

State of Alaska FY2004 Governor's Operating Budget

Department of Natural Resources

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Department Mission

Develop, conserve, and maximize the use of Alaska's natural resources consistent with the public interest.

Department Goals and Strategies

1. Encourage resource development that creates Alaska jobs and ensures economic growth in all regions of the state.
 - Convey rights to explore for, develop, and produce oil and gas by conducting four competitive oil and gas lease sales and issuing oil and gas exploration licenses and shallow gas leases.
 - Provide management and oversight for three new oil and gas units, four new participating areas, three unit or participating area expansion/contractions, and 43 plans of development.
 - Sustain Alaska's mineral industry investments by completing geophysical/geological mineral inventory surveys of Alaska lands and publish the associated maps.
 - Identify new areas capable of hosting major oil and gas discoveries.
 - Increase Alaska's market share of world exploration dollars and increase mining employment, by continued encouragement and providing services that facilitate development of the mining industry.
 - Process new mining claims within three weeks of filing; and efficiently administer the existing 50,000 claims; efficiently process 10 new mining leases and 1,000 new mineral prospecting sites.
 - Process over 600 permit applications for commercial and guided recreation use on state park lands.
 - Continue to seek a concession contract operator for adaptive re-use of the historic buildings at Independence Mine State Historic Park as a year around visitor destination.
 - Convey up to 40,000 acres of land to qualifying municipalities.
 - Support the School Trust Lands valuation and litigation in order for it to be completed.
 - Generate state revenues and local economic development by offering up to 38.8 million board feet of timber with emphasis on value added products.
 - Increase revenues generated from Alaska Mental Health Trust Lands over time in a manner consistent with trust management principles.
 - Provide an expanded agriculture base by preparing 40 land disposal parcels with 9,000 acres, and continue management of 30 grazing leases opportunities on grassland areas.
 - Process 500 land use permit applications, including commercial guides permits, access to mining claims and logging areas, cross-country travel, placer mining permits, exploration permits, trapping cabin permits, and tideland permits.
 - Process approximately 150 applications for material sales, shore fishery leases, upland and tideland leases, lease renewals, rights-of-way, and interagency land management assignments.
 - Respond to Native allotment and ANCSA conveyance decisions by the federal government to reserve access to state land.
 - Create employment opportunities in rural Alaska by conducting enhanced geological surveys of Alaska's historical placer mining districts incorporating remote sensing technologies to identify new prospective areas.
 - Process the typical new water right applications within 60 days, the typical new temporary water use authorization within 20 days. Process roughly one-fifth of the priority water right backlog.
 - Utilize local construction contractors to complete 12 park construction projects valued at \$14 million.
2. "Doing it Right": Ensure resource development planning, management and new project approvals are based on 1) sound science, 2) prudent management, and 3) responsive, meaningful public involvement.
 - Oversee the construction of three new, and operation of ten existing common carrier petroleum pipelines on the North Slope, and report on the oversight.
 - Protect popular trails of regional significance by securing trail easements from willing private property owners and dedicating those trails on land status plats.

- Coordinate state oversight of TAPS with the U.S. Bureau of Land Management, to ensure safe, efficient transportation of North Slope oil to market so that TAPS remains available to bring North Slope crude to market.
 - Supervise the safety inspection of approximately 15 dams and test emergency action plans for three high-risk dams.
 - Evaluate areas subject to major hazards like floods, earthquakes, volcanic eruptions, and landslides to help predict likelihood and severity of future major events.
 - Conduct 1,400 produce inspections, including local field inspections, military and commercial; seed certification, and issue certificates for export products.
 - Maintain inventory of historic and archaeological sites for use by developers, land managers and planners.
 - Implement recommendations from the Spruce Bark Beetle Strategy Task Force with other landowners on the Kenai.
 - Coordinate, through the Natural Resource Conservation and Development Board, programs to obtain federal funding for agriculture related conservation and erosion control in Alaska.
 - Complete the master plan revisions to the Chena River State Recreation Area.
 - Provide overall logistical coordination and management for a major expansion of the Alaska Volcano Observatory volcano eruption monitoring capabilities that will improve safety in Alaska's air routes.
3. Ensure resource sustainability and multiple use, including recreational enjoyment of the resource base.
- Operate 121 state park units and maintain park access for 4.3 million visits.
 - Manage 350-500 wildfires of varying sizes.
 - Reforest all state land harvested for timber.
 - Provide management oversight to 3.3 million acres of legislatively designated public use, recreation areas, trails, and 15 special use areas; and provide co-management oversight of 5.4 million acres of legislatively designated game refuges, critical habitat areas, sanctuaries, and wildlife ranges.
 - Continue to offer 4,000 pre-designated parcels of land for sale to Alaskans over-the-counter; offer 100 new pre-designated parcels; and offer 250 parcels for sale under the remote recreational cabin program ("the stake-it-yourself program").
 - Cooperate with local, state and federal agencies, private and public organizations and individuals to deliver nationally approved, effective, and relevant boating safety education programs, with a focus on children and high-risk boaters.
 - In cooperation with the Alaska State Snowmobile Association implement a statewide snowmobile & avalanche safety education program.
 - Administer snowmobile trail grants, and safety and education grants to local snowmobile clubs and agencies.
 - Continue contracting for private operation of 12 state park facilities and for large concession contracts at three additional sites.
 - Complete 20 trail projects associated through federally funded National Recreation Trail Grant program.
4. Streamline natural resource leasing, sales, and permitting processes.
- Transfer of Habitat permitting staff to DNR and integrate them into overall resource development timeframes
 - Transfer the Alaska Office of Coastal Zone Management to DNR
 - Facilitate special interagency project reviews through an interagency project team process for Oil & Gas or Federal projects such as: Pt. Thompson, Northwest NPR-A, Western North Slope Satellite, and BLM's "Ring-of-Fire" region.
 - Facilitate special interagency project reviews through an interagency project team process for Mineral Development projects such as: Pogo Mine, Green's Creek, True North, Donlin Creek, Red Dog, Kensington, and Illinois Creek.
 - Streamline and improve the Recorder's Office operations to better meet the workload and user demand by incorporating current technology, such as electronic transactions.
 - Deploy an enterprise Geographic Information System (GIS) based on DNR land records – re-invent the State Status Plat to work as an interactive digital product using relational database. Advance the goal of Enterprise GIS across state agencies.
 - Provide DNR staff and the public with a more integrated view of land information by linking the business transactions with the mapping systems on a desktop as much as possible.
 - Maintain the state's land database through the notation of 20,000 state resource transactions affecting 6,000 townships; reduce notation cycle time. Make the information available to the public over the Internet.
 - Continue efforts to utilize on-line application, notice and receipt of comment for state land sales, land offerings, and permit applications.
 - Provide rapid responses to requests for technical assistance or information on engineering geology issues and geologic hazards in Alaska associated with land leases, sales, or permitting processes.
 - Move Uniform Commercial Code Filings to a fully electronic and paperless operation; implement new UCC national standards.
 - Reduce the cost of interagency reviews by using on-line document access and electronic processing of comments, for example, Annual Placer Mining Applications.

Key Department Issues for FY2003 – 2004

- Making the transfers of Habitat and the Alaska Coastal Zone Management Program a success.
- Making workforce development a priority, and dealing with on-going difficulties in recruiting and retention of qualified staff.
- Completion of remaining classification studies for DNR job classes.
- Fire Suppression funding and the requirement for the 30-day Emergency Declaration Process
- Lost and deferred revenues from delayed issuance of oil and gas leases. Delays of up to eight months in issuing oil and gas leases, resulting in equivalent delays in receiving bonus and rental payments -- \$8.7 million in FY02.
- ExxonMobil Royalty Settlement Reopener.
- Icy Bay Environmental Clean-up: Finalize the scope of the hazardous materials clean-up and the percentage of responsibility of each landowner (DNR, University, and MHLT).
- Appeals and Litigation in our O&G activities: Shell Cook Inlet, Sambuca Discovery Royalty, and Matsu Shallow Gas lease award.
- Dealing with the increased workload of the Oil & Gas leasing program as a result of the areawide lease sales, the Shallow Gas and Exploration Licensing Oil & Gas programs.
- Dealing with the changing workload as a result of mergers of the main producers and the introduction of smaller operators, resulting in more participating areas and request for unitizations - these are very important as currently 25% of ANS output comes from satellite pools and new field start-ups.
- Expediting of large development projects: Kensington Mine, Pogo Mine, Donlin Creek, Pt. Thompson, NW-NPRA, Western North Slope, BLM's "Ring-of-Fire" regional plan,
- The rate of transferring state lands to municipalities under Municipal Entitlement Program and starting up new Land Use Plans
- Parks have \$42 million in deferred maintenance backlog.
- Park operations sufficient to provide safe, clean, and well-maintained facilities for 4.3 million visits with declining budgets.
- Resolution of the issues and recommendations raised in the Legislative Audit of the Division of Agriculture.
- Implement HB185: develop a water rights fee system that reflects the reasonable direct cost of processing applications.
- Native Allotments and pending federal legislation (HR3148) to open filing window for Vietnam Veterans, contrary to the selection terms of the Statehood Act.
- New Commercial Day-Use registration and fee requirements on state land.
- Geographic opening of the North Slope Tundra to Winter Travel.
- Various litigation items: Miller's Reach, Use of Emergency Fire Fighters, Greenpeace claims, etc.
- Legislative changes to the Tanana Valley State Forest
- Upgrading of our main database systems such as the Royalty Accounting, Land Administration System, and the Land Status Geographic Information System.
- Applying modern information technology to expand, organize, preserve, and disseminate the geologic resource knowledge base of Alaska.
- Implementation of bringing the remaining issue of the Seward court recording office under DNR administration.
- Limitation of forest management options due to weak markets, especially in bark beetle areas and in interior Alaska.
- Review of Region II (south-central Alaska) forest practices standards for riparian management.
- Administration and recordation of RS2477 rights-of-way.
- Protect public access to key recreational trails and recreation areas of state and regional significance.
- Reduce outdoor recreation related fatalities through boating and snowmobile/avalanche safety programs.
- Pending are assignments for the Alpine Oil Pipeline Right-of-Way Lease and Milne Point pipeline right-of-way leases. Also pending are guaranties for the Milne Point pipelines, Northstar pipelines, Badami pipelines, and Endicott Pipeline.
- Working with the Lessees on the as-builts for Badami, Alpine and Northstar as required in the AS 38.35 pipeline right-of-way leases.
- Finalize the Kenai Kachemak Pipeline right-of-way lease.
- Settlement of the School Trust Lands valuation issue to determine the appropriate amount to be deposited into the School Trust Fund annually.
- Solvency of the Agricultural Revolving Loan Fund through funding of non-ARLF functions in the state budget and through refinancing of loans and land sale contracts.
- Mt. McKinley Meat and Sausage continued operations either through a private contractor or renewal of an operating

agreement with the Department of Corrections.

- Management, review, and termination of Sec. 17(b) of ANCSA easements to Alaska Native corporations.
- Initiation of the construction at the Plant Material Center of Seed Lab and Post Entry Plant Quarantine Facility funded through USDA.
- Relocation of the DGGG's Offices in Fairbanks in the fall of 2003.
- Plan for, possibly negotiate and implement a North Slope royalty in-kind natural gas sale in response to proposals for North Slope gas pipelines.
- Sustaining the Park volunteer/campground host program in light of a national downturn in available campground hosts.
- Implement an online Parks Cabin reservation system.
- Balancing value-added timber sales with sales for export in light of the mandate that the timber program generates most of its own revenues.

Major Department Accomplishments in 2002

1. Encourage resource development that creates Alaska jobs and ensures economic growth in all regions of the state.
 - Collected and accounted for \$858.6 million in O&G royalty, settlement, rental, federal share and bonus revenues, and other DNR revenues.
 - Resolved a sizeable audit dispute with BP and closed out several long-standing audit claims with other lessees. Total revenues generated by settlement of these audits equaled \$48 million.
 - Leased 1.6 million acres in four oil and gas lease sales.
 - Issued an exploration license, totaling 482,942 acres early in FY03. Issued 65 shallow natural gas leases totaling 452,185 acres.
 - Renewed the right-of-way lease for TAPS, for a large number of facilities ancillary to TAPS, and for five common carrier pipelines on the North Slope which were due to expire in less than three years.
 - Provided technical and policy support to the Governor's gas pipeline policy group and the Legislature's gas pipeline review committees.
 - Permitting of 1,465 square miles of 3D seismic lines shot on the North Slope, about 3½ times the amount shot the previous year.
 - Six right-of-way leases for pipelines have been executed in the last two years, reducing the number of pending applications and increasing the number of pipeline operations that the department oversees to 18.
 - Offered approximately 24,950 acres of land to individuals in 2,418 parcels, and 295 remote cabin site parcels, of which 210 parcels were sold.
 - Disposed of 1,247 acres of ARLF agricultural property for \$895,000; disposed of 1,360 acres of agricultural interest land for \$575,000.
 - Transferred 14,418 acres of land to municipalities under municipal entitlement laws.
 - Local contractors completed \$3.1 million in construction at 16 Parks recreation facilities.
 - Generated \$452.6 from sale of forest products, offered 37.1 million board feet of timber, sold 56 timber sales, administered 182 active sales, issued 316 personal use wood permits, and replanted 365 acres.
 - Increased revenues generated from Alaska Mental Health Trust Lands from \$7.2 million to \$7.8 million.
 - Acquired and made available to the public geophysical maps and data for 931 square miles of prospective mineral terrain.
 - Completed 671 square miles of airborne surveys and 848 square miles of geologic mapping in prospective mineral and oil and gas terrain.

2. "Doing it Right": Ensure resource development planning, management and new project approvals are based on 1) sound science, 2) prudent management, and 3) responsive, meaningful public involvement.
 - Continued legal and permitting activities leading to commencement of drilling and production from the Northstar field. Drilling commenced at the Northstar production island in the Beaufort Sea.
 - Completed the master plan revisions for Wood-Tikchik State Park, and the Chilkat Bald Eagle Preserve.
 - Completed the Northern Southeast Area and Upper Yukon/Taylor Highway area plans which identify timber and other resources for development as well as for recreational, habitat and settlement purposes.
 - Completed the planning for the Haines State Forest.
 - Conducted a statewide "Firewise" conference to reduce fire dangers around private residences.
 - Provided technical and policy support to the Governor's gas pipeline policy group and the Legislature's gas pipeline review committees.

3. Ensure resource sustainability and multiple use, including recreational enjoyment of the resource base.

- Collected \$2.1 million in park user fees and provided recreational opportunities for 4.3 million park visits.
 - In coordination with the Alaska Marine Safety Education Association, administered Alaska's boating safety education training courses.
 - Provided 10 Snowmobile and 26 National Recreation Trail grants to local clubs and government agencies.
 - 773 Park volunteers contributed 103,469 hours of service.
 - Provided grants to 12 communities for tree planting, conservation education, and program development.
 - Trained 13 tree stewards in Fairbanks to provide volunteer tree care to community trees.
 - Awarded \$15,000 in grants to two ANCSA corporations for forest stewardship plans, and completed 27 forest stewardship plans for individual landowners on 1,367 acres.
 - Managed and responded to a total of 336 wildland fire occurrences on 134 million acres.
 - Through collaboration with NASA guided the acquisition of high-resolution digital elevation data for the proposed natural gas pipeline corridor between Fairbanks and the Yukon, Canada border.
 - Utilized the Tazlina Type 1, and Matsu and Kenai EFF Crews for hazard tree removal, firebreak improvement, and other hazard fuel work reducing the potential of a serious wildland fire on the Hillside area in the Municipality of Anchorage and on the Kenai Peninsula.
 - Collaborated with the U. S. Geological Survey and the University of Alaska to expand the Alaska Volcano eruption-monitoring network from 20 to 21 volcanoes with the addition of Great Sitkin Volcano near Adak.
4. Streamline natural resource leasing, sales, and permitting processes.
- The Recorder's Office initiated a digital document imaging and bar-code system; replaced their microfiche document system; and provided public access via the Internet to statewide recording and Uniform Commercial Code index.
 - Consolidated related business operations so customers can complete all the needed transactions in one place: allowed new mining claim rental payments at the Recorder's Office.
 - Amended the Alaska Coastal Management Program (ACMP) Consistency Determination regulations (6AAC50) process to make it clear, predictable, concise and efficient.

Governor's Key Department-wide Performance Measures for FY2004

Measure:

Oil & Gas - The amount of available state acreage offered for oil and gas leasing or for exploration that is:

- (A) licensed for exploration;**
- (B) leased for oil and gas development;**
- (C) leased for shallow natural gas development.**

Sec 111(b)(2) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

The division is 100% in compliance with this measure.

One hundred percent of available state acreage in Cook Inlet, Beaufort Sea, and the North Slope was offered for leasing in FY02. During FY02 the division:

1) held four lease sales (Beaufort Sea, North Slope, North Slope Foothills, and Cook Inlet), and leased over 1.6 million acres, compared to 1.7 million acres in FY01; and

2) issued 65 shallow natural gas leases in the interior, west of Big Delta, covering 452,185 acres, which compares to 23,040 acres in FY01.

3) All available state land is open for exploration licensing:

During the first half of FY03 the division issued an exploration license for the Nenana basin covering 482,942 acres. None was licensed in FY02 and 318,756 acres were licensed in FY01

Benchmark Comparisons:

There is no benchmark for this measure.

Background and Strategies:

All available state land is made available through our leasing or licensing programs. During FY02, the division utilized a privately owned website (IndigoPool.com) to advertise its lease sales.

Measure:

Oil & Gas - The total amount of oil and gas acreage:

(A) under lease or license;

(B) within oil and gas units;

(C) within participating areas and/or non-unitized producing acreage.

Sec 111(b)(6) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

There are 5,373,474 acres under lease -- 5,017,015 acres covered by conventional oil and gas lease and 356,459 acres covered by shallow natural gas leases. There are 801,698 acres included in two exploration licenses. There are 1,078,239 leased acres committed to 36 oil and gas units. There are 586,791 acres included in one or more of the 55 participating areas and 28,534 acres of leased land that is productive but not included in a unit and participating area.

Benchmark Comparisons:

There is no benchmark for this measure.

Background and Strategies:

The division conducts an aggressive oil and gas leasing program. Exploration and development on leased lands and unitization activity related with that activity is the natural progression following lease sales. The amount of acreage in units and in participating areas and the year-to-year changes in those amounts are indirect indicators of the level of exploration and development activity on state lands.

Measure:

Land Sales & Municipal Entitlements - The percentage change in the number of acres of land sold and the revenue generated from land sales and leases.

Sec 112(b)(4) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

In FY 02, the Division offered 2,410 subdivision lots (re-offers of parcels previously surveyed), and 297 remote recreation cabin sites. In addition, 170 subdivision lots remained available for purchase "over-the-counter" from previous years. In total FY 02 was approximately a 1000% increase from FY 01(294 parcels offered in FY01, 2710 parcels offered in FY02). In FY 03, the Division expects to offer a similar amount again: approximately 2,400 subdivision lots and 255 remote recreation cabin sites. In addition, surveyed parcels that remained unsold from FY 02 will remain available for purchase "over-the-counter" at DNR.

Six hundred and twenty-seven parcels were sold in FY 02 (including the remote staking parcels that went to lease (the first step toward sale). This is the highest number of parcels sold since the large land disposals (funded by a much larger budget) in the early 1980s. These parcels represent 4,723 acres. At the end of FY 02, there remained approximately 23,000 acres for sale over-the-counter.

In FY 02, the disposals generated \$3.06 million in revenue. This is a significant increase from previous years. We expect annual revenues to increase in the next few years.

Benchmark Comparisons:

During the legislative discussion that surrounded passage of SB 183 in 2000, the Division was expected to offer its inventory of almost 5,000 pre-surveyed parcels for sale and to offer 250 remote recreation cabin parcels in each year. The Division is proud to have met those performance measures.

Background and Strategies:

This program makes land available for private ownership. Tasks include: Offer new land for sale; identify and classify additional lands for private ownership; and administer land sale contracts for lands previously offered. In FY 03, the Division expects to generate \$3.4 million from land sales, which is more than pays for the program and will provide a return to Alaskans.

Measure:

Parks Management - The number of visits by site and type of visit.

Sec 114(b)(2) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

While we can't predict the factors that influence visitation (fish runs, weather, gas prices, etc), our target is to sustain and/or increase the number of park visits each year.

In FY02 we received 4.3 million recreational visits to one or more of our 121 facilities, broken down roughly as 3.3 million resident visits and 1.0 million non-resident visits in the following areas:

| State Area | Resident | Non-Resident | Total |
|--------------------|------------------|------------------|------------------|
| Northern | 386,710 | 207,109 | 593,819 |
| Mat-Su/CB | 692,172 | 272,061 | 964,233 |
| Chugach | 973,390 | 126,110 | 1,099,500 |
| Kenai/PWS | 765,602 | 179,524 | 945,126 |
| Kodiak | 158,999 | 37,176 | 196,175 |
| Wood-Tikchik | 90,645 | 17,315 | 107,960 |
| Southeast | 240,629 | 235,328 | 475,957 |
| State Total | 3,308,147 | 1,074,623 | 4,382,770 |

Benchmark Comparisons:

There is no benchmark for this measure.

Background and Strategies:

The number of visitors is difficult to define as many of them are repeat customers, so we measure the number of visits by site. All of this is captured in a very detailed "Cluster" booklet, which is available upon request.

Measure:

Forestry - The annual volume of state timber offered for in-state companies and converted to value-added products.

Sec 110(b)(4) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

Target:

20.1 MMBF offered for in-state companies and converted value-added products.

Progress:

From FY97 through FY02, DNR sold over 300 timber sales to more than 140 different in-state purchasers to be processed wholly or partially in-state. These sales totaled over 97 MMBF of timber (see table).

Table 1. Number of timber sales sold for value-added processing and number of purchasers by region, FY 97 - FY 02

| Region | FY 97 | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 | Total # sales | # different purchasers |
|-----------------|-------|-------|-------|-------|-------|-------|---------------|------------------------|
| Coastal Region | 22 | 34 | 17 | 27 | 25 | 26 | 151 | 73 |
| Northern Region | 28 | 17 | 15 | 33 | 31 | 28 | 152 | 72 |
| Total | 50 | 51 | 32 | 60 | 56 | 54 | 303 | 145 |

Note: Some purchasers bought timber from more than one area, therefore the statewide total for the number of different purchasers is less than the sum of the areas.

Table 2. Volume of timber sold in value-added sales by region (million board feet), FY 97 – FY 02

| Region | FY 97 | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 | Total Volume (MMBF) |
|-----------------|-------|-------|-------|-------|-------|-------|---------------------|
| Coastal Region | 5.2 | 10.5 | 7.6 | 14.1 | 2.8 | 12.3 | 52.6 |
| Northern Region | 14.5 | 6.6 | 6.9 | 6.6 | 5.9 | 4.2 | 44.7 |
| Total | 19.8 | 17.1 | 14.5 | 20.7 | 8.7 | 16.5 | 97.3 |

Benchmark Comparisons:

There is no standard for this measure.

Background and Strategies:

The DNR timber sale program focuses on supporting Alaskan jobs by making timber available for local processors. Competitive and negotiated sales are offered in sizes and locations needed by local processors throughout the state. In Southern Southeast Alaska and parts of the Interior, all offerings were sold. In other areas, more timber was offered than was sold. Unsold timber remains available over-the-counter or is re-offered.

Some state timber is exported. Salvaged wood in spruce bark beetle areas will mostly go to export chip markets. A portion of the timber in Southern Southeast value-added sales is pulp or utility wood with no local market. The pulp and utility wood may be exported, while the higher-grade wood is processed in-state. The proportion of wood from Southern Southeast sales that will go to export will increase in FY 03, because the Division must increase revenues to cover an increase in timber sale receipt funding.

Measure:

Geological Development - The number of acres of ground under private-sector exploration.

Sec 113(b)(3) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

In Calendar year 2002, 2,806,020 acres of ground were being held in active state and federal mining claims and state prospecting sites. In calendar year 2001, 2,828,280 acres of ground were being held in active state and federal mining claims and state prospecting sites. In calendar year 2000, 3,301,880 acres of ground were being held in active state and federal mining claims and state prospecting sites. In all three years Mineral exploration was also occurring on an additional unknown number of acres not recorded under any form of land tenure system.

This slight decrease for 2002 reflects both world economic conditions and the lack of new airborne geophysical surveys on large state land tracts in 2001.

Benchmark Comparisons:

There is no benchmark for this measure.

Background and Strategies:

The strength of the mining industry in Alaska has resulted from the complementary actions of the Administration, State Legislature, and the private sector. Annual funding of airborne geophysical/geological mineral inventories of prospective mineral tracts, in combination with Alaska's mine development tax incentive and outreach from the Governor's office, has been a significant catalyzing factor. There are many remaining high mineral potential tracts throughout rural Alaska that offer the opportunity for successful mineral exploration, mine development and employment opportunity if the fundamental geological and geophysical data needed to guide exploration are generated and made available.

The success of Alaska's program, however, invoked a strong reaction by our Canadian neighbors. About 70 percent of Alaska's mineral exploration capital comes from Canada. In order to recapture the investment capital flowing to Alaska from Canada, some Canadian provinces instituted multimillion dollar airborne geophysical surveys of their lands and the national government of Canada instituted a "flow through" income tax credit for funds invested in Canadian mineral exploration. These actions combined with the 60-65 percent monetary exchange rate for Canadian dollars vs. United States dollars have been effective in keeping Canadian investment money at home during a time of general reduced venture capital in the world's mining industry.

Quality geologic information remains a key factor in lowering exploration risk and catalyzing investment. It is important for Alaska to meet the challenge posed by competing states and provinces. DGGs plans to continue concentrating its mineral appraisal resources on highly prospective areas to generate the data needed to support Alaska's industry. Early in FY03 state-sponsored airborne geophysical surveys were conducted in the historic Council mining district on the Seward Peninsula.

Measure:

Recorder's Office - percentage of maintained daily entry and weekly verification of the on-line grantor/grantee and location indexing process for all documents accepted in the recorder's offices.

Sec 108(b)(2) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

Current status: This performance measure reflects the fact that it is unrealistic to achieve full input and verification functions in all offices on the same day that documents are recorded, as required by AS 40.17.070, due to high fluctuations in volumes and the number of remote office locations. The following percentages are based on compliance with this measure throughout FY02:

During FY02 **the objective of daily input was performed** as follows against a target of 100%:

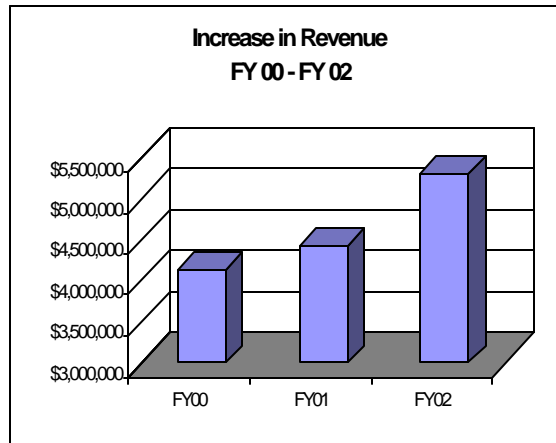
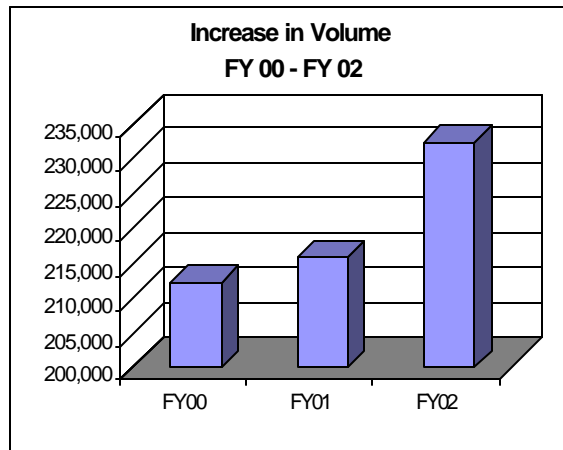
UCC Central 98%; Fairbanks 96%; Ketchikan 97%; Bethel 98%; Juneau 85%; Anchorage 35%; Palmer 84%; Kenai 95%; Homer 94%;and Kodiak 99%.

Meeting the target were: Sitka 100% and Nome 100%.

During FY02 **the objective of weekly verification completion** was performed as follows against a target of 100%:

Bethel 99%; Juneau 94%; Ketchikan 91%; Sitka 96%; Anchorage 64%; and Palmer 80%.

Meeting the target were: UCC Central 100%; Fairbanks 100%; Nome 100%; Kenai 100%; Homer 100%; and Kodiak 100%.



Benchmark Comparisons:

Many recording facilities in other jurisdictions are able to meet this daily indexing goal as a result of implementing imaging technology. Alaska initiated an imaging system in FY02 but also experienced a significant increase in recording/filing volumes. While actual document volumes increased approximately 8% over FY01, the document size grew by more than 45% over the prior year.

The State's largest recording office in Anchorage had the most difficulty during the fiscal year as recording volumes hovered at near record levels. Staff turnover also impacted the component's ability to meet this measure. Other factors affecting offices' ability to meet this measure included high customer traffic, equipment down time, and late mail deliveries.

Background and Strategies:

In order to provide the greatest service to the public, indexing of the public record information needs to be fully complete at the end of each business day. Many recording facilities in other jurisdictions are able to meet this daily indexing goal as a result of implementing imaging technology. Our new indexing system implemented in 1999 allows indexing information to be made available to the public upon input (our prior system did not contain this feature). The Anchorage office has had the most difficulty meeting the daily input standard due to near record high recording volumes.

Factors preventing 100 percent compliance in all locations included near record recording volumes, staff shortages, late day recordings, lengthy legal descriptions, communication line problems, heavy customer traffic, and late mail deliveries. While the component has no control over the volume of incoming work, it will continue to strive for improvements in this area.

Measure:

Agricultural Development - The monetary value of agricultural products grown in the state that are sold domestically or exported.

Sec 115(b)(4) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

- 1997 - \$28,468,000
- 1998 - \$27,511,000
- 1999 - \$28,352,000
- 2000 - \$26,512,000
- 2001 - \$30,152,000
- 2002 – Total not available

Over a five-year to ten-year period we would like to show an average increase of 2 to 3 percent. The national averages have struggled over the last five years to show any net increase. Because Alaska agriculture is still in a development phase we hope to show small annual increases.

The split between sold domestically and exported is not a readily available number. We are working on ways to get the value broken out as requested by the legislature.

Benchmark Comparisons:

The national averages have struggled over the last five years to show any net increase. Alaska agriculture is still in a development phase.

Excluding weather conditions we hope to see an increase in sales due to the concentrated advertising efforts during the end of FY 02 and now in FY 03 by the Division of Agriculture. This advertising funding was made available from the federal government. We are pleased with the efforts to date.

Background and Strategies:

The statistics are always one year behind the current year. We pull the number from Alaska Cash Receipts from Farm Marketing excluding the Aquaculture industry. USDA statistics are unable to track instate or export sales. We suspect exports are in the less than 1% range of total cash receipts.

We expect increases each year but the last three reporting years show this number can quickly change due to weather conditions, marketing factors, plant or animal disease, or other factors that affect our ability to assist the industry.

Adverse weather conditions in South Central and the Interior adversely affected the 2000 growing season; thus, the monetary value fell. Weather will always play a major factor in this measure. The 2001 growing season had better results.

Department Budget Summary by BRU

All dollars in thousands

| | FY2002 Actuals | | | | FY2003 Authorized | | | | FY2004 Governor | | | |
|-------------------------------------|----------------|---------------|-------------|-------------|-------------------|---------------|-------------|-------------|-----------------|---------------|-------------|-------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| Formula Expenditures | None. | | | | | | | | | | | |
| Non-Formula Expenditures | | | | | | | | | | | | |
| Commissioner's Office | 0.0 | 0.0 | 0.0 | 0.0 | 505.3 | 0.0 | 255.8 | 761.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Management and Administration | 2,076.5 | 0.0 | 2,467.0 | 4,543.5 | 1,495.3 | 151.0 | 2,226.2 | 3,872.5 | 7,241.2 | 3,884.9 | 8,375.6 | 19,501.7 |
| Information/Data Management | 2,149.7 | 30.6 | 3,693.0 | 5,873.3 | 2,232.6 | 230.9 | 3,936.5 | 6,400.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Resource Development | 12.1 | 0.0 | 1,603.7 | 1,615.8 | 309.5 | 0.0 | 2,949.3 | 3,258.8 | 20,703.7 | 3,800.3 | 17,152.1 | 41,656.1 |
| Forestry Management and Development | 7,011.1 | 805.6 | 2,083.5 | 9,900.2 | 6,583.2 | 1,181.2 | 1,747.8 | 9,512.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Oil and Gas Development | 4,192.6 | 30.9 | 5,608.9 | 9,832.4 | 4,105.7 | 182.2 | 7,556.9 | 11,844.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minerals, Land, and Water Dev. | 9,370.2 | 1,737.6 | 4,475.0 | 15,582.8 | 9,651.0 | 2,343.7 | 5,472.1 | 17,466.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Parks & Recreation Mgmt | 5,746.5 | 104.8 | 3,461.1 | 9,312.4 | 4,885.3 | 403.8 | 3,607.9 | 8,897.0 | 3,798.3 | 407.7 | 4,983.1 | 9,189.1 |
| Agricultural Development | 10.5 | 946.3 | 1,472.3 | 2,429.1 | 16.0 | 2,055.9 | 1,650.7 | 3,722.6 | 16.0 | 2,064.2 | 2,764.5 | 4,844.7 |
| Agr Revolving Loan Pgm Admin | 0.0 | 0.0 | 571.5 | 571.5 | 0.0 | 0.0 | 1,043.9 | 1,043.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| Statehood Defense | 111.7 | 0.0 | 0.0 | 111.7 | 115.0 | 0.0 | 0.0 | 115.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Facilities Maintenance | 1,372.2 | 0.0 | 274.8 | 1,647.0 | 1,372.2 | 0.0 | 1,204.8 | 2,577.0 | 1,372.2 | 0.0 | 438.9 | 1,811.1 |
| Statewide Fire Suppression | 23,587.8 | 10,281.3 | 405.9 | 34,275.0 | 3,144.6 | 7,321.8 | 0.0 | 10,466.4 | 6,908.1 | 7,330.4 | 0.0 | 14,238.5 |
| Nat Res Conservation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 589.5 | 589.5 | 0.0 | 0.0 | 0.0 | 0.0 |

| | FY2002 Actuals | | | | FY2003 Authorized | | | | FY2004 Governor | | | |
|---------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| & Dev. Bd. | | | | | | | | | | | | |
| Totals | 55,640.9 | 13,937.1 | 26,116.7 | 95,694.7 | 34,415.7 | 13,870.5 | 32,241.4 | 80,527.6 | 40,039.5 | 17,487.5 | 33,714.2 | 91,241.2 |

Funding Source Summary

All dollars in thousands

| Funding Sources | FY2002 Actuals | FY2003 Authorized | FY2004 Governor |
|---|-----------------|----------------------|--------------------|
| 1002 Federal Receipts | 13,937.1 | 13,870.5 | 17,487.5 |
| 1003 General Fund Match | 415.2 | 449.8 | 1,381.4 |
| 1004 General Fund Receipts | 50,787.1 | 30,287.8 | 35,975.6 |
| 1005 General Fund/Program Receipts | 4,438.6 | 3,678.1 | 2,682.5 |
| 1007 Inter-Agency Receipts | 6,700.9 | 5,932.5 | 5,898.4 |
| 1018 Exxon Valdez Oil Spill Settlement | 635.1 | 1,075.3 | 620.7 |
| 1021 Agricultural Loan Fund | 1,671.3 | 2,206.5 | 2,215.6 |
| 1055 Inter-agency/Oil & Hazardous Waste | 49.6 | 99.1 | 99.8 |
| 1061 Capital Improvement Project Receipts | 4,923.7 | 5,580.9 | 4,337.9 |
| 1066 Public School Fund | 65.4 | 521.5 | |
| 1092 Mental Health Trust Authority Authorized Receipts | 897.9 | 983.2 | 1,108.6 |
| 1105 Alaska Permanent Fund Corporation Receipts | 2,129.0 | 2,777.8 | 2,798.8 |
| 1108 Statutory Designated Program Receipts | 3,812.5 | 5,159.3 | 6,154.0 |
| 1153 State Land Disposal Income Fund | 2,136.3 | 3,122.6 | 4,599.9 |
| 1154 Shore Fisheries Development Lease Program | | 323.6 | 325.6 |
| 1155 Timber Sale Receipts | 261.3 | 681.1 | 687.5 |
| 1156 Receipt Supported Services | 2,833.7 | 3,778.0 | 4,867.4 |
| Totals | 95,694.7 | 80,527.6 | 91,241.2 |

Position Summary

| Funding Sources | FY2003 Authorized | FY2004 Governor |
|---------------------|----------------------|--------------------|
| Permanent Full Time | 606 | 681 |
| Permanent Part Time | 236 | 284 |
| Non Permanent | 99 | 100 |
| Totals | 941 | 1,065 |

FY2004 Capital Budget Request

| Project Title | General Funds | Federal Funds | Other Funds | Total Funds |
|--|------------------|-------------------|------------------|-------------------|
| Oil & Gas Seismic, Well, and Lease Data Acquisition | 250,000 | 0 | 0 | 250,000 |
| Land Use Data Base System Upgrade for Improved Access | 200,000 | 0 | 0 | 200,000 |
| Oil and Gas Leasing and Accounting Systems Integration | 150,000 | 0 | 0 | 150,000 |
| Oil & Gas Reservoir Potential for Gas in the Brooks Range Foothills | 50,000 | 0 | 0 | 50,000 |
| Navigable Waters Assertions | 188,700 | 0 | 0 | 188,700 |
| Improve Forest Productivity in Southern Southeast Alaska | 100,000 | 0 | 0 | 100,000 |
| State Park Emergency Repairs | 120,000 | 0 | 0 | 120,000 |
| National Historic Preservation Fund Federal Grant Program | 50,000 | 950,000 | 0 | 1,000,000 |
| Forestry Federal Funded Grants for Fire and Forest Resource Projects | 0 | 2,800,000 | 0 | 2,800,000 |
| Abandoned Mine Lands Reclamation Federal Program | 0 | 1,500,000 | 0 | 1,500,000 |
| National Coastal Wetland Conservation Grants Program | 0 | 2,500,000 | 0 | 2,500,000 |
| Alaska Oil and Gas Exploration, Development and Permitting Federal DOE Project | 0 | 737,700 | 0 | 737,700 |
| Alaska Boating Safety | 0 | 600,000 | 120,000 | 720,000 |
| National Recreational Trails Federal Program | 0 | 695,000 | 0 | 695,000 |
| Land and Water Conservation Fund Federal Grants for Local Governments | 0 | 675,000 | 0 | 675,000 |
| Mental Health Trust Land Development | 0 | 0 | 600,000 | 600,000 |
| Alaska Cadastral Project | 0 | 518,700 | 0 | 518,700 |
| Recorder's Office Film Conversion | 0 | 0 | 388,000 | 388,000 |
| USGS Streamgaging Cooperative Program | 0 | 0 | 180,000 | 180,000 |
| Recorder's Office Plat Imaging | 0 | 0 | 100,000 | 100,000 |
| Municipality and Borough Special Assessments | 0 | 0 | 50,000 | 50,000 |
| Improving Milk Processing Facilities in Milk Shortage States Federal Program | 0 | 5,000,000 | 0 | 5,000,000 |
| Division of Geological and Geophysical Surveys Federal Grants Projects | 0 | 1,100,400 | 0 | 1,100,400 |
| North Slope Tundra Travel Model - U.S. Dept. of Energy Grant | 0 | 250,000 | 0 | 250,000 |
| Remote Recreational Cabins Survey and Appraisals | 0 | 0 | 430,000 | 430,000 |
| Department Total | 1,108,700 | 17,326,800 | 1,868,000 | 20,303,500 |

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Overview of Departmental Budget Changes

The following are the Department's key proposed budget changes:

Increase Revenues from Oil & Gas Bonus Bids and Lease Rentals - \$340.0 LDIF:

DNR's participation in this initiative are the Division of Oil & Gas, and the Division of Mining, and Land & Water, for the following activities:

- The addition of the new annual areawide lease sales combined with implementation of the shallow gas leasing and exploration licensing programs have overwhelmed the division's capacity to issue leases. The division has taken up to a year to award a lease when it should ideally take 3 to 5 months. This delay in awarding leases cost the state \$8.7 million in deferred or lost revenue in FY02 and \$10 million in FY01. These delays also have the potential to delay exploration activities on state land.
- Even though the dramatic increase in lease bids by new and returning oil companies in areawide lease sales as well as implementation of the shallow gas leasing and exploration programs that were authorized by the legislature have placed great demands on the division's staff, very little CIP funding and no additional personnel have been added for the division to deal with the success of these programs. Two positions are requested to accelerate the lease issuance process.
- The Division of Mining, Land & Water is a participant in the management of oil and gas leases and actively manages the surface activities outside of the lease boundaries. In addition to other O&G activity, DNR received over 300 shallow gas applications last year. Many of these applications are in more urban settings, creating conflicts with use. With the introduction of Shallow Gas Leasing and the expansion of exploration into new and more remote areas of the North Slope, current staffing levels are inadequate to address these programs. This increment will provide resources to supplement the existing program, reviewing proposed oil and gas lease sales and shallow gas applications to determine appropriate terms and conditions. After the lease is issued, time will be spent conducting pre-application meetings, reviewing plans of operations and oil spill contingency plans, and issuing permits/approvals with site-specific mitigation measures. Monitoring and enforcing activities to ensure compliance with lease terms and permit/approval conditions will also be pursued.
- In addition, the state may only lease land where it owns the subsurface rights. Therefore, before a lease may be issued in accordance with AS 38.05.180(f) and (m), DNR must conduct a title search. DMLW has a 6-month backlog for O&G lease sale title reports. With the addition of one Natural Resource Specialist II, the division will be able to stay on track with DNR's scheduled O&G activities.

Oil and Gas - Full funding for Oil & Gas Workload and Staff - \$314.7 GF:

For FY03, the Division's budget authority for personal services is 8.6% short of what is needed to fully pay for all authorized staff. With the legislatively approved pay increases for the Division's professional staff in 2001, the Division has been successful in retaining its highly trained and experienced staff. With minimal turnover and a commitment to be fully-staffed at all times so as to quickly and efficiently serve the needs of oil and gas exploration, development, and production, an 8.6% vacancy factor overstates both actual and desired vacancy rates. Ideally, the Division would operate with a 2% vacancy (or less), in which case it could accelerate the pace of lease issuance, permitting, unitization, and its pursuit of underpaid royalties. Industry supports the first three of these goals, and appreciates the early resolution of royalty disputes, if not the payment of incremental sums due.

Executive Order 105:

Transfer the Seismic Hazards and Safety Commission from the Office of the Governor to DNR. Funding for the support of this commission was transferred in to the Geological Development component, Resource Development BRU.

Executive Order 106:

Transfer the Division of Governmental Coordination functions from the Office of the Governor to DNR. Funding was set up under a new component titled "Office of Alaska Coastal Zone Management" in the Management & Administration BRU.

Executive Order 107:

Transfer Habitat permitting functions from the Department of Fish & Game to DNR. Funding was set up under a new component titled "Office of Habitat Management & Permitting" in the Management & Administration BRU.

Parks Funding:

- Restoration of one-time capital appropriation to operating base - \$330.0 LDIF.
- Transfer User fees from Program Receipts (\$966.4) to Receipt Supported Services \$966.4.

Administrative Services - \$150.0 LDIF:

- Restore the Director of Administrative Services position to full funding - \$55.0 LDIF. For the past six years the departments of Natural Resources and DMVA shared a Director of Administrative Services and Legislative Liaison position. With the growth of the various programs in DMVA, the Homeland Security Initiative, and the retirement of the incumbent, the decision was made to restore the Director of Administrative Services position in the Department of Natural Resources. With a new Administration and a new Legislature coming in the Legislative Liaison and Director of Administrative Services positions should both be filled. These are too critical of positions to have vacancies due to underfunding.

- The Administrative Services component requests additional funding to continue to provide the department with the same level of service as currently provided in FY03. This request is following our indirect cost principals where we charge support to the funding entity. The Department's land disposal income fund authorization is \$3.1 million and it requires a commensurate amount of support funding in this budget. The workload for this component is increasing as a result of new projects and Executive Orders, and the Governor's increased focus on resource development to better the state's economic situation. With this additional workload, we will need all budgeted staff positions filled and we cannot afford a high vacancy factor.

Fund Fire Suppression Fixed Costs for FY04 - \$3,957.7 GF:

This increment will increase the general fund authorization from its current level, which presently funds only a portion of the component's fixed costs, to a level that will fund the component's budgeted fixed costs. Approving this request vests fiscal accountability on the fire program to manage fixed cost expenditures within a legislatively-approved budget. Authorization of fixed costs in an annual operating budget leaves the disaster declaration (and supplemental and ratification processes) to be utilized as intended - - - for requests of those suppression costs that 1) are not recurring, 2) cannot be predicted, 3) are outside the fixed cost and normal operating budget realm, and 4) are for direct suppression of wildland fires.

Other GF changes:

- Fund change in Water Development component from GF (\$100.0) to Receipt Supported Services \$100.0.

For all other budget changes see individual component write-ups for more detail. Summary of key changes:

Management and Administration BRU:

Information Resource Management Component:

- Fund staffing requirements for federally funded CIP projects -\$290.0.

Office of Alaska Coastal Zone Management component:

- Increase CIP authorization to fund the Coastal Impact Assistance Program positions - \$434.7 CIP.
- Increase federal authorization \$450.0 for the Alaska Coastal Clean Water Plan.

Resource Development BRU:

Claims, Permits & Leases:

- DOTPF projects - \$67.3 I/A funding

Land Sales & Municipal Entitlements Component:

- Land Sale Contract Processing - \$59.6 Land Disposal Income Fund

Title Acquisition & Defense:

- Increase Revenues from Oil & Gas Bonus Bids and Lease Rentals - \$77.3 I/A

Water Development Component:

- Instream Flow Adjudication position funded by F&G - \$35.0 in additional I/A

Geological Development component:

- Delta Area Coalbed Methane project and NPRA Reservoir Study (Year 5) - \$175.0 SDPR

- Federally funded CIP projects - \$125.0 CIP receipts for salaries.

Development Special Projects component:

- Office of Project Management and Permitting - \$580.0 LDIF and \$100.0 SDPR.
- Pt. Thompson's permits coordination - \$149.8 SDPR from ExxonMobil
- "Ring of Fire" Resource Management Plan coordination - \$125.0 Fed BLM
- Northwest NPRA Project coordination - \$125.0 Fed BLM
- Western North Slope Development Project Coordination - \$149.7 SDPR from ConocoPhillips
- Special Projects - Kensington Mine Project Coordination - \$125.0 Fed USFS

Mental Health Lands Administration component - \$116.8 MHTAAR Funds

Parks and Recreation Mgt BRU:

Parks Management component :

- Increased receipts from contracts - \$40.0 SDPR

Agriculture Development:

- New Federal Inspection Programs tied to Homeland Security Initiative - \$177.7 Federal Receipts

DNR State Facilities Rent:

- Increases in cost for the Atwood Office Building - \$34.1 I/A

Key budget decreases are:

- Eliminate authorization for Gas Pipeline Office - (\$2,242.5) CIP Receipts and (\$10.0) GF.
- Information Resource Management - (\$36.7) GF/PR reduced to reflect FY04 anticipated receipts.
- Facilities Maintenance - (\$800.0) I/A adjustment to more realistic levels.
- EVOS Trustee Council Projects - (\$531.4) EVOS/Fed Funds.
- Grants to Soil & Water Districts - (\$475.0) I/A - DEC/319 grants go directly to Districts.
- Geological Development - Federal projects now requested in the Capital budget - (\$44.9) Fed.
- Reduction in Plant Material Center's federal funding - (\$177.7) Federal Receipts.
- Pipeline Coordinator - (\$147.4) SDPR - completion of TAPS renewal.
- Information Resource Management - BLM's Integrated Data Framework for Electronic Delivery - (\$122.1) Federal Funds. Work completed to be completed in FY03.
- Information Resource Management - Reduce excess IA (\$60.0).
- Interdepartmental IT Chargeback - (\$119.8) reduction of excess I/A.
- Development Special Projects - (\$81.0) SDPR Reclamation Bonds completed
- Agricultural Development - (\$30.0) excess I/A eliminated
- Conservation and Development Board - (\$25.0) I/A - DEC/319 grants will not support this budget
- Title Acquisition and Defense - (\$10.2) excess SDPR eliminated

Summary of Department Budget Changes by BRU

From FY2003 Authorized to FY2004 Governor

All dollars shown in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2003 Authorized | 34,415.7 | 13,870.5 | 32,241.4 | 80,527.6 |
| Adjustments which will continue current level of service: | | | | |
| -Management and Administration | 3,044.7 | 3,251.1 | 1,652.9 | 7,948.7 |
| -Resource Development | -375.4 | -236.9 | -68.4 | -680.7 |
| -Parks & Recreation Mgmt | -1,087.0 | 3.9 | 1,005.2 | -77.9 |
| -Agricultural Development | 0.0 | 8.3 | 10.4 | 18.7 |
| -Statewide Fire Suppression | -194.2 | 8.6 | 0.0 | -185.6 |
| Proposed budget decreases: | | | | |
| -Management and Administration | -36.7 | -198.1 | -635.2 | -870.0 |
| -Resource Development | 0.0 | -44.9 | -2,481.1 | -2,526.0 |
| -Agricultural Development | 0.0 | -177.7 | -530.0 | -707.7 |
| -Facilities Maintenance | 0.0 | 0.0 | -800.0 | -800.0 |
| Proposed budget increases: | | | | |
| -Management and Administration | 0.0 | 450.0 | 939.4 | 1,389.4 |
| -Resource Development | 314.7 | 375.0 | 1,975.5 | 2,665.2 |
| -Parks & Recreation Mgmt | 0.0 | 0.0 | 370.0 | 370.0 |
| -Agricultural Development | 0.0 | 177.7 | 0.0 | 177.7 |
| -Facilities Maintenance | 0.0 | 0.0 | 34.1 | 34.1 |
| -Statewide Fire Suppression | 3,957.7 | 0.0 | 0.0 | 3,957.7 |
| FY2004 Governor | 40,039.5 | 17,487.5 | 33,714.2 | 91,241.2 |