

**2019 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between 20Adj Base and 20Gov 12/15**

Numbers and Language Differences Agencies: DNR

Agency: Department of Natural Resources

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration & Support Services													
Office of Project Management & Permitting													
Maintain Alaska Geospatial Council in Base Budget	20Gov 12/15	Inc	340.0	140.5	30.0	169.5	0.0	0.0	0.0	0.0	0	0	0

The Alaska Geospatial Council (AGC) was formed by the 2015 Governor's Memorandum of Understanding as a continuation of the Statewide Digital Mapping Initiative (SDMI) Executive Committee. AGC membership includes:

- Department of Natural Resources (DNR) - Lead Agency
- Department of Military and Veteran's Affairs
- Department of Transportation and Public Facilities
- Department of Environmental Conservation
- Department of Fish & Game
- Department of Commerce, Community & Economic Development
- University of Alaska
- National Oceanic and Atmospheric Administration
- National Resources Conservation Service
- U.S. Geological Survey
- Alaska Native Claims Settlement Act (ANCSA) Regional Council
- Alaska Municipal League

The AGC is tasked with streamlining geospatial activity in Alaska by eliminating redundancy in expenditures and staff activity associated with searching for, acquiring, maintaining, and distributing geospatial data by creating a robust, cost-effective platform that can be shared across sectors.

Personal services funding would support an existing position in OPMP to facilitate AGC administration and working group activities.

Travel funding is to cover coordination with intergovernmental groups in different regions in Alaska, facilitate participation in national spatial data infrastructure organizations that impact data requirements, and integration of state collected data into national repositories. It also covers outreach to inform potential user groups of data availability, access, and innovative uses.

Contractual services include completing the processing of purchased, raw imagery into color-balanced tiled map products, distribution of imagery and other AGC data assets, and data stewardship to ensure standard metadata and compliance with state standards for integration into statewide data layers and accessibility through a geoportal.

Options to generate revenue to fund AGC are being investigated. Identified potential revenue sources include commercializing imagery distribution and a cell-phone surcharge. The Department of Law is evaluating the legal aspects of commercializing imagery distribution. While this has potential to generate \$10.0 to \$100.0 annually, legal aspects are complicated and have yet to be resolved, and the data is aging which will reduce its value with time. Conceivably, this could be in place in FY2020, it will require modifying regulations, setting and charging fees, as well as financial mechanisms to transfer the revenue to the AGC. Instituting a cell-phone surcharge will likely generate push back from users.

Accomplishments:
Since 2010 detailed elevation information for over 92% of the state's land area has been collected.

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Administration & Support Services (continued)													
Office of Project Management & Permitting (continued)													
Maintain Alaska Geospatial Council in Base Budget (continued)													
<p>Together with high-resolution satellite imagery, over 99.5% of the state has been mapped for elevation. Accurate geodetic models incorporating gravity for precise locations and elevations provide a basis of essential layers for transportation, infrastructure, and hydrology. Information gathered through this project is used for aviation safety, planning, flood mapping, and to support a multitude of everyday functions throughout state government.</p> <p>In FY2019:</p> <ul style="list-style-type: none"> - Coordinated AGC member participation in a survey on the economic value of near shore and terrestrial bathymetric data, conducted by the US Geological Service. - Supported development of a coastal mapping strategic plan for Alaska through a joint partnership agreement with The National Oceanic and Atmospheric Administration and the Alaska Ocean Observing System. - Assisted with delivering a beta version of the Geoportal; the beta used existing agency data to serve as proof of concept for a centralized repository, sharing, and distribution center. - Served on the National State Geographic Information Council board. <p>The distribution of existing and future collection of remote sensing data, including topographic mapping and high-resolution satellite imagery, supports resource assessment and development. This project will not duplicate any other current or proposed budget initiatives within the Department of Natural Resources or Department of Transportation.</p>													
1004 Gen Fund (UGF)			340.0										
Reduce Capital Improvement Project Receipt Authority	20Gov 12/15	Dec	-105.3	0.0	0.0	-105.3	0.0	0.0	0.0	0.0	0	0	0
Authority is available due to decreased capital projects in recent years.													
1061 CIP Rcpts (Other)			-105.3										
* Allocation Difference *			234.7	140.5	30.0	64.2	0.0	0.0	0.0	0.0	0	0	0
Administrative Services													
Office of Information Technology Salary Adjustment Billed to Agencies	20Gov 12/15	Inc	43.9	0.0	0.0	43.9	0.0	0.0	0.0	0.0	0	0	0
<p>The Office of Information Technology (OIT) supports staff through billable rates charged to state agencies. This increase supports the portion of OIT salary adjustments, agreed to through the GGU and SU contract negotiations, that will be billed to executive branch agencies. Agencies pay the billable rates to OIT through a variety of fund sources, this increment has been adjusted down to remove the portion of rates that will be paid through non-general fund sources.</p>													
1004 Gen Fund (UGF)			43.9										
* Allocation Difference *			43.9	0.0	0.0	43.9	0.0	0.0	0.0	0.0	0	0	0
EVOS Trustee Council Projects													
Align with Exxon Valdez Oil Spill Trustee Council Budget	20Gov 12/15	Inc	30.5	0.0	0.0	30.5	0.0	0.0	0.0	0.0	0	0	0
The Exxon Valdez Oil Spill Trustee Council (EVOSTC) approved an annual budget of \$163.5 for the Department													

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Administration & Support Services (continued)													
EVOS Trustee Council Projects (continued)													
Align with Exxon Valdez Oil Spill Trustee													
Council Budget (continued)													
of Natural Resources (DNR), but DNR's current authorization is only \$133.0. This increase of \$30.5 aligns DNR with the EVOSTC budget in order to meet the goals of the EVOSTC.													
Funds are provided to coordinate and process large and small parcel habitat acquisitions by the state, including completing title reviews, approval and recording of conveyance documents, assistance with closings and other support to EVOSTC. DNR also provides expertise and any needed determinations regarding public use and management of EVOSTC-approved restoration lands, and maintains and updates the EVOSTC Habitat Protection and Acquisition Catalog.													
The EVOS Trustee Council increased the funds provided to DNR to ensure the Acquisition Catalog was updated and other tasks fully accomplished. A legislative appropriation consistent with the budget provided by the EVOSTC is essential to fully accomplish the desired work of EVOSTC.													
	1018 EVOS Civil (Other)		30.5										
* Allocation Difference *			30.5	0.0	0.0	30.5	0.0	0.0	0.0	0.0	0	0	0
Mental Health Trust Lands Administration													
	Increase Mental Health Trust Land Administration Budget by \$29.2	20Gov 12/15	Inc	29.2	92.3	-0.1	-65.6	2.6	0.0	0.0	0.0	0	0
	1092 MHTAAR (Other)		29.2										
* Allocation Difference *			29.2	92.3	-0.1	-65.6	2.6	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			338.3	232.8	29.9	73.0	2.6	0.0	0.0	0.0	0	0	0
Oil & Gas													
Oil & Gas													
L	Reverse FY2019 Cook Inlet Energy Sec16a Ch17 SLA2018 P75 L13 (HB286)	20Gov 12/15	OTI	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0	0	0
	Reverse language section transaction from the base budget.												
	1217 NGF Earn (Other)		-150.0										
L	Restore Cook Inlet Energy Reclamation Bond Interest (IncT FY20-22)	20Gov 12/15	IncT	150.0	0.0	0.0	150.0	0.0	0.0	0.0	0	0	0
	In 2009, Pacific Energy Resources Limited (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond in the amount of \$6,600.0 along with interest earned for abandonment liabilities for the Redoubt Unit between PERL and Department of Natural Resources' (DNR) Division of Oil and Gas was transferred to DNR in October 2009.												
	The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.												
	The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. It costs over \$1,800/month in bank fees to hold the money in escrow. The department would prefer to												

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Oil & Gas (continued)

Oil & Gas (continued)

Restore Cook Inlet Energy Reclamation Bond

Interest (IncT FY20-22) (continued)

hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.

DNR requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.

\$150.0 is the estimate of interest to be earned on the bond for FY2020.

Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.

If funding is not received, interest earned on the bond held by Department of Revenue's Division of Treasury cannot be applied toward future bond requirements, imposing additional financial burden on this small and producing company.

Language:

The interest earned during the fiscal year ending June 30, 2020, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources, estimated to be \$150,000, is appropriated from interest held in the general fund to the Department of Natural Resources for the purpose of the bond for the fiscal years ending June 30, 2020, June 30, 2021, and June 30, 2022.

1217 NGF Earn (Other)		150.0											
Add Reservoir Modeling Contractual Services to Base Budget	20Gov 12/15	Inc	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0

Reservoir studies' capital funds were allocated in FY2009 to build and maintain sophisticated reservoir models in house. Rather than build and maintain these models, it was found to be more cost effective to pay yearly for the proprietary software necessary to analyze data to the degree that would allow qualitative policy decisions with respect to field development and hire consultants to analyze reservoirs on the North Slope and Cook Inlet on an as needed basis.

The majority of the capital project was reappropriated to the high priority Arctic Strategic Transportation and Resources (ASTAR) project at the end of FY2017 leaving enough funds to cover FY2018 software licensing and contractual services for imminent reservoir analysis, with the understanding that an operating budget increment would be requested for FY2019. The request for software licensing funds was added to DOG's base in FY2019, the funds for contractual services were added as a one time item.

This increment will allow the Division of Oil & Gas (DOG) to hire consultants to analyze reservoirs on the North Slope and in Cook Inlet. Reservoir dynamic models are used to predict future performance and recovery of oil, water, and gas. The results from predictive model runs are used to calculate where production originates in the reservoir and under which leases. In this manner, equity in a producing reservoir is established by calculating volumes recovered from each owner's lease and the resulting royalty volumes are determined.

The nature of resource evaluation requires technical experts to perform state-of-the-art mechanistic and deterministic three-dimensional (3D) studies. A static model is created from thousands to hundreds of thousands

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Oil & Gas (continued)													
Oil & Gas (continued)													
Add Reservoir Modeling Contractual Services to Base Budget (continued)													
of pieces of data. A dynamic reservoir model is created and populated with data that describes the rock and fluid (oil, water, and gas) characteristics over the range of pressure and temperature conditions. In addition, the layers of the reservoir are described as thousands of cells with length, width and height dimensions. All of the mathematical fluid and flow relationships are put in 3D computer models to calculate and match reservoir history. Enhanced oil recovery processes are also included to predict and estimate the impact on recovery. Both the static and dynamic models may be modified to attain a better history match and improve model performance.													
Differential lease royalty terms and different mineral estate owners' equity stakes must be accurately determined. The state may wish to perform their own model studies to audit the unit operators' work or to evaluate a disagreement on where hydrocarbons are produced and how much is allocated to each equity owner and mineral estate owner.													
Oil and gas producers typically conduct these studies for stakeholders, but there are occasions when the stakeholders do not agree or align on technical and commercial issues. It is in the state's interest to perform due diligence studies to assure the state's interest is protected and to verify and validate the producers' work. A recent study disputed a producer's work, resulting in an additional \$100 million in state revenue (net present value).													
The Alpine, Nanuq-Kuparuk, Fiord-Nechelik, Nanuq-Nanuq, Qannik, and Fiord-Kuparuk Participating Areas (PA) are under contract for redeterminations. All are to be completed in FY2019 except for Qannik. During FY2019 reservoir quality work includes an estimated \$66.5 in contract services for thin petrographic section preparation, point count microscopy, core porosity and permeability measurements. FY2020 the Qannik PA work will be completed and Fiord Kuparuk and Fiord Nechelik will be started with a completion date of FY2021. If this increment is not approved the division will not be able to perform any of the geological and engineering analysis needed for the next round and the state may forego significant royalty revenue.													
1004 Gen Fund (UGF)			250.0										
Replace In-State Pipeline Fund Inter-Agency with Alaska Liquefied Natural Gas Inter-Agency	20Gov 12/15	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
As part of HB4 fiscal notes in 2013, the State Pipeline Coordinator's Office (SPCO) received an increment appropriated as the In-State Natural Gas Pipeline Fund-Interagency (ISPF-I/A), fund code 1232. The increment was specifically intended to fund work on the Alaska Stand Alone Pipeline (ASAP) project through a Reimbursable Service Agreement requested by Alaska Gasline Development Corp (AGDC).													
The SPCO and its budget were integrated with the Division of Oil & Gas, and the servicing agency is now known as the Pipeline Section (SPCS). The annual operating budget of the Division of Oil & Gas included the ISPF-I/A funding through FY2018.													
In FY2019, and pursuant to AS 31.25.110, the legislature changed AGDC's source funding to integrate the ISPF-I/A into the Alaska Liquefied Natural Gas Project Fund I/A (AK LNG I/A) fund code 1236.													
1232 ISPF-I/A (Other)			-517.9										
1236 AK LNG I/A (Other)			517.9										
* Allocation Difference *			250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0

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Fire Suppression, Land & Water Resources													
Mining, Land & Water													
L	Reverse Bond for Land Reclamation	20Gov 12/15	OTI	-25.0	0.0	0.0	-25.0	0.0	0.0	0.0	0	0	0
	Reverse language section transaction from the base budget.												
	1108 Stat Desig (Other)			-25.0									
L	Restore Bond for Land Reclamation	20Gov 12/15	IncM	25.0	0.0	0.0	25.0	0.0	0.0	0.0	0	0	0
	Restore amount in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be \$25.0 for the Division of Mining, Land & Water.												
	Language: The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be \$50,000, is appropriated to the Department of Natural Resources for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond for the fiscal year ending June 30, 2020.												
	Note: The Division of Forestry utilizes the same language section, also with an estimated amount of \$25.0, for a total of \$50.0 referenced in the language.												
	1108 Stat Desig (Other)			25.0									
L	Reverse Mine Reclamation Activities	20Gov 12/15	OTI	-30.0	0.0	0.0	-30.0	0.0	0.0	0.0	0	0	0
	Reverse language section transaction from the base budget.												
	1192 Mine Trust (Other)			-30.0									
L	Restore Mine Reclamation Activities	20Gov 12/15	IncM	30.0	6.0	5.0	12.0	7.0	0.0	0.0	0	0	0
	Restore estimate appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Division of Mining, Land & Water. This authority is used for reclamation of state land by utilizing bond funds as necessary.												
	Language: The amount necessary for the purposes specified in AS 37.14.820 for the fiscal year ending June 30, 2020, estimated to be \$30,000, is appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Department of Natural Resources for those purposes for the fiscal year ending June 30, 2020.												
	1192 Mine Trust (Other)			30.0									
	Add Three Positions to Support Statewide Mining Activities	20Gov 12/15	Inc	340.0	311.0	20.0	9.0	0.0	0.0	0.0	3	0	0
	The Division of Mining, Land and Water (DMLW) lacks the capacity to effectively process, adjudicate, and inspect the increasing workload associated with mining industry activities across the state. This increment would assist in ensuring that proper exploration, development, and protection of statewide mineral resources.												
	DMLW currently manages almost 37,500 active mining claims and the associated necessary authorizations for the responsible development and protection of resources throughout the state. In 2017, there were over 5,710 new mining claims recorded. Additionally, mineral exploration activities are increasing and massive economic engine projects vital to job creation and development such as Donlin Gold (\$6 billion in construction costs alone) recently secured federal authorizations necessary to advance towards construction, development, and eventual mine operation. Donlin's project would include additional long-term leases of state land for an airstrip and the proposed port facility, seven material sites, easements for a road and other infrastructure requirements as well as permits. Authorizations associated with these realized and anticipated increased activities equates to new uses of state lands and resources as well as new authorizations and program receipt generation for the state and new jobs for												

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**Fire Suppression, Land & Water Resources (continued)
Mining, Land & Water (continued)**

Add Three Positions to Support Statewide
Mining Activities (continued)
Alaska residents.

Geologist II: The position will process mineral exploration and mining permits in the southwestern and southeast Alaska regions. There has been an increase in mineral exploration and mining activity in the region with several large projects (Donlin Gold, Pebble, Alaska Range, Palmer) which require permitting and monitoring activities in the field.

Natural Resource Specialist I/II: The position will process mining claims across the state. There are currently 37,461 active mining claims in the state. Each mining claim requires Location Certificates, Statements of Annual Labor, and rents and royalties which must be accounted for. There has been an increase in mineral exploration and mining activity throughout the state. There were 5,710 new claims in 2017 compared to 2,057 in 2016, more than doubling the workload and leading to a four-month backlog. These claims need to be adjudicated by qualified professionals to develop and protect state mineral resources.

Natural Resource Manager I: The position will establish a leadership position in the Water Resource Section's Fairbanks Water Management Unit. This unit is tasked with managing water use for the Northern Region, and statewide for the mining industry on all lands. The current staffing levels require constant balancing of workload priorities, and it is now beyond the scope of a lead position. This position will establish priorities and manage the Northern Region Water Management Unit team to reduce the backlog, and then maintain timely adjudication of water use applications and amendments. The incumbent would also adjudicate more complex and high-profile applications. Without this position, the unit will continue to have a backlog related to the mining industry and the other authorizations in the Northern Region. This can impact large mine exploration and production and can greatly impact the placer mining portion of the industry.

Add (10-#142) Geologist II, range 17, Anchorage, full-time
Add (10-#150) Natural Resource Specialist I/II, range 14/16, Anchorage, full-time
Add (10-#149) Natural Resource Manager I, range 18, Fairbanks, full-time

1005 GF/Prgm (DGF)	340.0													
Unified Permit Program Reduction		20Gov 12/15	Dec	-187.0	-254.0	0.0	67.0	0.0	0.0	0.0	0.0	-1	0	-2

This is a planned scaling down of the project. The Unified Permit (UP) Program is an automated business information management system for Division of Mining, Land & Water (DMLW) permitting. The target audiences are DMLW managers and staff who authorize the use of state land and resources, and the public who apply for the use of these resources. The project automates easements, land use permits, material sales, leases, and water rights.

The remaining team (Program Coordinator, Project Assistant, and two Analyst/Programmers) will support implementation of additional processes (goal is to implement a total of 100 business processes by the end of FY2021), process metric tracking dashboards, as well as for content management system and scan center support. Contractual funding will be used to implement high-priority improvements to the .NET business process management application, and address mandated accessibility standards.

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Fire Suppression, Land & Water Resources (continued)													
Mining, Land & Water (continued)													
Unified Permit Program Reduction (continued)													
The overall project goals are:													
- Streamline cycle times and processes for authorizations;													
- Improve the permit application process for customers by delivering interactive applications for authorizations that guide customers to the correct questions and help them to supply content;													
- Build internal systems that support and improve DNR productivity allowing staff to increase time spent on critical land stewardship work; and													
- Scan active case files in order to provide structured access to all content within the DNR case management environment.													
The FY2018 increment was \$1,385.0 and seven positions.													
In FY2019 the budget was reduced (\$245.0) to \$1,140.0; seven positions were retained.													
In FY2020 the budget will be reduced (\$187.0) to \$953.0; four positions will be retained.													
In FY2021 the budget will be reduced (\$362.0) to \$591.0; three positions will be retained.													
In FY2022 the budget will be reduced (\$122.0) to \$469.0; two positions will be retained for base operating costs.													
Delete (10-0406) Analyst/Programmer III, range 18, Anchorage, full-time													
Delete (10-N18001) Microfilm/Imaging Operator II, range 12, Anchorage, non permanent													
Delete (10-N18002) Microfilm/Imaging Operator III, range 14, Anchorage, non permanent													
1004 Gen Fund (UGF)			-187.0										
* Allocation Difference *			153.0	63.0	25.0	58.0	7.0	0.0	0.0	0.0	2	0	-2
Forest Management & Development													
L Reverse Settlement of Claims Against Reclamation Bonds	20Gov 12/15	OTI	-25.0	0.0	0.0	-25.0	0.0	0.0	0.0	0.0	0	0	0
Reverse language section transaction from the base budget.													
1108 Stat Desig (Other)			-25.0										
L Restore Settlement of Claims Against Reclamation Bonds	20Gov 12/15	IncM	25.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
Restore amount in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be \$25.0 for the Division of Forestry.													
Language:													
The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be \$50,000, is appropriated to the Department of Natural Resources for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond for the fiscal year ending June 30, 2020.													
Note: The Division of Mining, Land & Water utilizes the same language section, also with an estimated amount of \$25.0, for a total of \$50.0 referenced in the language.													
1108 Stat Desig (Other)			25.0										
* Allocation Difference *			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

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Fire Suppression, Land & Water Resources (continued)													
Geological & Geophysical Surveys													
Geologic Materials Center Seismic Data Distribution and Public Release	20Gov 12/15	Inc	300.0	50.0	0.0	250.0	0.0	0.0	0.0	0.0	0	1	0
<p>During FY2017 Division of Geological and Geophysical Surveys began selling seismic data to the public. The distribution of this data is consuming about 50% of time for one of the two existing staff at the Geologic Materials Center (GMC). This is detracting from the ability to perform other required operational functions of the GMC. A part time, seasonal Natural Resource Technician II funded from the sale of seismic data would support this additional workload.</p> <p>The Department of Natural Resources (DNR) is tasked with managing the geological and geophysical data associated with specific Department of Revenue tax credits. The Division of Oil & Gas (DOG) receives, administers, and prepares the data for release ten years after collection, per AS 43.55.025. This includes large and complex datasets for public release which can take upwards of one year to prepare for release. A data set received can range from 25 -- 250 Terabytes. These datasets are prepared by two full time natural resource specialists along with petroleum geo-scientists and information technology staff to ensure the quality and success of the data releases.</p> <p>When the tax credit went into effect during FY2006 the Geologic Materials Center (GMC) under Division of Geological and Geophysical Surveys (DGGS) was identified as a place to retain the data DOG manages to encourage knowledge of the center. In preparation for the public release of the 10 year old data, DGGS initiated a fee package to sell the seismic data in FY2017. These fees would fund personnel to prepare the public release of data.</p> <p>Should the expected revenue be generated from the public release of seismic data DGGS will pass the funds to DOG to fund two full time natural resource specialists to continue to manage additional seismic data.</p> <p>Add (10-#144), Natural Resource Technician II, range 12, Anchorage, part-time 1005 GF/Prgm (DGF) 300.0</p>													
Expand Hazard Mapping to Increase Coastal Community Hazard Resiliency	20Gov 12/15	Inc	350.0	110.0	35.0	165.0	40.0	0.0	0.0	0.0	1	0	0
<p>87% of Alaska Native communities face emerging threats from geologic hazards like flooding and erosion. These communities are primarily located along the coast and rivers, where impacts from erosion, flooding, and permafrost degradation are greatest. Geologic hazards, such as landslides, avalanches, thawing permafrost, as well as flooding and erosion, threaten public health and safety, directly destroy or damage infrastructure and subsistence resources, and weigh heavy on the minds of many Alaskans. As stated by the Division of Geological & Geophysical Surveys (DGGS) avalanche expert, avalanches are the most dangerous natural hazard in the state, having claimed 85 lives over the last 20 years, while flooding and erosion cause the most property damage and threaten the most communities.</p> <p>Despite looming hazards, limited site-specific baseline and monitoring data are available to determine what vulnerabilities exist at the community level, and if they are changing through time. While this effort is ongoing, limited funding stymies progress, and many communities facing these threats will remain without the site-specific data necessary to assess their resilience for many years. This increment will provide the affected communities with the site-specific data needed to assess and, therefore, increase their resiliency to these geologic hazards.</p>													

**2019 Legislature - Operating Budget
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Numbers and Language Differences Agencies: DNR

Agency: Department of Natural Resources

	<u>Column</u>	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
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**Fire Suppression, Land & Water Resources (continued)
Geological & Geophysical Surveys (continued)**

Expand Hazard Mapping to Increase Coastal
Community Hazard Resiliency (continued)

Although DGGS maintains professional staff capable of analyzing data, due to budget constraints they are missing the technical staff to collect the data limiting the survey's ability to provide site-specific data. This increment will also support site-specific and community-focused data collection, processing, and publication, providing the public with hazards information pertaining to (and in approximate order of priority):

- Coastal flooding and erosion
- Avalanches
- Landslides
- Permafrost degradation
- Riverine flooding and erosion (including glacial outburst floods)

This increment would extend hazard mapping of and information to many more communities than are currently covered, thereby rapidly improving community resilience statewide.

Deliverables

- For coastal communities - erosion, flooding, and permafrost monitoring maps and data served to the public in user-specific formats for community planning, preparedness and resiliency, disaster declarations, engineering projects, inter-agency planning efforts, and community hazard mitigation planning.
- For avalanche assessments -- publicly available maps showing avalanche release and run-out areas.
- Publish LiDAR or photogrammetrically-derived elevation models for 5-10 communities per year, available through the DGGS web site.
- Orthorectified, detailed imagery over communities.
- Permafrost monitoring in communities at risk from permafrost degradation.
- Development, loading and maintenance of an online viewer of historical and current imagery, to allow viewing landscape changes that have occurred over the past ~50 years.
- Improved statewide hazard mitigation planning.
- Products that enable community-specific storm surge forecasting from NOAA's National Weather Service.

Leveraging:

This proposal supports the Governor's priorities of building resilient communities, the public safety action plan, and climate change.

This increment will leverage, and magnify the impact of existing resources, collaborations, and communication channels:

- Ongoing collaborations with federal agencies (NOAA, AOOS, USGS), the University of Alaska and Alaska communities
- Existing professional staff, capabilities, equipment, and expertise within DGGS
- Established communication channels with Alaska communities including tribal and city governments.

Position Detail:

The new position would be located in Fairbanks. It is envisioned that one full time Natural Resources Specialist III will be responsible for the recently purchased LiDAR equipment including processing data to provide to scientists for analysis. If this new position is not added this would be an additional task to the existing staff's already

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Fire Suppression, Land & Water Resources (continued)													
Geological & Geophysical Surveys (continued)													
Expand Hazard Mapping to Increase Coastal Community Hazard Resiliency (continued) overloaded workload.													
Add (New), Natural Resource Specialist III, range 18, Fairbanks													
	1004 Gen Fund (UGF)		350.0										
* Allocation Difference *			650.0	160.0	35.0	415.0	40.0	0.0	0.0	0.0	1	1	0
Fire Suppression Preparedness													
L	Reverse FY2019 Fire Suppression Activities	20Gov 12/15	-1,125.0	0.0	0.0	-1,125.0	0.0	0.0	0.0	0.0	0	0	0
Reverse language section transaction from the base budget.													
	1004 Gen Fund (UGF)		-1,125.0										
L	Backfill potential loss of federal receipts for hotshot crews with UGF	20Gov 12/15	1,125.0	1,125.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
If any portion of the federal receipts appropriated to the Department of Natural Resources for division of forestry wildland firefighting crews is not received, that amount, not to exceed \$1,125,000, is appropriated from the general fund to the Department of Natural Resources, fire suppression preparedness, for the purpose of paying costs of the division of forestry wildland firefighting crews for fiscal year ending June 30, 2020.													
	1004 Gen Fund (UGF)		1,125.0										
* Allocation Difference *			0.0	1,125.0	0.0	-1,125.0	0.0	0.0	0.0	0.0	0	0	0
Fire Suppression Activity													
L	Reverse Fire Federal Authorization Estimate	20Gov 12/15	-8,500.0	0.0	0.0	-5,500.0	-3,000.0	0.0	0.0	0.0	0	0	0
Reverse language section transaction from the base budget.													
	1002 Fed Rcpts (Fed)		-8,500.0										
L	Restore Fire Federal Authorization Estimate	20Gov 12/15	8,500.0	0.0	0.0	5,500.0	3,000.0	0.0	0.0	0.0	0	0	0
Restore the language section estimate of federal receipt authority necessary to support wildland firefighting activity.													
Language: Federal receipts received for fire suppression during the fiscal year ending June 30, 2019, estimated to be \$8,500,000, are appropriated to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2020.													
	1002 Fed Rcpts (Fed)		8,500.0										
L	Increase Wildland Fire Suppression Activity Base Budget to 38% of Long-Term Average Costs	20Gov 12/15	8,400.0	3,000.0	300.0	4,500.0	600.0	0.0	0.0	0.0	0	0	0
This increment increases the base budget by \$8,400.0, up to \$13,641.0, or 38% of the 10-year average. It would eliminate the need for emergency declarations in low fire years (in FY2012 & FY2018 less than \$14 M was spent), and in more active fire years the emergency declaration could be prepared later in fire season, keeping staff focused on their primary support function.													

Each year limited general funds are appropriated for wildland firefighting; additional required funding is obtained

**2019 Legislature - Operating Budget
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**Numbers and Language
Differences
Agencies: DNR**

Agency: Department of Natural Resources

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fire Suppression, Land & Water Resources (continued)													
Fire Suppression Activity (continued)													
Increase Wildland Fire Suppression Activity													
Base Budget to 38% of Long-Term Average													
Costs (continued)													
through the emergency declaration process. Because the current base UGF funding of \$5,241.0 is less than 15% of the 10-year average, UGF expended (\$35,700.0), emergency declarations must be requested at the height of fire season. Division of Forestry (DOF) staff who are focused on supporting wildland firefighting efforts must spend valuable time in the midst of fire season preparing the emergency declaration and supporting documentation to allow timely payments to Alaskan vendors.													
It is the intent of AS 41.15.010 - 41.15.170 to provide protection commensurate with the value of the resources at risk for the natural resources and watersheds on land that is owned privately, by the state, by a municipality or lands negotiated by agreement. The overall goal is managing wildland fires in a safe, efficient and cost-effective manner, commensurate with values at risk. It is increasingly challenging to meet DOF objectives as fire seasons are longer, the population base has steadily increased, and the increased movement into wildland/urban interface areas. These factors all increase risk while the workforce numbers have been reduced. Fluctuations in fire season severity are well documented and show the variability of fire suppression costs.													
FY	Base GF	Supp GF	Total GF	GF Exp	GF Lapse								
FY2009	6,712.5	11,242.8	17,955.3	15,798.8	2,156.5								
FY2010	6,712.5	60,847.4	67,559.9	65,361.8	2,198.1								
FY2011	6,663.4	46,363.6	53,026.9	51,139.9	1,887.0								
FY2012	6,663.3	9,952.2	16,615.5	13,844.8	2,770.7								
FY2013	6,663.3	20,778.7	27,442.0	25,406.1	2,035.9								
FY2014	6,663.3	43,469.4	50,132.7	48,711.3	1,421.4								
FY2015	6,663.5	53,995.8	60,659.1	56,300.2	4,358.9								
FY2016	6,659.1	71,150.0	77,809.1	43,556.5	34,252.6								
FY2017	5,973.0	25,300.0	31,273.0	23,468.1	7,804.9								
FY2018	5,973.0	12,100.0	18,073.0	13,572.0	4,501.0								
Average	6,534.7	35,520.0	42,054.7	35,716.0	6,338.7								
1004 Gen Fund (UGF)		8,400.0											
Open-ended UGF appropriation fully covering fire suppression activities in FY20 if section 1 funding is insufficient			20Gov 12/15	Lang	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
* Allocation Difference *					8,400.0	3,000.0	300.0	4,500.0	600.0	0.0	0.0	0	0
** Appropriation Difference **					9,203.0	4,348.0	360.0	3,848.0	647.0	0.0	0.0	3	1

Agriculture

Agricultural Development

Delete Agricultural Revolving Loan Fund Authority No Longer Needed for the Agricultural Veterinarian Program	20Gov 12/15	Dec	-79.3	0.0	0.0	-79.3	0.0	0.0	0.0	0.0	0	0	0
The Agricultural Veterinarian program began during FY2019, and initially planned to use Agricultural Revolving													

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Numbers and Language Differences Agencies: DNR

Agency: Department of Natural Resources

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Agriculture (continued)													
Agricultural Development (continued)													
Delete Agricultural Revolving Loan Fund Authority No Longer Needed for the Agricultural Veterinarian Program (continued)													
Loan Fund (ARLF), general fund (GF), and federal funds. For FY2020, the component is consolidating phytosanitary services freeing up GF for the Agricultural Veterinarian program instead of ARLF.													
	1021 Agric RLF (DGF)		-79.3										
* Allocation Difference *			-79.3	0.0	0.0	-79.3	0.0	0.0	0.0	0.0	0	0	0
North Latitude Plant Material Center													
	Implementation of the Industrial Hemp Program	20Gov 12/15	Inc	500.0	212.0	50.0	163.0	75.0	0.0	0.0	0.0	2	0
This will fund the implementation of an industrial hemp program. During SLA 2018, Senate Bill 6 was passed requiring the Department of Natural Resources to regulate the production of industrial hemp. Once regulations are drafted the cost of administering the program will be established, and the following fees will be put in place to recoup costs associated with this program: application, site modification, processor registration, handler, required testing, and product registration.													
Personal services includes funding for two new positions and existing staff to handle registrations, field sampling, and laboratory testing. Travel expenses will cover pre-and post-harvest sampling, processor, and regulatory enforcement activities essential to protecting producers, processors and the public. Approximately \$40.0 in the services line will be used to pay back the Agricultural Revolving Loan Fund (ARLF) for the purchase of testing equipment for the program (\$350.0 ARLF in the FY2020 Governor's Capital Budget). Depending on future revenues, a one-time program receipts increment may be requested to fully pay back the ARLF in one or two years.													
Without an existing operational program, these costs and revenues are only estimates based on evaluating other states' industrial hemp programs and associated fees. The estimates were derived by calculating the lowest and highest current fees of all other state programs and finding the mean of those fees. After programmatic implementation, a true metric will be established to decipher the total program cost.													
Add (10-#140), Agronomist I, range 16, Palmer, full-time													
Add (10-#141), Laboratory Technician, range 13, Palmer, full-time													
	1005 GF/Prgm (DGF)		500.0										
* Allocation Difference *			500.0	212.0	50.0	163.0	75.0	0.0	0.0	0.0	2	0	0
** Appropriation Difference **			420.7	212.0	50.0	83.7	75.0	0.0	0.0	0.0	2	0	0
Parks & Outdoor Recreation													
Parks Management & Access													
	Add Alaska State Parks Commissioned Park Rangers in Wood-Tikchik Park and Mat-Su Region	20Gov 12/15	Inc	232.0	195.0	0.0	29.0	8.0	0.0	0.0	0.0	2	0
The Division of Parks and Outdoor Recreation (DPOR) is requesting two Park Ranger I positions to fill needed gaps in State Parks' ability to provide outdoor recreation opportunities within park units for the use, enjoyment, and welfare of the people of Alaska and visitors. These Park Rangers will support public safety by focusing on public													

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Agency: Department of Natural Resources

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)													
Parks Management & Access (continued)													
Add Alaska State Parks Commissioned Park Rangers in Wood-Tikchik Park and Mat-Su Region (continued)													
safety resource needs, particularly in rural communities. Park Rangers also assist local police forces and Alaska State Troopers outside of park units.													
Park Rangers are commissioned Law Enforcement Officers under AS 41.21.955 and enforce all state laws and regulations within all 122 Alaska State Park units. Park Rangers also have traffic and fish and game authority (AS Title 16 and 5 AAC) outside of park units. Currently, 25 commissioned officers working for Alaska State Parks cover 168 parks units and 3.6 million acres.													
This increment will fund the ongoing operating costs (salaries, training, vehicle operating costs, etc.) for the new positions. Their essential purposes are listed below in priority order.													
Wood-Tikchik State Park: (Dillingham/Aleknagik)													
Wood-Tikchik State Park is the largest state park in the country at 1.6 million acres. The park is rich in natural resources and is home to the largest salmon fishery in the world. DPOR has one Park Ranger, serving as the sole employee in the park. This Park Ranger serves as the division's only aircraft pilot. Safety and resource protection are priorities for the area Park Ranger. This ranger works long days and is often called out to assist local law enforcement personnel. This is a park unit that has a significant need for an additional Park Ranger. Specifically, this new position would improve safety on remote, backcountry patrols, and safety at park facilities within the Aleknagik Lake State Recreation Area. An additional Park Ranger would allow for two-person contacts on hunting and fishing patrols during the heavily used hunting and fishing seasons.													
Mat-Su/ Copper Basin Region: (Wasilla)													
An additional Park Ranger is needed in the Mat-Su region to serve the park units around the communities of Wasilla and Palmer. Coverage is needed within the Hatcher Pass Management Area, Independence Mine State Historical Park, Little Su Public Use Facility, Finger Lake State Recreation Site, Nancy Lake State Recreation Area, the two Big Lake State Recreation Site units and the Matanuska Lake State Recreation Area. The existing staff is stretched too thin to ensure appropriate coverage in these Matsu park units. In 2017, the two Park Rangers that work this area responded to 15 emergency after-hours call-outs, issued over 170 citations, and were involved in over 10 search and rescue operations. Specifically, this position would improve safety at park facilities, provide back-up during law enforcement contacts, and increase revenue for the division through increased management of park facilities.													
Add (NEW) Park Ranger I, range 16, Dillingham, full-time													
Add (NEW) Park Ranger I, range 16, Wasilla, full-time													
1005 GF/Prgm (DGF)			232.0										
One-Time Costs Associated with Adding State Parks Commissioned Park Rangers	20Gov 12/15	IncOTI	142.0	0.0	0.0	30.0	112.0	0.0	0.0	0.0	0	0	0

The Division of Parks and Outdoor Recreation (DPOR) is requesting two Park Ranger positions to fill needed gaps in State Parks' ability to provide outdoor recreation opportunities within park units for the use, enjoyment and welfare of the people of Alaska and our visitors. These Park Rangers will support the Governors' public safety action plan by focusing on public safety resource needs, particularly in rural communities. Park Rangers also

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	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Parks & Outdoor Recreation (continued)													
Parks Management & Access (continued)													
One-Time Costs Associated with Adding State Parks Commissioned Park Rangers (continued)													
assist local police forces and Alaska State Troopers outside of park units.													
 Park Rangers are commissioned Law Enforcement Officers under AS 41.21.955 and enforce all state laws and regulations within all 122 Alaska State Park units. Park Rangers also have traffic and fish and game authority (AS Title 16 and 5 AAC) outside of park units. Currently, 25 commissioned officers working for Alaska State Parks cover 168 parks units and 3.6 million acres.													
 This one time increment will fund the one time costs (Law Enforcement Academy, ranger equipment, start-up field training, and vehicles) for the new positions. Their essential purposes are listed below in priority order.													
 Wood-Tikchik State Park: (Dillingham/Aleknagik)													
Wood-Tikchik State Park is the largest state park in the country at 1.6 million acres. The park is rich in natural resources and is home to the largest salmon fishery in the world. DPOR has one Park Ranger, serving as the sole employee in the park. This Park Ranger serves as the division's only aircraft pilot. Safety and resource protection are priorities for the area Park Ranger. This ranger works long days and is often called out to assist local law enforcement personnel. This is a park unit that has a significant need for an additional Park Ranger. Specifically, this new position would improve safety on remote, backcountry patrols, and safety at park facilities within the Aleknagik Lake State Recreation Area. An additional Park Ranger would allow for two-person contacts on hunting and fishing patrols during the heavily used hunting and fishing seasons.													
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An additional Park Ranger is needed in the Mat-Su region to serve the park units around the communities of Wasilla and Palmer. Coverage is needed within the Hatcher Pass Management Area, Independence Mine State Historical Park, Little Su Public Use Facility, Finger Lake State Recreation Site, Nancy Lake State Recreation Area, the two Big Lake State Recreation Site units and the Matanuska Lake State Recreation Area. The existing staff is stretched too thin to ensure appropriate coverage in these Matsu park units. In 2017, the two Park Rangers that work this area responded to 15 emergency after-hours call-outs, issued over 170 citations, and were involved in over 10 search and rescue operations. Specifically, this position would improve safety at park facilities, provide back-up during law enforcement contacts, and increase revenue for the division through increased management of park facilities.													
1005 GF/Prgm (DGF)			142.0										
* Allocation Difference *			374.0	195.0	0.0	59.0	120.0	0.0	0.0	0.0	2	0	0
** Appropriation Difference **			374.0	195.0	0.0	59.0	120.0	0.0	0.0	0.0	2	0	0
*** Agency Difference ***			10,586.0	4,987.8	439.9	4,313.7	844.6	0.0	0.0	0.0	7	1	-2
**** All Agencies Difference ****			10,586.0	4,987.8	439.9	4,313.7	844.6	0.0	0.0	0.0	7	1	-2

Column Definitions

20Adj Base (FY20 Adjusted Base) - FY19 Management Plan less one-time items, plus FY20 adjustments for position counts, funding transfers, line item transfers, temporary increments (IncT) from prior years, and additions for statewide items (risk management and most salary and benefit increases). The Adjusted Base is the "first cut" of the FY20 budget; it is the base to which the Governor's and the Legislature's increments, decrements, and fund changes are added.

20Gov 12/15 (FY20 Governor Request 12/15) - Includes FY20 Adjusted Base plus the Governor's operating budget bill requests for increases (increments), decreases (decrements), fund source changes, and language transactions submitted by the Governor on December 15, 2018. This is a placeholder budget and will be amended by Governor Dunleavy on the 30th day of the 2019 legislative session.