

State of Alaska FY2007 Governor's Operating Budget

Department of Natural Resources Title Acquisition & Defense Component Budget Summary

Component: Title Acquisition & Defense

Contribution to Department's Mission

To acquire, accept, convey, and defend title to land or an interest in land on behalf of the State of Alaska. This is a basic function of any state in the Union, but is particularly significant to Alaska as we received the largest land grant ever awarded to a state. Clear title is critical for Alaska's state land to support resource development, revenue generation, and to provide land for the settlement and the development of Alaska. Article VIII, Section 6 of the Constitution of Alaska sets forth the policy concerning natural resources, which reads: "State Public Domain...The legislature shall provide for the selection of lands granted to the State by the United States, and for the administration of the state public domain." The public expects that the state will acquire and defend its valuable assets of land and the associated resources the same as any prudent person would manage his or her own personal assets.

Core Services

This component funds five core services:

- 1) the acquisition of state land;
- 2) the transfer of land out of state ownership;
- 3) the defense of assertions against state ownership interests;
- 4) the production of title reports to facilitate resource development and land disposals; and
- 5) the creation and maintenance of hard copy and electronic records to document these actions.

These functions are performed by the Realty Services Section and the Public Access and Defense (PAAD) Unit of the DNR Division of Mining, Land and Water.

State land and its related resources such as timber, minerals and oil and gas form the economic base for the State of Alaska. At statehood, the U.S Congress granted Alaska up to 106.2 million acres of land under a variety of federal land entitlements. The state has yet to receive title to 15 million acres of this statehood entitlement and awaits survey by the federal government to over 60 million acres.

In addition to statehood entitlements the state acquires fee title or partial interests in other state lands by purchase, donation, escheat, condemnation and grants under special congressional legislation for public purposes such as public facilities, state parks and refuges. This also includes Exxon Valdez Oil Spill acquisitions. Acquisitions of less than fee title interest include surface easements, airspace easements, airport clear zone easements, leases, fish weir permits, conservation easements, equitable servitude, etc. These acquisitions are generally tracked under the Other State Land (OSL) and Limited State Holding (LSH) programs.

Additionally, under the equal footing doctrine, at Statehood Alaska received title to approximately 65 million acres of shorelands, tidelands, and submerged land, which includes land under inland waterbodies and marginal seas. Defending state title against challenges is a fundamental responsibility of the state. Realty Services and Public Access staff reviews all federal decisions involving land transfers to the state and conveyances to ANCSA corporations to ensure that state and public interests are protected. With regard to ANCSA conveyances, BLM decisions are reviewed to ensure that access to public land or water and state title is not compromised by the decision. Staff adjudicates requests from the federal government to reconvey lands wrongfully conveyed to the state in order to fulfill individual Native Allotment claims. Staff also responds to litigation like the past Mental Health Trust Lands Settlement and the current School Trust litigation. And finally, staff provide technical support to the Attorney General's Office when needed to file appeals to federal decisions or to respond to ownership challenges to state owned uplands, submerged lands and tidelands.

End Results	Strategies to Achieve Results
A: Acquire, defend, and maintain clear title to the land promised at Statehood.	A1: Acquire Land

<p><u>Target #1:</u> Each year, receive an additional 250,000 acres of the remaining entitlement of state land. <u>Measure #1:</u> Acres of state land entitlement received.</p> <p><u>Target #2:</u> Obtain 10 new Recordable Disclaimers of Interest from BLM to clear the cloud of title on state owned submerged land. <u>Measure #2:</u> Number of Recordable Disclaimers of Interest issued by BLM.</p>	<p><u>Target #1:</u> Each year, receive an additional 250,000 acres of the remaining entitlement of state land. <u>Measure #1:</u> Acres of state land entitlement received.</p> <p><u>Target #2:</u> Acquire approximately 5,000 acres of land for public purposes, through purchases, donations, exchanges or other means authorized under statute under the Other State Lands and Limited State Holdings programs. <u>Measure #2:</u> Total number of acres of land acquired for public purposes not part of original statehood entitlement.</p> <p>A2: Ensure clear title to state land proposed for development by producing title reports for state land.</p> <p><u>Target #1:</u> Provide title reports for approximately 400 parcels or tracts of state land proposed for oil and gas leasing or exploration. <u>Measure #1:</u> Number of title reports issued to support oil and gas leasing/exploration.</p> <p><u>Target #2:</u> Provide title reports for approximately 1,200 parcels of state land proposed for land sales, land lease, timber sales, and other development activities. <u>Measure #2:</u> Number of parcels affected by title reports prepared.</p> <p>A3: Facilitate the use and development of state land by preparing title documents (patents, deeds, etc.) to transfer title of state land to private individuals.</p> <p><u>Target #1:</u> Issue conveyance documents to all individuals (estimated 650) who have completed their purchase, municipalities once land is surveyed, and other parties. <u>Measure #1:</u> Number of conveyance documents issued.</p> <p>A4: Defend State's title to the land it owns, including land under tidal and navigable waters, and assert public's access rights.</p> <p><u>Target #1:</u> Review approximately 1,500 Native Allotment actions and 300 BLM ANCSA conveyance and ANCSA Section 17(b) access documents affecting state land and ensure that state land and public access issues are adequately dealt with. <u>Measure #1:</u> Number of BLM decision documents reviewed.</p> <p><u>Target #2:</u> Issue navigability determinations for 100% of those requested for disposal and use authorization purposes. <u>Measure #2:</u> Percentage of new navigability determination requests issued.</p> <p><u>Target #3:</u> Submit Recordable Disclaimers of Interest applications for 50 rivers and lakes combined to defend state title of the submerged land acquired at statehood.</p>
---	--

	<p><u>Measure #3:</u> Number of rivers and lakes for which DNR has applied for disclaimers.</p> <p>A5: Maintain records of State Ownership.</p> <p><u>Target #1:</u> Protect all existing state land title documents and establish files for all new documents.</p> <p><u>Measure #1:</u> Number of files maintained.</p>
--	--

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Review 400 BLM and other decisions regarding land transfers. • Negotiate conditions included in title documents. • Accept and record title documents for state. • Review and accept 150 title documents for the OSL program. • Prepare title reports for state oil and gas lease sales. • Prepare title reports for state land sales and leases. • Prepare title reports for state timber sales. 	<ul style="list-style-type: none"> • Prepare title report for all other state land actions. • Issue title documents for lands transferred out of state ownership (i.e. to municipalities and individuals) • Review all Federal Native Allotment actions that may impact state land title or public use and access. • Review all Federal land conveyance documents (primarily under ANCSA) to ensure that public access is reserved. • Support litigation in defense of state's land title. • Create, file, maintain and monitor use of files, all state land records (approx. 200,000 documents).

FY2007 Resources Allocated to Achieve Results							
<p>FY2007 Component Budget: \$2,347,500</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">25</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">25</td> </tr> </table>	Full time	25	Part time	0	Total	25
Full time	25						
Part time	0						
Total	25						

Performance Measure Detail

A: Result - Acquire, defend, and maintain clear title to the land promised at Statehood.

Target #1: Each year, receive an additional 250,000 acres of the remaining entitlement of state land.
Measure #1: Acres of state land entitlement received.

Number of acres received

Year	# Acres	Percent of Target
2002	252,451	101%
2003	473,625	189%
2004	102,695	41%
2005	29,009	12%
2006	2,491	1% 1st qtr

Analysis of results and challenges: FY05 Result: There was a negligible change to the states overall entitlement during FY05, because the state received less than 30,000 new acres. However, this decline was fully anticipated because BLM land transfer efforts are focused on resolving Native Allotments and ANCSA transfers.

The decline in acres received during FY04 and FY05 is consistent with the federal implementation of Public

Law 108-452, the Alaska Land Transfer Acceleration Act (ALTAA), passed December 10, 2004. In order to streamline the conveyance of lands to the state, the federal government must first resolve outstanding claims for the benefit of individual Native Allottees and ANCSA corporations that conflict with state selections. Resolving these conflicts will enable the federal government to capture final land ownership patterns and accelerate conveyance of the appropriate blocks of lands to the state. It is estimated that the number of acres to be conveyed to the state annually will dramatically increase in approximately FY08 making up for the shortages during FY04 and FY05. To date the state has acquired approximately 91 million acres of its statehood entitlements.

To date the state has acquired approximately 91 million acres of the 106 million acres to which it is entitled overall as a result of statehood and various other federal laws. This leaves an outstanding balance of approximately 15 million acres that the state has yet to receive. 250,000 acres a year represents approximately 2% of the states remaining unconveyed entitlement.

Target #2: Obtain 10 new Recordable Disclaimers of Interest from BLM to clear the cloud of title on state owned submerged land.

Measure #2: Number of Recordable Disclaimers of Interest issued by BLM.

Number of RDIs issued

Year	YTD Total	# Rivers Included	# Lakes Included
2004	1	5	0
2005	3	3	2
2006	3 -1st Qtr	7	9

Analysis of results and challenges: In 2004 the Bureau of Land Management created an administrative process for the state to file applications to receive Recordable Disclaimers of Interest in order to lift a cloud of title on the state-owned land under navigable waters. The Black River was the first disclaimer issued. Subsequently other disclaimers have been issued and many more applications submitted. By receiving the disclaimers, where the federal government confirms that it has no ownership interest under the waterbodies, the state creates a specific written record of ownership when viewed with the Alaska Statehood Act, Submerged Lands Act, and the Equal Footing Doctrine. We expect the rate of disclaimers issued will increase over the next year.

A1: Strategy - Acquire Land

Target #1: Each year, receive an additional 250,000 acres of the remaining entitlement of state land.

Measure #1: Acres of state land entitlement received.

Number of acres received

Year	# Acres acquired	Percent of Target
2002	252,451	101%
2003	473,625	189%
2004	102,695	41%
2005	29,009	12%
2006	2,491	1% 1st qtr

Analysis of results and challenges: FY05 Result: There was a negligible change to the states overall entitlement during FY05, because the state received less than 30,000 new acres. However, this decline was fully anticipated because BLM land transfer efforts are focused on resolving Native Allotments and ANCSA transfers.

The decline in acres received during FY04 and FY05 is consistent with the federal implementation of Public Law 108-452, the Alaska Land Transfer Acceleration Act (ALTAA), passed December 10, 2004. In order to streamline the conveyance of lands to the state, the federal government must first resolve outstanding claims for the benefit of individual Native Allottees and ANCSA corporations that conflict with state selections. Resolving these conflicts will enable the federal government to capture final land ownership patterns and accelerate conveyance of the appropriate blocks of lands to the state. It is estimated that the number of acres

to be conveyed to the state annually will dramatically increase in approximately FY08 making up for the shortages during FY04 and FY05. To date the state has acquired approximately 91 million acres of its statehood entitlements.

To date the state has acquired approximately 91 million acres of the 106 million acres to which it is entitled overall as a result of statehood and various other federal laws. This leaves an outstanding balance of approximately 15 million acres that the state has yet to receive. 250,000 acres a year represents approximately 2% of the states remaining unconveyed entitlement.

Target #2: Acquire approximately 5,000 acres of land for public purposes, through purchases, donations, exchanges or other means authorized under statute under the Other State Lands and Limited State Holdings programs.

Measure #2: Total number of acres of land acquired for public purposes not part of original statehood entitlement.

Year	YTD Total
2002	116,216
2003	262,890
2004	1,674
2005	8,185
2006	586

Analysis of results and challenges: OSL: 6,295 acres
LSH: 1,890 acres

FY06 1st Quarter: OSL acquisitions total 585 acres; LSH acquisitions total 1 acre

The Department has the authority to acquire lands for public purposes where appropriate to further its mission, however, each package varies dramatically in the number of acres and staff time it will require to complete. A single package can result in the acquisition of 10,000 or more acres one year, or several packages processed with the same staff resources may result in significantly less than 5,000 acres. The location and purpose intended for the lands are the primary criteria that drive how various acquisition opportunities are prioritized annually. The large numbers in FY02 & FY03 were due to Exxon Valdez Large Parcel Acquisitions.

A2: Strategy - Ensure clear title to state land proposed for development by producing title reports for state land.

Target #1: Provide title reports for approximately 400 parcels or tracts of state land proposed for oil and gas leasing or exploration.

Measure #1: Number of title reports issued to support oil and gas leasing/exploration.

Year	YTD Total
2002	384
2003	146
2004	565
2005	224
2006	52

Analysis of results and challenges: Several large Oil and Gas Lease Sale title reports are in progress, including the Healy Basin Exploration License, North Slope Foothills and Cook Inlet Area Wides.

Target #2: Provide title reports for approximately 1,200 parcels of state land proposed for land sales, land lease, timber sales, and other development activities.

Target #2: Provide title reports for approximately 1,200 parcels of state land proposed for land sales, land lease, timber sales, and other development activities.

Measure #2: Number of parcels affected by title reports prepared.

Year	YTD Total
2002	1,310
2003	556
2004	621
2005	648
2006	292

Analysis of results and challenges: Numbers reported for FY02 through FY05 reflect the number of title reports requested. It was necessary to change how this item was tracked beginning in FY06 because each title report can, and usually does, affect more than one parcel. In the 1st Qtr of FY06 132 reports were issued affecting 292 parcels.

There is a growing backlog of title requests that can not be addressed with existing staff. The work is prioritized with oil and gas lease sales and land sales being the highest priorities. The impact of not being able to issue title reports in a timely manner is that it slows down the cycle times for other authorizations issued by the division. In some cases it also causes additional title administration work if actions are taken in error with title encumbrances.

A3: Strategy - Facilitate the use and development of state land by preparing title documents (patents, deeds, etc.) to transfer title of state land to private individuals.

Target #1: Issue conveyance documents to all individuals (estimated 650) who have completed their purchase, municipalities once land is surveyed, and other parties.

Measure #1: Number of conveyance documents issued.

Year	YTD Total
2002	287
2003	457
2004	585
2005	466
2006	96

Analysis of results and challenges: FY05 Results, 94% (The actual number of conveyances requested for FY05 totaled 466).

436 Issued

30 Backlog

FY06 Results: 96 Conveyances issued, 1st Quarter

A4: Strategy - Defend State's title to the land it owns, including land under tidal and navigable waters, and assert public's access rights.

Target #1: Review approximately 1,500 Native Allotment actions and 300 BLM ANCSA conveyance and ANCSA Section 17(b) access documents affecting state land and ensure that state land and public access issues are adequately dealt with.

Measure #1: Number of BLM decision documents reviewed.

Year	YTD Total
2002	2959
2003	2270
2004	2155
2005	1371
2006	845

Analysis of results and challenges: FY05 Results
 Native Allotment Decisions: 1,034, 100%
 ANCSA Conveyance and 17(b) decisions: 337,100%

FY06 Results: 1st Quarter
 Native Allotment Decisions: 590
 ANCSA Conveyance and 17(b) decisions: 255

Target #2: Issue navigability determinations for 100% of those requested for disposal and use authorization purposes.

Measure #2: Percentage of new navigability determination requests issued.

Percentage of Determinations Issued

Year	# Requests Received	# Issued	YTD Total
2004	15	7	46%
2005	20	10	50%
2006	0	0	100%

Analysis of results and challenges: In FY05 we reorganized how we are processing state navigability determinations and added some new technical expertise in GIS. With the new structure we anticipate that we can keep up with the requests. In FY06 we expect that there will be at least 30 requests due to an increase in municipal entitlement decisions.

Target #3: Submit Recordable Disclaimers of Interest applications for 50 rivers and lakes combined to defend state title of the submerged land acquired at statehood.

Measure #3: Number of rivers and lakes for which DNR has applied for disclaimers.

YTD RDI Applications Submitted

Year	# RDI Appl'n Submitted	# Rivers Included	# Lakes Included
2004	6	10	11
2005	7	6	2
2006	5	3	2

Analysis of results and challenges: The division has been working with ADF&G and BLM to refine the RDI process and plan how to get more applications submitted in a format that will allow more expedited processing by BLM. It is expected that at least 50 waterbodies will be applied for in FY06. According to the procedures developed with BLM, before an application is submitted, historical research must be conducted, pre-application meetings and multi-agency information gathering meetings must be held. This requires full and planned cooperation of BLM staff to not only apply but to receive the disclaimers. Both ADF&G and division staff are becoming much more proficient in conducting the research and mapping requirements.

A5: Strategy - Maintain records of State Ownership.

Target #1: Protect all existing state land title documents and establish files for all new documents.

Measure #1: Number of files maintained.

Year	YTD Total
2002	199,083
2003	199,183
2004	199,500
2005	199,234

Analysis of results and challenges: This does not cumulate by quarter so it will be reported yearly.

Key Component Challenges

1. Accelerated Federal Land Transfer Program also referred to as the BLM 2009 Project. The US Bureau of Land Management (BLM) intends to continue to increase the rate of land transfers to the state. The accelerated rate of transfer was initiated in 2004, with an ambitious goal of largely fulfilling land transfers to ANCSA Corporations, Native Allottees and the state by 2009. This has significantly increased the annual workload of the DNR Realty Services Section.

DNR's focus during FY06 has continued to be the revision of state selection priorities. The state's land selection priorities are used to rank the land the state wishes to acquire from the federal government under its remaining statehood entitlements, and to convey that information to the BLM through a data set known as the Ownership Priority List (OPL). BLM then will transfer land to the state based on this priority list. Because approximately eight million acres of lands selected by the state are also selected by the ANCSA Corporations, the state must ensure that the final revised OPL reflects several million more acres than the state will actually receive. Some prioritized state selections will be rejected for those lands that are ultimately conveyed to the ANCSA Corporations.

The BLM's land transfer program is significantly complicated by the number of overlapping claims filed by the state, ANCSA Corporations, and Native Allottees. In order to most efficiently process these competing claims, the accelerated land transfer program must first resolve Native Allotment claims, second focus on ANCSA claims, and third resolve state selections. These priorities are largely driven by the federal laws that govern land transfers. As a result, much of the state's FY 06 and FY 07 efforts regarding the accelerated land transfer program are related to proposed transfers Native Allotments and ANCSA lands.

In FY06, the state responded to significantly increased numbers of BLM conveyance decisions for the benefit of ANCSA villages and regional corporations, decisions on easements and navigable waters, and requests for reconveyance of Native Allotments. During the past five years, BLM has transferred to DNR an average of 50,000 acres per year. That acreage fell off sharply during FY06 to less than 10,000 acres as focus was shifted to address the remaining Native Allotment and ANCSA Corporation which conflict with remaining state selections. Once the conflicted areas are resolved BLM intends to shift their efforts to increasing state conveyances to as much as 2 to 3 million acres per year, representing a 40-fold increase from past conveyance volumes. Much of the land that remains for transfer to the state is high value land that is subject to some type of encumbrance, withdrawal, or competing selection. These lands are more difficult and time consuming to adjudicate and resolve.

Two key elements of the accelerated federal land transfer program are changes to federal laws and increased federal funding for Alaska land transfer programs. Federal law (Public Law 108-452) that was signed into law on December 10, 2004 provided tools to resolve some of the remaining procedural obstacles and allowed for streamlining other aspects of the land transfer process. Funding for the state to participate in this effort is also critical to the success of this ambitious conveyance acceleration project. The federal government recognized this need and has agreed to provide funding so that the state can increase staff to respond to the anticipated workload of this comprehensive conveyance acceleration proposal. Staff increases funded by the federal grant were included in the FY 06 CIP budget.

2. Review of Easements under Sec. 17(b) of ANCSA. The Realty Services section and Public Access and Defense Unit are actively involved in the identification of easements that are reserved in federal conveyances to Native corporations. These easements provide access across private (ANCSA) land to public lands and public waters. There are three potential issues:

(A) Identification of New 17(b) Easements. The state needs to review all ANCSA conveyances to ensure that BLM adequately identifies and reserves easements for access to state and federal public lands and waters. The state is

often the only advocate for the public's access rights in the BLM land transfer process. This requires review of all proposed ANCSA conveyances and negotiation with BLM to ensure that easements are reserved.

(B) Management of 17(b) Easements. These easements are reserved to the United States. The federal Interior Department is pressuring the state to assume management of reserved easements that provide access to state lands and public waters. Management includes identifying the location of the easement on the ground, signing the easement to identify it to the public, explaining the allowed uses to the public, cleaning up trash, maintaining the easement through brushing and fixing muddy spots, maintaining bridges and culverts, and resolving trespass. The state's position is that the easements are reserved to the United States and it is their responsibility to manage these easements. However, the state recognizes that the number of access disputes the public is experiencing related to this project will continue to steadily increase with the BLM 2009 acceleration.

(C) Interruption or Termination of 17(b) Easements without dedication of alternative routes. As a result of BLM 2009 federal streamlining measures, prior state efforts to secure 17(b) easements across ANCSA lands are being negatively impacted by accelerated Native Allotment transfers. BLM is, in some cases, terminating or interrupting the previously agreed upon trail through the allotment certification process before any agreement is reached to ensure an alternative location around the allotment. However, the state's ability to adequately respond to these access disruptions within the allowable time frames has been severely strained by the number of requests submitted overall for review associated with BLM 2009.

3. Accelerated Municipal Entitlement Project. During FY06, Title Acquisition and Defense has devoted staff resources to the preparation of title reports for the benefit of the Municipal Entitlement Unit. These reports are necessary to ensure that the state can properly issue its written decisions as required by statute prior to conveying lands that have been selected by various organized areas across the state. Existing staff work to generate the title reports ahead of the decision issuance schedule between other projects. As more projects approved in FY06 are brought on line, the ability of TAD staff to absorb the workload associated with this project has become severely strained.

4. University Land Conveyance. Conveyance of approximately 250,000 acres of State Land to the University of Alaska to supplement the University's federal land grant was approved in FY06 under CSHB 130. DNR intends to hire a contractor, under the direction of a DNR project manager, to do much of the title work for this transfer. Title Acquisition and Defense is recruiting the project manager authorized under this legislation prior to pursuing the proceeding with a contract for staff services. Contract oversight and training to accomplish this project are expected to impact the component's ability to keep current with cyclic work demands for other essential title projects.

5. The School Trust Lands valuation and litigation is part of the Title Defense Project. The charge of a breach of trust is part of a larger litigation concerning funding of rural schools filed as *Kasayulie v. State of Alaska* Case No. 3AN-97-3782 CIV. The court ruled on the plaintiffs' Motion for Partial Summary Judgment on Breach of the School Lands Trust, finding two breaches of trust (1) the redesignation of school lands in 1978, and (2) the failure to value school lands in 1978. This case remains in litigation status. Resolution will require significant staff work, in a manner acceptable to the court once a course of action has been agreed upon by the parties and approved by the court. DNR staff work has been on hold pending further direction from the court.

6. Land Disposals. The anticipated acceleration of the Land Disposal program from 200 parcels to 300 parcels is scheduled for FY07. This work is funded through the Land Sales and Municipal Entitlement Component of the DNR budget, however, the land disposal program competes with the other projects within the Title Acquisition and Defense Section for title reports, issuance of deeds, and other essential services. With the number of new and expanded projects brought online by the department during FY06, the Title Acquisition and Defense component anticipates that meeting the land disposal targets will be a challenge. Additional staff needs have been identified to ensure that we are able to meet this accelerated land disposal objective by FY08.

Significant Changes in Results to be Delivered in FY2007

1. Accelerated Federal Land Transfer Project (BLM 2009 Project). In FY06, the state will be responding to significantly more federal decisions to transfer land to ANCSA Corporations, Native Allottees and the state as BLM accelerates its land transfers. This increased effort will affect all aspects of title acquisition section as well as navigability, submerged lands and upland access title defense issues. The state continues to work with BLM on procedural modifications as the workload accelerates and additional issues arise. Efforts taken continue the objective

of avoiding the conveyance problems of the past while ensuring that the Native Allotment and ANCSA Corporation decisions preserve the state's ability to receive clear, surveyed title to as much land as possible between now and 2009. Specific emphasis during FY07 will be on resolving the remaining Native Allotment issues affected existing state ownership, ensuring public access across the lands conveyed to ANCSA Corporations as their remaining entitlements are finalized, negotiating with ANCSA corporations to resolve competing land selections, and ensuring that the state receives clear and proper title as BLM increase land conveyances to the state . For more information, see description under "Key Component Challenges."

2. Navigability Disputes. In FY07, the Division expects to apply to BLM for Recordable Disclaimers of Interest for approximately 25 to 50 Navigable Waterbodies. For more information, see Navigability and RS 2477 Component.

3. University Land Conveyance. The Division expects to be implementing the University Land Conveyance in FY07. The pool of lands is agreed upon between the parties, the staff recruitment and contractual preparation for staff services to begin the conveyance process will be undertaken in FY06. Most of the land transfers are to be completed by FY 10.

Major Component Accomplishments in 2005

In addition to meeting its basic mission requirements the following special assignments were completed in FY05:

1. Land Transferred into state ownership – in FY05, the state received 29,009 acres from the federal government under its land grants.
2. Land Transferred out of state ownership – in FY05, DNR issued 442 deeds to transfer approximately 7,858 acres from state to private, municipal, and other ownerships. DNR also approved numerous additional land transfers (such as for municipal entitlements) but deeds cannot be issued until the land is surveyed.
3. DNR supported federal efforts to pass Congressional legislation (S.1466) to facilitate the Alaska Land Transfer Acceleration Act. The Act was passed December 10, 2004 and launched the BLM 2009 Project designed to complete the states remaining land entitlements. As part of this effort, DNR substantially completed the Ownership Prioritization Review of its remaining entitlement acres to ensure that the state receives the best lands possible under its remaining conveyances.

Statutory and Regulatory Authority

The Title Component operates under the following statutory authority:

Statutory

AS38.04.055

AS38.05.020(b)(8)

AS38.05.030(c) and (d)

AS38.05.035(a)(12)

AS38.05.035(b)(9)

AS38.05.035(e)(6)

AS38.05.127(a)(12)

AS38.50.090

AS38.50.150

AS38.95.210

Contact Information

Contact: Richard Mylius, Acting Director
Phone: (907) 269-8532
Fax: (907) 269-8904
E-mail: dickm@dnr.state.ak.us

**Title Acquisition & Defense
Component Financial Summary**

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,255.8	1,864.5	1,978.3
72000 Travel	3.0	11.7	11.7
73000 Services	120.6	391.2	327.4
74000 Commodities	84.5	30.1	30.1
75000 Capital Outlay	24.1	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,488.0	2,297.5	2,347.5
Funding Sources:			
1002 Federal Receipts	9.3	0.0	0.0
1004 General Fund Receipts	1,035.3	1,517.5	1,567.5
1007 Inter-Agency Receipts	10.6	50.0	50.0
1061 Capital Improvement Project Receipts	432.8	730.0	730.0
Funding Totals	1,488.0	2,297.5	2,347.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	9.3	0.0	0.0
Interagency Receipts	51015	10.6	50.0	50.0
Capital Improvement Project Receipts	51200	432.8	730.0	730.0
Restricted Total		452.7	780.0	780.0
Total Estimated Revenues		452.7	780.0	780.0

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	1,517.5	0.0	780.0	2,297.5
Adjustments which will continue current level of service:				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	34.3	0.0	0.0	34.3
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	4.7	0.0	0.0	4.7
-FY 07 Retirement Systems Cost Increase	62.9	0.0	0.0	62.9
Proposed budget decreases:				
-Second Year Fiscal Note: Univ Lands FSSLA2005 (HB130)	-63.8	0.0	0.0	-63.8
Proposed budget increases:				
-Risk Management Self-Insurance Funding Increase	11.9	0.0	0.0	11.9
FY2007 Governor	1,567.5	0.0	780.0	2,347.5

**Title Acquisition & Defense
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	25	25	Annual Salaries	1,279,822
Part-time	0	0	COLA	35,224
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	754,044
			<i>Less 4.39% Vacancy Factor</i>	<i>(90,790)</i>
			Lump Sum Premium Pay	0
Totals	25	25	Total Personal Services	1,978,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	1	0	0	0	1
Land Surveyor I	1	0	0	0	1
Natural Resource Mgr I	3	0	0	0	3
Natural Resource Mgr II	2	0	0	0	2
Natural Resource Mgr III	2	0	0	0	2
Natural Resource Spec I	5	0	0	0	5
Natural Resource Spec II	5	1	0	0	6
Natural Resource Spec III	3	0	0	0	3
Natural Resource Tech II	2	0	0	0	2
Totals	24	1	0	0	25