



28th Alaska State Legislature
Senate Finance Budget Subcommittee
Department of Natural Resources
FY14 Operating Budget

Chairman:

Sen. Click Bishop
Capitol Room 115
465-2327

Members:

Sen. Cathy Giessel
Capitol Room 427
465-3871

Sen. Peter Micciche
Capitol Room 125
465-4779

Sen. Bill Wielechowski
Capital Room 419
465-6615

Committee Aide:

Mike Smith
465-3887

DEPARTMENT OF NATURAL RESOURCES
FY2014 SENATE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT
March 22, 2013

RECOMMENDATIONS:

The Senate Finance Budget Subcommittee for the Department of Natural Resources submits a recommended operating budget for FY2014 to the Senate Finance Committee as follows:

Unrestricted General Funds (UGF)	\$ 79,495.6
Designated General Funds (DGF)	25,649.5
Other Funds	40,325.8
Federal Funds	13,934.1

TOTAL **\$159,405.0**

BUDGET ACTION:

The Senate Finance Budget Subcommittee for the Department of Natural Resources held 3 meetings with the Department and analyzed all of the Governor's budget transactions. The following are budget action highlights:

- The Subcommittee recommends an increase from the FY2014 Adjusted Base of \$3,764.2 UGF and a decrease of \$285.2 of Designated General Funds (DGF), for a total General Fund change of \$3,479.0. Additionally, changes from the adjusted base of \$2,253.3 in Other Funds and \$(121.1) in Federal Funds were adopted with the addition of two (2) new position.

Accepted Increments

1. MULTIPLE ALLOCATIONS-CORE SERVICES \$284.8 UGF

This funding is spread out amongst multiple allocations to partially offset increased estimated charges for core services provided by the Department of Administration.

2. OFFICE OF PROJECT MANAGEMENT AND PERMITTING (OPMP) Permitting Coordination Projects, \$1,000.0 Statutory Designated Program Receipts (SDPR)

This request would allow OPMP to collect additional SDPR revenue to provide the necessary permitting services for projects coming online in FY2014 and for existing projects. A FY2013 increment of \$2,000.0 of SDPR revenue was granted by the subcommittee for the same purpose. This increment will allow OPMP to coordinate additional permitting activities of large development projects. Funding of those projects

is reimbursed by the applicants and operators of large projects. The complexity of permitting requirements for large projects is considerable, and the coordination services provided by the Department and funded by the applicants and operators provide significant benefits to the long-term economic health of the State.

3. GAS PIPELINE PROJECT OFFICE Restore Office Staff and Operations, \$1,290.0 UGF

4. GAS PIPELINE PROJECT OFFICE- Restore Office Contractors and Consultants, \$1,150.0 UGF

The above two (2) requests continue the funding for staff and contract consultants for the Gas Pipeline Project Office at the same level as in FY2012 and FY2013. While the work of the Office is ongoing and intended to continue through the completion of its mandate, these appropriations have generally been funded as one-time items, in recognition of the difficulty in predicting actual expenditures. To provide for the annual review of the program, these increments have been accepted as one-time items.

5. Administrative Services-Information resource Management Land Disposal Income, Fund Change, \$555.7UGF/(555.7)DGF

The Subcommittee approved four Fund change transactions, resulting in a decrement of \$555.7DGF and a increment of \$555.7 UGF.

6. Mining, Land and Water-Navigable & Public Waters Research and Assertion of States Water Rights, \$350.0 UGF

Provides continued funding for the State to assert its Water Rights, with the Federal Government.

Increments Denied;

1. Oil & Gas-Arbitration-Fund Switch to Language; \$300.0 UGF

This increment, including \$500.0 UGF Base Funding and a \$500.0 UGF Capital request would have funded the activities of the program. Historical inability to accurately predict expenditures warrant the inclusion of this funding in the "Language" section of the Operating Budget, therefor the Subcommittee recommends denying the increment, base funding and the Capital request in favor of funding through the "Language" section of the Bill.

2. Oil & Gas- AGIA Monitor and Advisors; \$600.0

See above note.

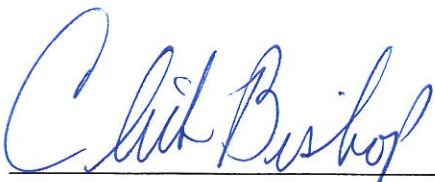
3. Mining, Land & Water-Guide Concession Program Implementation; \$450.0 UGF

Denied increment, in anticipation of appropriate legislation passed by the Legislature.

Attached Reports;

The Senate Finance Subcommittee for the Department of Natural Resources adopts the following attached Reports:

1. Budget Action Worksheet
2. FY 2014 Operating Budget-Agency Totals
3. FY 2014 Appropriation/Allocation Summary (All Funds)
4. FY 2014 Appropriation/Allocation Summary (General Funds)
5. Transaction Comparison-Adjusted Base and Senate Subcommittee
6. Transaction Comparison-Governor Amended and Senate subcommittee
7. FY 2014 Operating Budget Wordage Report



Senator Click Bishop, Chair

Senate Finance Budget Subcommittee for the Department of Natural Resources

March 22, 2013