

**AP/AL:** Appropriation  
**Category:** Development

**Project Type:** Planning

**Location:** Statewide  
**House District:** Statewide (HD 1-40)

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**Estimated Project Dates:** 07/01/2006 - 06/30/2010

**Brief Summary and Statement of Need:**

The BLM 2009 Conveyance Project is a federal effort with the goal of completing federal land transfers in Alaska by 2009. This CIP request for General Funds to augment federal funding is necessary because federal budget reductions will result in the state receiving less funding for this project. This CIP is necessary so that the state can continue to respond to and participate in this project.

<b>Funding:</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>Total</b>
Gen Fund	\$200,000	\$200,000	\$200,000	\$200,000			\$800,000
<b>Total:</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$800,000</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

The FY04 Supplemental Appropriations (Ch 159 SLA 04) bill authorized DNR to receive \$1,268,000 in federal funds to start this project in late FY04 and continue through FY05. In FY06 DNR is authorized to receive \$4,232,000 in federal funds in FY06 through FY10. Receipt of federal funds in FY05-06 allowed DNR to establish eight new positions and RSA funds for two additional positions within the Department of Fish and Game.

**Project Description/Justification:**

**Prior Funding History and Status:**

The FY04 Supplemental Appropriations (Ch 159 SLA 04) bill authorized DNR to receive \$1,268,000 in federal funds to start this project in late FY04 and continue through FY05. The FY06 authorized DNR to receive \$4,232,000 in federal funds in FY06 through FY10. Together these two appropriations total \$5.5 million. Receipt of federal funds in FY05-06 allowed DNR to establish eight new positions and RSA funds for two additional positions within the Department of Fish and Game. Efforts during FY05 and FY06 include: completing a comprehensive review and update of the state's ownership priorities, a four fold increase in the number of Native Allotments being reviewed and a similar fold increase in Native Allotment reconveyance requests, a significant increase in the number of decisions and survey conformance documents to review to ensure that public access is retained (ANCSA 17(b) easements), participation in BLM's regional meetings with ANCSA corporations on entitlement close-outs, and streamlining of existing DNR procedures to complement the federal procedural changes.

**Detailed Project Justification:**

This CIP request for state General Funds to supplement the reduced federal funding is necessary because the state's need to participate in the project has not significantly been reduced. The original two CIPs assumed federal funding of

the full \$5.5 million needed for state participation in the "BLM 2009", however federal budget reductions will result in the state receiving less federal funding overall for this project. Despite the reduced federal funding to the state, the comprehensive BLM accelerated land transfer program is not being significantly reduced. The project workload for the state is projected to remain consistent with, or to exceed full funding expectations. In fact, some of BLM's recent streamlining efforts have resulted in more work for the state as BLM's efforts focus more on quantity than quality of decisions and conveyances. As a result, the state must put more emphasis on ensuring that public access is protected when lands are transferred to private ownership, that BLM decisions on Native Allotments and ANCSA conveyances recognize state ownership interests, and ensure that the state receives clear title to the land it receives.

Under a reduced funding proposal, the federal BLM had agreed to provide \$5.5 million over 5 1/2 years to pay for the state's increased workload that results under this project. This equates to a federal budget reduction to the state of about 28%, or approximately \$300,000/year. DNR's GF request is for \$200,000. The reason DNR's request for state funding is less than the actual reduction in BLM's funding is because BLM has reduced the survey component of the overall federal program, hence reducing DNR's survey staffing needs.

State funding of this project is appropriate because the BLM 2009 Conveyance Project will result in the state receiving approximately 10 –12 million acres still owed to the state under the Statehood Act. The project will also result in the transfer of over 8 million acres of federal land to Alaska Native Corporations formed under ANCSA. This CIP is necessary so that the state can continue to fully respond to and participate in this project. The state will need to review and respond to a significantly increased number of BLM conveyance decisions, decisions on easements and navigable waters, and requests for reconveyance of state land found to have been conveyed to the state in error. The state will also receive significantly more decisions to transfer land to the state under the remaining statehood entitlements and will need to process many additional title documents.

**Why is this Project Needed Now:**

The primary need for the requested state funding will be to ensure that public access to state and federal public lands and state title interests are adequately recognized and protected when BLM transfers land into private ownership. BLM will be issuing patent or interim conveyance to over 10 million acres of private land within the next 36 months of this project.

As further explanation, despite the reduction in funding to the state, BLM is moving forward with the accelerated land transfer program. BLM is still agreeing to fund state participation, but will require that the state focus its federally funded efforts on tasks that BLM considers most essential. In addition, there are certain non-discretionary tasks the state must perform as part of this process, such as reviewing BLM's decisions and title documents for land the state is receiving. Specific tasks that the BLM funding agreement requires the state to focus on are Native Allotment reconveyances, state land selection prioritization, review of state title decisions and documents, and project coordination and management with BLM. BLM will not adequately fund the necessary staff for the state (DNR and ADFG) to review ANCSA conveyances to ensure that public access is protected (primarily ANCSA 17(b) easements). BLM funding reductions will also essentially eliminate the state's ability to identify and ensure that BLM reserves state interest such as navigable waters or historical trails (such as RS 2477 trails) as it transfers land into private ownership.

BLM also intends for the state to reduce land survey staff assigned to this project, thereby reducing the State's ability to defend or review meanderable waters determinations made by BLM. The inability of the State to adequately review these determination will negatively affect the quantity of land conveyed to the State under the acceleration act because BLM will count acreage that should not have been counted against our entitlement.

This project provides the tools and the staff so that the state can participate in BLM's accelerated land transfer process. Over the past five years, DNR has received an average of 50,000 acres per year from the federal government. For the most part, high acreage, uncontested conveyances have been completed. What remains are smaller tracts that are subject to some type of encumbrance, withdrawal, or competing selections that are more difficult to adjudicate and resolve. Continuing the current method of processing multiple smaller conveyances, revisiting areas repeatedly as each small acreage gain is made is expensive and slow. It would take more than 60 additional years to finish the state's remaining entitlements using the existing staffing and methods.

**Specific Spending Detail** (narrative is for entire project including existing federal authorization and new GF request. Summary at end is for the new GF state portion)

Personal Services (FY07): \$838.4

Description – The following are the general tasks under this CIP and the positions allocated to each task. Some tasks occur primarily in the early years of the CIP, such as prioritization of state land selections and work on Native Allotments. Land transfers to the state, and the related review of decision documents and land record keeping will increase later in the project.

Project Management – Overall coordination of the land conveyance acceleration effort. The liaison between the affected state and federal agencies, report on overall progress of the project, and provide the documentation necessary to support these reporting functions. Staff: 1 Natural Resource Manager (NRM) 3

State Land Selection Prioritization – This team will re-evaluate and revise ownership priorities for the remaining General Grant lands (including overselections), approximately 30 million acres. Work products will include GIS maps, databases and reports. Staff: 1 NRM 2, 1 Natural Resource Specialist (NRS) 2

Native Allotment Reconveyances – This team will respond to the increased number of casefiles that require reconveyance of state land back to BLM for conveyance to individual allottees. Staff: 1 NRS 2 plus existing GF position

State Conveyances – This team will deal with the significantly increased amount of land being conveyed to the state, approximately a tenfold increase from current volume. Tasks include review of incoming title documents, communication of errors for correction and updating of state computerized records. Staff: 1 NRM 1, 1 Natural Resource Specialist (NRS) 2, 2 NRS 1, 1 Natural Resource Technician

ANCSA Conveyance Review – This team will review ANCSA conveyances to ensure state interests have been adequately protected (i.e. access to navigable water bodies) as well as public interests (i.e. reservation of 17(b) easements, RS 2477 historic trails). Staff (several are partially funded by CIP and part existing GF): Access Review Coordinator – 1 NRM 1 (partially funded by this CIP), ANCSA Reviews (including 17(b) easement review) – 1 NRS 3, 2 NRS 2, 1 NRS 1, 2 ANCSA support positions in ADFG

Survey of State Tentatively Approved Lands – This team will coordinate priorities of workload with BLM and review draft survey plats. Staff: Land Surveyor 1, Land Survey Technician

Travel \$10.5 Description- Project management staff will travel to various ANCSA regions to participate in comprehensive ownership resolution discussions. Survey staff will do periodic field inspections to resolve survey disputes. The specific details of when travel will occur have not yet been arrived at between BLM and the state. It is assumed at least one trip for two people will occur for each of the twelve regions. Up to seven of the twelve regions may be addressed this fiscal year as the basis for this preliminary estimate.

Services \$228.6 Description - The above task categories will require the general office supplies and/or contractual services to supplement staff in one or more of the above task categories. Specifically, it also includes \$126.3 to the Alaska Department of Fish & Game via a Reimbursable Services Agreement to continue funding on two existing position established in FY04. This combined amount is a placeholder for minimum, reasonable expenditures and unanticipated expenses associated with responding to the BLM streamlining measures.

Supplies: \$9.9/yr

Training: \$10.5/yr

Indirect Cost: \$14.9 9 (applies to federal funds only)

Line Item Expenditures (for GF funding only):

Personal Services	\$ 155.0
Travel	\$ 2.0
Services	\$ 41.0
Commodities	\$ 2.0
Capital Outlay	\$ 0.0

**Project Support:**

Federal Government, including Senators Stevens and Murkowski and Representative Young, US Bureau of Land Management, Alaska Native Corporations, individual Alaska Native Allottees, mining industry, Resource Development Council, other advocates of land and resource development, municipalities (primarily boroughs), individual Alaskans.

**Project Opposition:**

None known or anticipated.

**State Match Required:**

Not required to receive the federal grant, but necessary to accomplish the work. \$200,000 state GF request is necessary due to decreased funding provided by Congress to BLM for State assistance. Funds available to complete the acceleration of land transfer have not materialized at the level originally indicated. The reduction in funding to BLM has resulted in a \$200,000 shortfall. State matching funds are required to maintain the current staffing level. Reduction in staff to meet the funding shortfall will compromise the State's ability to complete it's required tasks, within the designated timeframe to convey the remaining State entitlement under the Alaska Land Acceleration Transfer Act 108-452.

**Additional Project Background Information:**

The land entitlement granted to the state through the Statehood Act and other federal laws will result in the eventual transfer of over 105,000,000 acres to the state. To date, approximately 91,000,000 acres have been transferred. Of this 91 million acres, about 45 million acres have been surveyed and patented. These lands have provided Alaskans with land for the largest state park system in the nation, provided us with the rich oil fields of the North Slope that have brought billions of dollars into the state treasury and to individual Alaskans through the Permanent Fund Dividend Program, and have enabled the state to transfer hundreds of thousands of acres into private ownership through state land sale programs. The remaining 15 million entitlement acres to be transferred will further add to the state's overall wealth and prosperity. Final survey of the remaining 60 million unsurveyed acres will, more cost effectively, allow the state to use and develop its land and resources.

Alaskans including individual Native allottees, Native Corporations and the citizens of the state have waited too long for these federal land transfers to be completed. For example, the deadline for filing most Native allotments was 34 years ago, in 1971, yet thousands of allottees are still waiting for final approval of their allotments. Similarly, 34 years after the passage of the Alaska Native Claims Settlement Act (ANCSA), Native Corporations still await transfer of almost 10 million acres, and final survey and patent to many millions more acres. Finally, the state was promised over 105 million acres at Statehood in 1959, yet we still await the transfer of 15 million acres and the survey and patent of nearly 60 million acres.

The remaining entitlements, to all of these groups, significantly impede the use and development of the lands. Clearly, allottees cannot use lands they do not yet own, nor can the Native Corporations or the state close out their remaining entitlements until they know where the remaining individual Native allotments will be located. Each allottee is eligible for up to 160 acres. The resulting overall ownership uncertainty has a chilling effect on development in some areas of the state because secure land title is a fundamental prerequisite to development. Confusion about the eventual owner puts any significant exploration or investment on hold until the ownership is established. There are areas of the state where exploration or development -- with its benefits of revenue to the state, and jobs and income for our citizens -- awaits resolution of ownership. In some cases, even land ownership questions involving a small portion of an area can cause a delay on use of neighboring lands. In this way, the remaining entitlements hamper economic development across the state in a way that is disproportionately larger than the actual remaining acreage owed.

Resolving these entitlement issues will make land available to individual Alaskans for their personal use and enjoyment, and to the ANCSA Corporations and the state to encourage the use and development of Alaska's lands.