for both managing existing agreements and commitments and negotiating new ones.

Without this section and the decisions, it generates for the director, lessees would be unable to explore, develop, and produce the State's oil and gas resources, and in turn the State would not collect royalties on production. The State would also have no lessee agreement for joint development across multiple leases, and there would be no State-approved allocations of production for determining royalties.

OVERVIEW *of the*

Division of Parks and Outdoor Recreation



The Division of Parks and Outdoor Recreation (DPOR) operates the largest state park system in the United States and supports the governor's priorities of public protection, economic development, education, resource management, state operating infrastructure, and individual and community self-sufficiency by providing access to world-class outdoor recreation.

Recreation in Alaska State Parks generates economic activity and employment while providing \$4.5 million in state revenue through park fees. State investment in parks ensures these world-class state assets continue to generate revenue, protects the resource, and contributes to the private-sector economy while enhancing the health and well-being of Alaskans.

Public Protection:

- Twenty-five Alaska state law enforcement park rangers provide safety to the public and protection of the resource throughout 3.6 million acres of Alaska park land.
- Alaska's recreational boating fatalities have been cut nearly by half, from an average of 27.9 per year before the Alaska Boating Safety Program began in 2000, to 15.47 per year since.

Economic Development:

- The recreation industry contributes nearly \$2.5 billion annually to Alaska's economy, supports 72,000 direct jobs and produces \$7.3 billion consumer spending.
- Alaska's State Parks help fuel a strong visitor industry that attracted 1.8 million visitors and \$1.97 billion in visitor spending in 2016.

Education:

- The division's Interpretation and Education Program develops interpretation through panels, brochures and other exhibits, and offers formal and informal interpretive programs to visitors.

Individual, Community & Self Sufficiency:

- The Office of History and Archaeology and the grant administration of the Historical Preservation Fund, Land & Water Conservation Fund, Recreational Trails Program and Snowmobile Development Program helps community self-sufficiency by helping local projects via permitting.

Resource Management:

- The Division's mission guides it in conserving natural resources for the use, enjoyment, and welfare of the people. The Office of History and Archaeology serves as the state historic preservation office (SHPO), representing the state's interests in protecting its heritage resources.

State Operating Infrastructure:

- The division has lost 20 PCNs since 2016, while maintaining high service levels and efficiency.



STRUCTURE & FUNCTIONS *of the* Division of Parks and Outdoor Recreation

The Division of Parks and Outdoor Recreation (DPOR) operates 157 park units and is the state's lead agency for technical expertise on outdoor recreation, boating safety and historic preservation. The division is composed of five sections. User fees, federal grants and inter-agency receipts fund approximately 60 percent of the division's costs.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
159	509.5	9,257.2	2,132.2	3,824.2	15,723.1

Field Operations – Manages 157 state park units throughout Alaska and operates visitor facilities that enable public access to and enjoyment of park lands

Director's Office and Support – Oversees division budget and collection of state park fees; supervises area managers, section chiefs, and administrative staff; manages park use permitting; and administers federal grant programs for the division

Design & Construction – Provides design, contract administration, and oversight for state park capital improvements as well as construction projects developed by other state agencies

Office of Boating Safety – Administers federally-funded programs that reduce non-commercial boating fatalities, injuries and property damage in Alaska

Office of History and Archaeology – Conducts federally-required reviews of all development projects to determine their impact on historic and archaeological sites and maintains the data repository for all of Alaska's cultural resources information

PCNs	UGF	Total
103	53.0	7,545.0
13	0.0	2,202.8
16	0.0	2,297.6
8	0.0	1,251.0
18	456.5	2,464.9

OVERVIEW of the Division of Parks and Outdoor Recreation's Design & Construction Section



Critical Function: Provides professional design, construction, and interpretation and education services to responsibly develop facilities that are safe, sanitary, functional and enjoyable to the benefit of Alaskans and visitors.

Economic impact without the section's services: Loss in park user revenue resulting from inadequate and substandard facilities and forfeiture of federal participation in projects that now get federal funding.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
16	0.0	224.9	0.0	2,072.7	2,297.6

Description: The Design & Construction Section manages state park capital projects from inception to closeout. Led by licensed engineers, landscape architects, and interpretation professionals, the section performs planning, cost estimating, preliminary design, design, permitting, and construction activities to develop park facilities.

To keep pace with user demands, existing facilities need to be maintained and/or improved and new facilities are built when funding is available. Design & Construction (D&C) engages the public to identify project goals and objectives; develops concepts based on public input; advances concepts to engineered designs for construction; applies for permits to comply with local, state, and federal regulations; and administers the construction of the projects to ensure conformance with the plans, accountability of using public funds, and protecting the interests of the state.

State park facilities fall into disrepair at a faster rate than their maintenance staff can fix with available funds, resulting in a deferred maintenance backlog of \$60.6 million. D&C is focused on keeping the division's deferred maintenance backlog in check if not significantly reduced.

State parks projects rely on federal funds, passed through from other agencies, to supplement state capital appropriations. Typically, the federal government reimburses its portion of project costs only after the project is completed and the state has fulfilled all its commitments. These include technical oversight and reporting to ensure accountability of public funds and safeguard federal participation. *(Note: DNR's operating budget includes no federal funds for design and construction.)*

D&C's expertise in managing capital projects and developing interpretation and education content is well-recognized by other DNR divisions and state/federal agencies, leading them to enlist D&C to develop their projects to successful completion. For example, D&C has led projects for DNR's divisions of Mining, Land and Water, and Forestry; the departments of Fish and Game, and Transportation and Public Facilities (DOT&PF); and numerous federal agencies. The D&C chief is one of two DNR employees authorized by DOT&PF to exercise higher-than-normal state construction contracting authority.



OVERVIEW *of the* Division of Parks and Outdoor Recreation's Director's Office & Support

Critical Function: Oversees operating and capital budgets for the division and revenue collection from state park fees; supervises area managers, section chiefs and administrative staff; manages park use permitting; and administers the federal Land and Water Conservation Fund (LWCF), Recreational Trails Program (RTP), and Snowmobile Trails Grant Programs.

Economic impact without the section's services: Loss of financial monitoring resulting in the inability to determine program capabilities, operating costs, revenue collection and other variables. Potential loss of outdoor recreational grant opportunities due to inability to administer state and federal program requirements.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
13	0.0	1,991.8	78.7	132.2	2,202.8

Description: The Director's Office is responsible for all division support functions including budget, grant administration, personnel management, procurement, revenue, accounting and finance, and web administration. It performs the following critical functions:

- Provides strategic, operational, and workforce development planning as well as administrative policy development and program coordination for six park management regions throughout the state
- Develops and manages the division's operating and capital budgets. Anticipates financial conditions and constraints, program capabilities, operating costs, revenue collections, and other variables
- Develops various financial scenarios, and reviews actual financial activities from prior fiscal years to identify trends and upcoming needs. Responds to legislative requests and oversees the division's public outreach activities
- Cooperates with other state and federal agencies and organizations to provide LWCF and RTP grant oversight and reporting
- Provides procurement direction for state and federal contract purchasing, property management, acquisition of federal equipment, and state property accounting
- Ensures departmental policies and procedures for handling and managing revenue are followed and appropriate safeguards are in place to protect state assets



OVERVIEW *of the* Division of Parks and Outdoor Recreation's Field Operations

Critical Function: Manages the largest park system in the country, including many of the most-accessible public recreation lands in Alaska.

Impacts without the section's services: Reduced economic activity and employment through businesses that offer services in state parks and through consumer spending; the loss of more than \$4.5 million in revenue to the state through park fees; and reduced access to healthy outdoor pursuits. Additionally, there would be a reduction in public safety and sanitation at Alaska's most popular recreational access points.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
104	53.0	6,724.6	25.0	742.4	7,545.0

Description: Field Operations manages 157 parks, recreation areas, marine parks and historic sites encompassing 3.6 million acres and recreation facilities. These include 76 campgrounds, 900 miles of maintained hiking trails, 52 picnic shelters, 85 public use cabins, 24 developed boat launches and 41 marine park units. State parks serve as community recreation areas for residents, providing family and school-oriented activities such as picnicking, hiking, camping, walking for fitness, bicycling, skiing, snowmobiling, ATV riding, fishing, hunting and environmental education. State parks are integral to Alaska's tourism industry, providing affordable and accessible excursions for visitors.

In addition to providing for public safety and law enforcement in state parks, staff participated in over 80 search and rescue missions in FY2019.

The division maintains Region and area offices in Anchorage, Dillingham, Haines, Homer, Fairbanks, Juneau, Ketchikan, Kodiak, Seward, Sitka, Soldotna, Wasilla, and Willow. The Field Operations staff ensure that Alaska's state parks provide high quality, high functioning, and sustainable park facilities that enhance the State Parks experience. They are assisted in this work by hundreds of park volunteers. In FY2019, 333 volunteers donated their time to the division's mission.

The Field Operations section works with 12 local park advisory boards which provide public input on park management.

Non-UGF funding sources: IA, boat registration fees, CIP receipts, SDPR



OVERVIEW of the Division of Parks and Outdoor Recreation's Office of Boating Safety

Critical Function: Focused on reducing boating deaths, injuries and property damage and enhancing the enjoyment of Alaska's waterways, the mission of the Office of Boating Safety (OBS) is to "promote safety of persons and property in and connected with the use, operation, and equipment of boats on the water of the state and to promote uniformity of laws relating to boat safety." (AS.05.25.050)

Economic impact without the section's services: Loss of millions of dollars in federal grant funds available to Alaska which would then be reallocated to other U.S. states and territories; potentially higher state costs for training, searches, rescues, and body recovery, and increased costs to the public due to higher numbers of boating fatalities, injuries, and property damage.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
8	0.0	300.0	951.0	0.0	1,251.0

Description: This award-winning program's achievements include the following:

- Observed life jacket wear rates in Alaska are now higher than the national average in all age groups.
- *Kids Don't Float* life jacket loaner program has provided 74,721 life jackets.
- *Kids Don't Float* education program attendance since inception to 9/1/19 reached 200,065 in 5,942 classes
- At least 36 Alaskans have survived cold-water immersion thanks in part to a *Kids Don't Float* life jacket.
- Alaska's boating fatalities averaged 27.9 per year before the program started, and 15.2 per year since.

When the Alaska Boating Safety Act was signed into law in 2000, Alaska became the final state to qualify for federal grant funding for boating safety. OBS is funded entirely from the federal Sport Fish Restoration and Boating Trust Fund and a portion of Alaska's boat registration receipts. OBS performs the following functions:

- Cooperates with state and federal agencies and organizations to provide boating safety programs statewide.
- Provides statewide boating safety education programs to increase public awareness of boating risks and the knowledge, skills, and abilities of Alaska's boaters:
 - Develops educational materials relevant to the needs of both urban and rural boaters
 - Provides statewide boating safety training programs
 - Provides programs for children and high - risk groups (e.g., *Kids Don't Float*)
 - Trains, certifies, and supports boating safety instructors (e.g., *Alaska Water Wise*)
 - Evaluates, on an ongoing basis, of the effectiveness of programs
 - Conducts comprehensive social marketing campaigns (e.g., *Pledge to Live*)
- Provides support for the governor appointed Alaska Boating Safety Advisory Council
- Provides boating law enforcement training for the Department of Public Safety (DPS)
- Promotes the uniformity of laws relating to boating safety

OVERVIEW of the Division of Parks & Outdoor Recreation's Office of History & Archaeology



Critical Function: Provides statewide historic preservation programs to identify, document, protect and restore prehistoric, archaeological and historic sites and buildings.

Economic impact without the section's services: Millions of dollars in increased costs and slowdown in development of state and federal projects in Alaska, and lost opportunities for federal grants to groups and individuals around the state.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
18	456.5	16.1	1,099.8	892.5	2,464.9

Description: The Office of History & Archeology (OHA) serves as the state's historic preservation agency, administering state and federal programs to identify, document, protect and restore sites and buildings, and advises the commissioner, governor and legislature on issues relating to history, prehistory, archaeology, and geographic names. The OHA serves as the state historic preservation office (SHPO), representing the state's interests in protecting its heritage resources. Through a matching federal Historic Preservation Fund grant, SHPO implements federally required programs including Section 106 project review, historic preservation planning, cultural resource survey, National Register of Historic Places nominations, public education, training, investment tax credits, statewide inventory maintenance and local government assistance. The OHA also administers the Alaska Historical Commission's programs, including the Geographic Names Board and Alaska Historic Preservation Act programs funded with I/A receipts.

The OHA maintains the Alaska Heritage Resources Survey (AHRs), a restricted inventory of over 48,000 reported historic, prehistoric, and archaeological sites, locations, structures and objects and some paleontological sites. It is the central repository for Alaska cultural resources information used by federal and state agencies, private companies, professional consultants, and local governments when proposed projects involve state or federal land, license, funding, permits, or other authorizations. Awareness of reported cultural resources early in planning can guide permitting and construction decisions, prevent unnecessary cultural resource destruction and avoid possible project delays. OHA functions include:

- Reviewing development projects; develops agreement documents for projects with adverse effects
- Maintaining statewide inventory of reported cultural resources (AHRs)
- Serving as SHPO to implement federal programs for project review, statewide inventory (AHRs), National Register of Historic Places, grants, historic preservation planning, local government programs, and historic preservation tax credits
- Issuing cultural resources permits for investigations on state land



OVERVIEW *of the* **Office of Project Management and Permitting**

The Office of Project Management and Permitting (OPMP) supports private industries, regulatory agencies, and the Alaska public by implementing a multi-agency permit coordination program to ensure consistent, defensible, transparent, and timely permit decisions for complex natural resource development projects. This model is unique to Alaska and offers a level of assurance to the public and companies investing in Alaska that permit reviews are robust and responsive.

“User pay, user benefit” model

- Project applicants reimburse all expenses incurred by OPMP and other state agencies participating in the coordinated permit review process.
- Project applicants and state agencies benefit from greater efficiencies and less duplication compared with multiple individual agency reviews.
- Alaskans benefit from coordinated public notices of major permits and a centralized agency website that provides a clearinghouse of project-specific information and contact information for questions.

Federal agency engagement

- OPMP plays a key role in protecting state interests by coordinating multi-agency reviews of proposed federal actions, land management plans, and proposed regulations and policies.
- Continued state participation in federal planning and rulemaking is essential, as the State’s future economic opportunities and interests could be limited by federal action.
- OPMP serves as the primary point of contact to the federal agencies undertaking planning or rulemaking in Alaska, including plan reviews related to the Outer Continental Shelf (OCS) and Arctic region. The Chukchi Sea and Beaufort Sea resources are estimated at 25 billion barrels of oil and 120 trillion cubic feet of natural gas, constituting a vast portion of Alaska's resource base and future revenue potential.

Habitat protection and land acquisition

- OPMP supports DNR’s conservation mission by administering non-General Fund financial resources provided through the Exxon Valdez Oil Spill Trustee Council Habitat Protection Program, the federal Natural Resource Damage Assessment and Restoration Program, and the National Coastal Wetland Program. Funds are used for conservation efforts, including habitat restoration and land acquisitions, to address impacts from oil and hazardous material discharges.

STRUCTURE & FUNCTIONS *of the* Office of Project Management & Permitting



The Office of Project Management & Permitting (OPMP) coordinates multi-agency regulatory reviews and authorizations, collaboratively engaging federal agencies on land use planning and policy initiatives to maintain and enhance the state's economy, quality of life, and maximize the value of Alaska's vast natural resources.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
13	795.5	0.0	552.0	4,728.6	6,076.1

	PCNs	UGF	Total
Large Project Coordination – Offers multi-agency permit coordination for large resource development projects.	8	490.9	5,219.5
Compensatory Mitigation Program – Works with the U.S. Army Corps of Engineers to develop a statewide wetlands compensatory mitigation program that would offer state lands, or projects on state lands, to offset impacts as required by the Clean Water Act	1	100.0	100.0
Coordinated Review of Federal Plans and Activities – Coordinates state review of federal Outer-Continental Shelf/Arctic plans, and other federal actions, to protect future state revenues, public land use and access	2	204.6	204.6
Land Acquisition, Federal Grants, and Natural Resource Damage Assessment Programs Enables acquisition of lands through grant programs and assessment of resource damage from spills or other hazardous releases	1	0.0	552.0
Exxon Valdez Oil Spill Trustee Council Habitat Protection Program Coordinates land acquisition process for lands acquired to protect key habitat for injured species through EVOS settlement funds	1	0.0	163.5 ¹

¹Coordinated by OPMP as separate component under DNR; excluded from FY2020 Management Plan Budget



OVERVIEW of the Office of Project Management & Permitting's Compensatory Mitigation Program

Critical Function: Collaborating with the U.S. Army Corps of Engineers in the development of a revenue-generating statewide compensatory mitigation program that offers private industry the opportunity to mitigate unavoidable project impacts, per requirements of the Clean Water Act Section 404.

Economic impact without the section's services: Mitigation opportunities would continue to be limited or unavailable, with adverse impacts to project economics. The state could forego millions of dollars in potential state revenues from resource development and from an established, state-run compensatory mitigation program.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
1	100.0	0.0	0.0	0.0	100.0

Description: The Legislature appropriated \$100,000 in Unrestricted General Funds for OPMP to continue developing the statewide Compensatory Mitigation Program and represent the State in developing an Alaska-specific policy. Once established, the mitigation program will generate revenue by selling mitigation credits to the development industry and will offer additional opportunities for projects to purchase mitigation credits at a negotiated cost.

OPMP is working with the U.S. Army Corps of Engineers to establish a compensatory mitigation program run by the Department of Natural Resources, which would require approval from the Corps.

Once the program is in place, OPMP will engage in robust outreach efforts within the mitigation community including mitigation bank sponsors, Native corporations, municipalities, state, local and federal agencies and other interested parties.



OVERVIEW of the Office of Project Management & Permitting's Exxon Valdez Oil Spill Trustee Council Habitat Protection Program

Critical Function: Ensures agency representation in the long-term protection of threatened habitat considered essential for the well-being of species injured by the Exxon Valdez Oil Spill (EVOS).

Economic impact without the section's services: Without participation by the Office of Project Management and Permitting, the State risks losing the opportunity to acquire land with EVOS Trustee Council settlement funds and the Department of Natural Resources risks not being fully represented during negotiations for the acquisition of lands that will ultimately be managed by the department, or for which the department will hold a conservation easement.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
1	0.0	0.0	0.0	163.5	163.5

Description: The EVOS Trustee Council Habitat Protection Program serves as the department's coordinator throughout the land acquisition process and assists the public regarding use of acquired properties.

The EVOS Trustee Council uses settlement funds to acquire land to protect key habitats for injured species throughout the spill region. Lands are acquired for their habitat qualities and their importance for subsistence and recreational use. Lands are protected by conservation easements, timber easements, and fee simple acquisitions. During the acquisition process, settlement funds are provided to the department to ensure its interests are represented in the acquisition process, including negotiation of terms of sale, due diligence efforts, and ensuring that acquired lands are properly tracked and used in accordance with program goals and requirements.

Either the Division of Parks and Outdoor Recreation or the Division of Mining, Land & Water typically takes responsibility for managing land after it is purchased, or holds a conservation easement on acquired properties.



OVERVIEW of the Office of Project Management & Permitting's Federal Plans and Activities Review and Coordination

Critical Function: Monitor federal actions, facilitate federal/state coordination and consultation, direct an efficient and reliable multi-agency review process, and develop consolidated state comments/positions on proposed federal actions.

Economic impact without the section's services: Loss of millions of dollars in revenue and economic growth from not realizing full-land use potential, including responsible resource development.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
2	204.6	0.0	0.0	0.0	204.6

Description: More than 63 percent of Alaska's land is federally managed, 20 percent (72 million acres) by the Bureau of Land Management for multiple use, including mining and oil and gas exploration and development. The Alaska National Interest Lands Conservation Act (ANILCA) designated an additional 100 million-plus acres to be managed by four federal agencies as conservation system units. Active state participation in planning and policy decision-making for these federal lands ensures Alaska's unique circumstances, such as its resource-based economies, lack of infrastructure, rural subsistence needs, and the state's overall economic interests, are properly recognized and considered in federal decisions. Many issues transcend individual state agency interests. OPMP coordination ensures effective communication on top state issues and priorities.

Recent budget cuts mean OPMP offers statewide ANILCA coordination on a limited basis, focusing coordinated interagency reviews on federal plans and issues the State considers to be high priority.

OPMP also serves as the primary state point of contact to federal agencies guarding the State's interests in Outer Continental Shelf (OCS) and Arctic plan reviews. The Chukchi and Beaufort seas contain an estimated 25 billion barrels of undiscovered oil and 120 trillion cubic feet of natural gas, a vast portion of Alaska's resources and future revenue potential. Federal land management regulations, practices, and policies are better informed with state participation, which focuses on ensuring Alaska-specific opportunities and interests are considered.

The Outer Continental Shelf Lands Act (OCSLA) is one of the main laws dictating federal offshore development in Alaska. OPMP is Alaska's lead coordinating agency responsible for state interagency review and input on Bureau of Ocean Energy Management project-specific and programmatic plans.



OVERVIEW of the Office of Project Management & Permitting's Land Acquisition, Federal Grants and Natural Resource Damage Assessment Programs (NRDA)

Critical Function: Ensures restoration of natural resources damaged by oil spills or releases of hazardous substances into the natural environment; provides program oversight and regulatory compliance for complex federal land acquisition programs and other federal grants.

Economic impact without the section's services: Restoring damaged natural resources allows them to be used for habitat, recreation, tourism and other uses that provide economic benefits to the State. Without regulatory oversight and compliance provided by this program, the state risks federal grant eligibility and loss of funding.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
1	0.0	0.0	552.0	0.0	552.0

Description: This section serves as the DNR trustee in the federal Natural Resource Damage Assessment (NRDA) and Restoration Program. It facilitates regulatory oversight and compliance in the implementation of federal National Coastal Wetland land acquisition grants, and Wetland Program Development grants.

DNR's FY2020 participation as an NRDA trustee requires approximately \$249,000 in federal receipt authority, supporting restoration of natural and social resources injured by oil spills or hazardous substance releases. The process is driven by law, science, economics, and public input and is administered by federal, state, and tribal trustee agencies tasked with identifying injuries. Rigorous scientific studies evaluate the magnitude of injuries and ensure an objective assessment. The goal is to fully restore public resources injured by an oil spill or release of hazardous materials. Funding comes from the Alaska Department of Environmental Conservation, the party responsible for the resource injury, and the U.S. Coast Guard.

This section also administers federal land acquisition grants in Alaska through the National Coastal Wetland program, participation in which cost DNR \$20,000 in FY2020 federal receipt authority. The section ensures regulatory compliance to meet program requirements and evaluates new project viability. The National Coastal Wetland Program acquires lands to benefit long-term fish, wildlife and recreation conservation. Funded by a federal grant, coastal wetland ecosystem conservation enhances wildlife, flood protections and water quality while providing public economic and recreational opportunities.

OPMP is developing an Alaska Wetlands Collaborative with \$100,000 in Wetland Program Development Grant funds in FY2020. Products will help inform the compensatory mitigation program, administered through the U.S. Environmental Protection Agency.

OVERVIEW *of the* Office of Project Management & Permitting's Large Project Coordination Section



Critical Function: Provides multi-agency state, federal and local permit coordination to advocate for and implement consistent, defensible, transparent and timely permit decisions on large resource development projects (e.g., mining, oil and gas, transportation and clean energy).

Economic impact without the section's services: Permitting timelines for large natural resource development project would likely increase due to greater duplication of effort resulting from multiple single-agency reviews and overlapping regulatory jurisdictions, which would adversely affect project economics, resulting in the potential loss of millions of dollars in revenue and economic growth.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
8	490.9	0.0	0.0	4,728.6	5219.5

Description: Large resource development projects are complex, and often fall under the jurisdiction of multiple regulatory agencies. The Large Project Coordination Section is essential to:

- Ensure mining, oil and gas, transportation, clean energy and other specialized projects receive timely, coordinated review, permitting, and monitoring by state agencies
- Establish and maintain Reimbursable Service Agreements (RSAs) with state agencies to ensure they have adequate fiscal resources to participate effectively in coordinated project reviews
- Recover expenditures incurred by participating state agencies through funding agreements established between OPMP and project proponents. Roughly 80 percent of the state expenditures recovered by OPMP supports permitting-related services provided by other state agencies

Unrestricted General Funds support this section and all other OPMP functions, including budget management, administrative actions, program development and public engagement and community outreach.



OVERVIEW *of the* **Support Services Division**

The Support Services Division (SSD) provides financial, budget, procurement, human resources, information technology, and recording services to the Department of Natural Resources and the public.

Land records management

- The division provides land records management for more than 160 million acres of state lands. These records are used by the public, industry and state agencies for business, land stewardship, and investment activities.

Information technology

- Through the Office of Information Technology (OIT), the division develops and supports software and hardware solutions and provides IT support to the Department of Natural Resource (DNR) and Department of Administration offices across the state, including 24/7 support to statewide DNR emergency response (e.g., wildland firefighting).

Fiscal controls & public funds stewardship

- The division oversees all DNR procurement, budget, and financial transactions to ensure adherence to federal, state, and department laws and policies, and provides guidance and policy to ensure that public funds from 20 different funding sources are managed with integrity and transparency.

Recording services

- The permanent public record of Alaska maintained in the Recorder's Office and Uniform Commercial Code central file allows title companies, mortgage companies, banks, credit bureaus, large and small businesses alike to engage in commerce in Alaska.

Leadership & guidance

- The division provides guidance, problem solving, and strategic thinking to DNR divisions and the commissioner's office on budget, information technology, finance, administration and human resources.



STRUCTURE & FUNCTIONS *of the* Support Services Division

The Support Services Division provides centralized administrative, information technology and management services to DNR, and provides recording services to the general public. The division comprises 11 sections in three components.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
67	5,693.9	3,630.0	0.0	1,803.5	11,127.4

Administrative Services

Financial Services – Manages restricted revenue, federal grant accounting, and reimbursable service agreements; provides accounting services for DNR revenue and agricultural loans

Procurement – Provides professional procurement and property management and leasing and operates the Anchorage mailroom

Human Resources – Provides recruitment, performance management, grievance response, and employment law services

Director's Office – Manages and leads the division and provides budgetary and administrative guidance to the department. Develops and implements the DNR operating and capital budgets

PCNs	UGF	Total
12	1,172.2	1,768.5

5	488.5	736.8
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3	293.1	442.1
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5	488.5	736.8
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Information Resource Management

Software Development Support – Through the Office of Information Technology (OIT), provides business system support including Land Administration System (LAS), Revenue & Billing, Recorder's Office, Webmaster, project management, and operation and administers the content management system

Computer and Technology Services – Through the OIT, provides network, desktop and system operations and maintenance support, help desk support, Oracle database support, and IT standards review for DNR and DOA

0	1,298.6	1,566.6
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0	1,009.6	1,009.6
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<i>GIS / Mapping</i> – Provides Land Administration System administration and training, maintains state Status Plats, cartography services, GIS maintenance and development support including Alaska Mapper, and DNR’s Business Reporting System	8	943.4	1,237.0
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Recorder’s Office / Uniform Commercial Code

<i>Recorder’s Office</i> – Administers the statewide recording system as directed by statute, providing a secure, accessible and impartial place to record and preserve the permanent public record of Alaska	18	0.0	1,870.0
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<i>Archive Unit</i> – Creates and maintains the permanent public record for Alaska	5	0.0	550.0
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<i>Uniform Commercial Code Central File</i> – Maintains the public record of filed documents related to security interests in personal property	3	0.0	330.0
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<i>Recorder’s Office Management & Support</i> – Provides management, computer programming, and administrative services to the component, including the mail back unit	8	0.0	880.0
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OVERVIEW of the Support Services Division's Administrative Services Section

Critical Function: Provides centralized, client-focused administrative and management services for all DNR divisions and offices.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
25	2,442.3	0.0	0.0	1,241.9	3,684.2

Description: The Administrative Services Section provides centralized budget, accounting, procurement, human resources and administrative support to the Department of Natural Resources (DNR) and ensures its compliance with applicable laws, regulations and state policies. Key staff members serve on multi-agency working groups that advise the state on its policies related to these functions.

Budget: Develops and implements DNR's operating and capital budgets. Recommends budget strategies, delivers training on all budget topics, and responds to legislative and OMB requests for information.

Financial Services: Accurately accounts for and reports on over \$1.6 billion in DNR-generated revenues from sources such as oil and gas, mining, agriculture, and timber sale contracts, leases, and other agreements; provides business accounting services that ensure a high degree of fiscal control and public funds stewardship.

Procurement: Procures goods and services in support of state land sales, contracting of oil and gas consultants, construction and rehabilitation of state park facilities, and other procurement needs unique to DNR; also oversees property management and leasing and Anchorage mailroom operations

Human Resources: Provides recruitment, performance management, consultative guidance and personnel actions, grievance responses, and employment law services to all DNR divisions

Director's Office: Provides leadership and decision making to Administrative Services, Information Resource Management, and the State Recorder's Office. Provides budgetary and administrative guidance and advice to ten DNR divisions and offices, and guides budget strategies in consultation with divisions and Commissioner's Office



OVERVIEW *of the* Support Services Division's Information Resource Management Section

Critical Function: Provides land records management and GIS services to department staff managing Alaska's natural resources.

Economic impact without the section's services: Negative impact to natural resource development projects that rely on land records research and/or application and permit processing due to a lack of information, data, or processing capabilities. Significant negative impacts to commercial activities related to mortgage and title processing, which occurs in the Recorder's Office.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
8	3,251.6	0.0	0.0	561.6	3,813.2

Description: The Information Resource Management Section provides land records management per 11 AAC 53.020 which requires DNR to manage the state's land status plats, the historic index of state land transactions, and the serial register of land actions.

To meet regulatory requirements, the section maintains a Land Administration System providing tabular and spatial (GIS) data to the public, DNR, other state agencies, federal, local, and tribal organizations, as well as industry.

Information Resource Management (IRM) is also the primary technical support channel for the State Recorder's Office. The Recorder's Office provides recording and processing services to title and mortgage firms across the state. On behalf of the Recorder's Office, Information Resource Management provides data distribution services to external organizations interested in purchasing large volumes of recorded information.

The section liaisons and works with Office of Information Technology staff to ensure the department has full information technology support. This includes full desktop and local area network support and remote site computer support for Parks and Forestry staff.

The section manages DNR's large technology contracts related to licensed software, hardware infrastructure, software development, and Enterprise License Agreements, and it also provides 24/7 IT support to the Division of Forestry during the wildland firefighting season.



OVERVIEW of the Support Services Division's Recorder's Office/Uniform Commercial Code Section

Critical Function: Provides a secure, accessible, and impartial place to record and to preserve the permanent public record of Alaska.

Economic impact without the section's services: Significant adverse impact to commerce without access to current and historic personal and real property recordings and filings in Alaska.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
33	0.0	3,630.0	0.0	0.0	3,630.0

Description: The statewide recording system consists of 34 separate recording districts serviced by five offices located throughout Alaska and includes:

- **State Recorder's Office:** Administers the statewide recording system as directed by statutes under 19 separate titles and by regulations in 11 AAC 06
- **UCC Central File System:** Maintains the public record of filed documents related to security interests in personal property
- **Archive Unit:** Creates and maintains the permanent public record for Alaska
- **Management & Administrative Support:** Provides management, IT and administrative services to the component, including the mail back unit

Title companies, mortgage companies, banks, credit bureaus, and many small businesses rely on information maintained at the Recorder's Office and UCC Central File to make appropriate business decisions and to ensure adequate security for financial transactions. Without these, services lenders would not be aware of previously recorded obligations or liens against property or individuals. The recording of documents, including mortgages, liens, and conveyance, ensures and secures a position in time for those transactions.

Electronic recording and filing provide expedited service to customers within and outside of Alaska. The online index provides easy and efficient access to the Alaska public record going back to 1970, and the online access provides historic records of Alaska going from 1969 back to the mid-1800s. Historic preservation projects ensure the Alaska public record will be available for generations to come.

OVERVIEW *of the* Trust Land Office



The Trust Land Office (TLO) is responsible for managing the land and other natural resources owned by the Alaska Mental Health Trust Authority. The TLO generates revenue for trust beneficiaries from land sales and leasing, real estate investment and development, timber sales, mineral, coal, oil and gas exploration and development, and sand, gravel and rock sales. Activities on Trust land support nearly 800 high-paying jobs in industries such as mining, oil and gas, timber, and coal, and about 2 percent of Alaska's gross domestic product.

Minerals & energy

- \$2.1 million in royalty and other income collected for oil and gas and minerals in FY2019.
- The Fort Knox gold mine is the largest producing mine in the state and largest single property taxpayer in the Fairbanks North Star Borough, paying \$8.2 million in property taxes in CY2018. It provides 620 jobs.
- Exploration projects such as Icy Cape, Livengood, and Palmer (near Haines) could yield approximately 700 jobs if they go into production.

Timber

- FY2019 timber sales are supporting roughly 30 jobs, increasing to about 65 jobs during ship-loading.
- The completion of Phase 1 of the Trust Land Exchange with the U.S. Forest Service provided additional harvestable timber lands for the Trust. This supports roughly 80 jobs and is anticipated to continue as additional phases of the Land Exchange are completed.

Surface lands & stewardship

- Competitive and negotiated sales conducted by the TLO create new revenue for Alaska communities with taxing authority, and generate over \$2.8 million in revenue from sales and interest from contracts.
- Subdivision development supports local jobs in engineering design, land development, construction.
- Compliance issues relating to trespass and unauthorized uses also provide small businesses contracts and Alaska-hire preference for services on environmental matters, construction, and waste.

Real estate & development

- Commercial property acquisitions in Alaska, Utah, Washington and Texas have provided over \$2 million in annual revenue for the Trust, stable income that helps diversify the Trust's assets.
- Development on Trust land, such as office buildings in Anchorage's U-Med district, uses surface lease agreements. These long-term agreements (potentially 50-plus years) provide over \$500,000 annually in stable revenues.



OVERVIEW and STRUCTURE of the Trust Land Office

Critical Function: Generates revenues for the Alaska Mental Health Trust through the management of Alaska Mental Health Trust Authority lands to improve the lives of its trust beneficiaries.

Economic impact without the office's services: Beneficiaries would be harmed by decreased funding available by the Alaska Mental Health Trust Authority to improve the lives and circumstances of its beneficiaries.

FY2020 Management Plan Budget

PCNs	UGF	DGF	Fed	Other	Total
19	0.0	0.0	0.0	4,504.5	4,504.5

Description: The TLO manages 1 million acres of Trust lands solely in the interest of the Trust and its beneficiaries. The TLO does not have strict division of functions by sections but includes the following functions that all work to generate revenues:

- Land Stewardship, Authorizations and Sales
- Minerals and Energy Development
- Forestry
- Commercial Real Estate
- Title Defense
- GIS/Technical Systems
- Administration and Finance