

**State of Alaska
FY2003 Governor's Operating Budget**

**Department of Natural Resources
Forest Management and Development
BRU/Component Budget Summary**

BRU/Component: Forest Management and Development

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

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Component Mission

Develop, conserve, enhance, and manage the state's forests to provide a sustainable supply of forest resources for Alaska and to manage the wildland fire suppression program.

Component Services Provided

This component provides for delivery of services in the wildland fire preparedness, forest resource management, forest practices, and federal cooperative forestry programs.

The wildland fire preparedness program provides personnel, fire training, equipment, facilities and support activities to prepare for Alaska's wildland fire season.

The forest resource management program provides a sustained yield of forest resources and uses on legislatively designated State Forests and other forested state land. This program sells timber to the private sector and creates jobs through value-added processing, harvesting, transportation, and replanting. It inspects harvest operations for compliance with state laws and contracts and involves the public and other agencies in forest management decisions. This program also maintains and enhances wildlife habitat that supports personal and guided hunting, and provides sites for commercial tourism and private recreation.

The forest practices program administers the Forest Resources and Practices Act (FRPA) on state, municipal, trust, and private lands. The Act and program are designed to protect fish habitat and water quality, ensure prompt reforestation, and provide for a healthy timber industry. The FRPA sustains the fish and forest resources that support jobs in the timber and commercial fishing industries. The program implements, monitors, and enforces best management practices for forest operations. The program focuses on private and trust lands where extensive harvesting is occurring.

The federal cooperative forestry program uses USFS funds to provide forestry assistance to private landowners, Native corporations, and communities. DOF delivers these services through its urban and community forestry, insect and disease suppression, conservation and Firewise education, and forest stewardship staff. These funds do not supplant general funds or duplicate state projects, but provide specialized professional expertise and public outreach.

Component Goals and Strategies

The goals are to deliver the individual program services efficiently and effectively; and to support the Governor's goal of jobs for Alaskans through responsible management and development of the state's renewable resources. Strategies are tailored to each specific program as follows:

The wildland fire preparedness program supports the Governor's emphasis on public health and safety by providing for wildland fire preparedness and fire prevention services. The Division maintains 57 cooperative agreements with local government and structure fire departments to augment its initial attack capabilities in the populated areas of the state. Joint training and exercises with cooperators in wildland/urban interface response are critical to ensure rapid coordinated responses. Evacuation Guidelines have been developed through a cooperative effort by a number of agencies over the past year. This program also supports municipal and local initiatives such as Project Impact (emergency preparedness and wildland fire), FIREWISE and the Kenai Peninsula Spruce Bark Beetle Project providing pre-planning for evacuation, fire "safe" zones, hazard fuels mitigation and survivable space homeowner education.

The forest resource management program supports the Governor's long-term goals of a sustainable forest, jobs for Alaskans, and in-state value-added processing of wood fiber. The FY 03 goal is to offer 45.9 million board feet (MMBF) of timber, comprised of 44.6 MMBF from this component and the remainder from CIP funding. Strategies will vary by geographic area and market demand. The market for forest products directly affects the demand for timber sales. In Southeast Alaska, timber sales in a range of sizes will be offered for local, value-added processing. This strategy allows the state to play an important role in the local economy, despite having a limited land base. The Tanana Valley State Forest Plan update, which was completed in the first quarter of FY 02, provides a sound basis for management decisions based upon public input and resource sustainability, and allows an increase in the allowable cut for state land. We will continue to offer a variety of sales to support local processors and enhance wildlife habitat in the Tanana Valley. In South central Alaska, the department will offer sales to support local processors, enhance wildlife habitat, and where feasible, salvage beetle-killed timber to reduce wildfire hazards, accelerate reforestation and defray reforestation costs, and obtain economic benefits from the wood. DNR received an FY02 increment in program receipt funding for reduction of barriers to value-added timber sales. In FY02, this funding is being used to build and maintain sale access in the Tanana Valley, reduce the reforestation backlog and defray reforestation costs, provide information to match sale areas with local processors in southeast Alaska, and to layout and administer value-added sales in several areas. This activity supports a projected increase in value-added sale offerings in FY02. DNR is requesting a \$50.0 increment to these timber receipt funds for FY 03 to expand this program.

The forest practices program supports the Governor's goal of sustaining the forest and fishing industries by protecting water quality and fish habitat, and ensuring prompt reforestation. It also improves efficiency for the forest industry by providing one-stop shopping for compliance with federal Clean Water Act and coastal zone management requirements. This program reviews detailed plans of operation, works with operators during on-site inspections, provides training for operators and landowners, conducts implementation monitoring, and when necessary, enforces the Act's provisions to ensure protection of water quality and fish habitat. Implementation actions focus on private and trust lands. A primary goal for FY 03 is to adopt updated riparian standards and best management practices (BMPs) for Interior Alaska. HB 131 was introduced in 2001 to implement the consensus recommendations of a science and technical committee, a stakeholders implementation group, and the Board of Forestry. A similar process to review and update the riparian standards for south central Alaska will start in FY 02. The forest practices program will provide training for operators and landowners when the new provisions take effect. Scientific monitoring of BMP implementation will identify practices for which training is needed, or where revision is appropriate.

Federal cooperative forestry programs support the Governor's initiative in the spruce bark beetle program, health, public safety, and jobs for Alaskans. Community Forestry, Forest Stewardship, Rural Community Fire Protection, Volunteer Fire Assistance (VFA) grants, and Insect/Disease programs provide direct assistance to local governments, individual Alaskans, Native corporations, and communities. DOF anticipates increases in federal funding for these programs in Alaska; additional funding will be directed toward state and municipal goals, including reduction of wildfire hazards and reforestation in the wildland-urban interface

Key Component Issues for FY2002 – 2003

In Southeast Alaska, demand for wood from state land continues to be strong. Continued decreases in the wood supply from the Tongass National Forest create additional pressure for sales from the small area of southeast forest land in state ownership. Supplying wood for small to mid-size wood processors is a high priority. The information base for active management of these lands is weak. There is no timber inventory for most state timberland in southeast Alaska, and inventory is the cornerstone of sound, sustainable forest management.

In South central and Interior Alaska, weak markets limited demand for state timber in FY 02, particularly for salvage sales in areas with spruce bark beetle infestations. In the Interior, demand is primarily from small, local processors. The Division is a major supplier for these operations, and is also working to provide opportunities for new processors through preparation of larger sales for value-added processing.

Reforestation costs in this area further reduce timber demand in South central and Interior Alaska, especially for timber salvage. However, reforestation is essential to maintaining forest resources in these regions. The department reduces reforestation costs to the state by relying on natural regeneration where feasible, and requiring operators to provide site preparation and replanting on some sales. However, small operators rarely have the capital or expertise for effective reforestation. Without state support, reforestation costs can be a barrier to timber purchases for value-added processors. Reforestation funding is essential to stability in the state timber sale program and in local value-added processing operations. A portion of the FY02 increment for removing barriers to value-added timber sales will be used to

reduce reforestation costs. In spruce bark beetle infestation areas, reforestation also helps reduce wildfire hazards by decreasing grass cover.

Throughout the state, limited transportation infrastructure also hampers forest operations. The state incorporates the cost of road construction and maintenance into timber sale purchases whenever possible. However, costs of bridges and roads that provide long-term access to large forest management areas are often greater than individual sales, especially small sales to local operators, can bear. Funding for key bridges and road segments could expand the area available for forest management, and provide secondary benefits for other forest users. A portion of the FY02 increment for removing barriers to value-added timber sales will be used for access development.

Alaska's population continues to move into the urban interface areas of the state increasing the potential for more human-caused wildland fires. Wildland fires in the populated areas are the most costly and difficult to suppress. An aggressive wildland fire prevention program with continued focus on the survivable space and FIREWISE concepts is essential to reducing the human-caused wildland fire problem. Firefighters and resources available for rapid initial attack in the urban interface can be very effective in keeping new fires small. The same resources can also be effective in prevention activities, in reducing the number of fires that result from human actions.

The threat of a catastrophic wildland fire exacerbated by the buildup of bark beetle killed timber will be an issue for years to come. There are several areas with large stands of dead and down timber that have the potential to impact private land in the urban interface. Local government fire departments and structure fire departments need to be adequately trained in wildland fire suppression. Continued cooperation and coordination in initial attack will help reduce the potential for catastrophic fire events due to the buildup of hazard fuels. DNR is proposing as a supplemental request the reappropriation of an existing timber salvage CIP for the Kenai area (SLA97/CH50/Sec15(k)). The reappropriation only changes the scope of the project to allow the division to target salvage to reduce fire hazards and defray reforestation costs that are a barrier for some sales. The original CIP specified that the funds be used on four large salvage sales that are not economically feasible in the current market.

Climatic change creating an earlier fire season and increased urban interface wildland fire occurrence has decreased the amount of time available for preseason training of the Divisions firefighters. Firefighters are being pulled from training each year to fight fires, creating a cumulative problem. A critical level has been reached that affects our ability to maintain a core readiness.

The Division's Wildland Fire Management Program consists of two components. This component funds wildland fire preparedness and the Fire Suppression Component funds actual fire suppression actions. The annual cost of wildland fire suppression over the last ten years has consistently exceeded budget funding. This has been recognized by both the administration and legislature and additional funding has been received through the use of the emergency declaration process and supplemental appropriations.

Major Component Accomplishments in 2001

Forest Resource Management. DNR continued to emphasis support of local value-added processors in its timber sale program. In FY 01, DNR:

- Offered 32.5 million board feet of timber were offered for sale,
- Sold 56 timber sales to local processors, and
- Planted trees on 1,671 acres to ensure that the supply of forest resources is sustained for the future.

Since FY97, this program has sold more than 240 timber sales totaling over 80 million board feet of state timber to more than 120 in-state processors (see table).

Area	Number of state timber sales to Alaskan businesses					Total FY97-01	# Different Purchasers
	FY 97	FY 98	FY 99	FY 00	FY 01		
Southern SE	17	25	14	13	6	75	36
Northern SE	1	7	1	5	13	27	15
Kenai-Kodiak	0	0	1	4	0	5	4
MatSu/SW	4	2	1	4	6	17	10

Fairbanks	21	10	10	19	21	81	46
Delta	7	7	4	10	8	36	14
Tok	0	0	1	4	2	7	6
Statewide Total	50	51	32	59	56	248	128

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.

Forest Practices. DNR continued to ensure that forest resources, clean water, and fish habitat are maintained through implementation of the Forest Resources and Practices Act. In 2000, DNR

- Conducted timely review of 137 new Detailed Plans of Operation covering 47,225 acres and 174 miles of forest road.
- Conducted 187 field inspections on forest operations
- Provided training to landowners and operators for implementation of the revisions to the FRPA that were passed in 1999.
- Led and completed a review of riparian management standards for Interior Alaska. A Science/Technical Committee and the Board of Forestry recommended changes to the FRPA for interior Alaska. HB 131 was introduced to implement these recommendations.
- Conducted implementation monitoring was conducted in Regions I & II to measure compliance with best management practices.
- Completed research on the dynamics of the Tanana River to assess effects of forest cover on erosion and fish habitat along large glacial rivers.

Fire Preparedness. This program ensured that the department and its cooperators were prepared to effectively and efficiently respond to wildfire in the state protection area, and strove to prevent human-caused fires. In FY 01, DNR

- Provided ICS physical fitness test to 1669 forestry, EFF, VFD, and local government firefighters,
- Issued red cards to 1851 forestry, EFF, VFD, and local government firefighters,
- Provided fireline refresher training to 1669 forestry, EFF, VFD, and local government firefighters,
- Trained 575 EFF firefighters to be utilized on village EFF crews,
- Maintained 57 cooperative agreements with local government and volunteer fire departments,
- Gave 100 school wildland fire prevention programs,
- Protected 134 million acres of land from wildland fire, and
- Contained 97% of all wildland fires in full and critical protection areas within 10 acres.

Cooperative Forestry. The Cooperative Forestry programs used federal funds to assist private forest landowners in developing and implementing plans to manage their forest resources, provided information on insect and disease conditions to agencies and private landowners, assisted communities in assessing and managing their tree resources, and provided conservation education programs to teachers and organizations. In FY01, these programs

- 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 \$131,282 in grants to 6 ANCSA corporations for forest stewardship plans on 30,022 acres, and
- Completed 37 forest stewardship plans for individual landowners on 2,399 acres.

Statutory and Regulatory Authority

Forest Resource Management

- AS 38.04.060-065
- AS 38.05.035, .110-.123, .945
- AS 41.15.300-.330
- AS 41.17.020-.030, .060, .200-.400
- AS 45.50.210-.325
- 11 AAC 05
- 11 AAC 71

Forest Practices

- AS 41.17

11 AAC 95

Cooperative Forestry Programs
AS 41.15.020-.030
AS 41.17.030-.055

Preparedness
AS 41.15.010-.170
11 AAC 95.410-.495

Key Performance Measures for FY2003

Measure:

The level of compliance with AS 41.17 (Forest Resources and Practices Act).
Sec 110(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Targets

- 100% Detailed Plans of Operations (DPOs) reviewed timely (report the # reviewed timely/# due for review in this year)
- 100% compliance with FRPA best management practices based on implementation monitoring (Note: data is available for Regions I and II only)
- 100% of forest land meeting reforestation requirements
-

Progress

On track for review of DPOs. The most recent implementation monitoring data is for 1999 sampling in Region I (coastal Alaska). Overall compliance with best management practices was 92% for road construction and maintenance, and material and disposal sites; 85% for crossing structures; and 95% for harvesting. Data for 2001 sampling in Region I and Region II (south central Alaska) is currently being analyzed. Reforestation compliance is 100% in Region I. In Region II and Region III some lands are out of compliance, particularly in areas with low value timber and high costs of reforestation. DNR is working with landowners to achieve compliance on these lands and improve tracking of reforestation on private land.

Benchmark Comparisons:

Forest Resources and Practices Act (FRPA) continues to be certified for compliance with federal Clean Water Act and Coastal Zone Management requirements

Background and Strategies:

The FRPA supports the timber and fishing industries by protecting fish habitat and water quality, and providing one-stop shopping to the timber industry for compliance with federal clean water and coastal zone standards. Strategies include reviewing DPOs timely, increasing the ratio of inspections to DPOs received, training landowners and operators in implementation, updating riparian management standards for Interior Alaska (HB 131) and South central Alaska, expanding implementation monitoring statewide, reviewing and improving procedures for documenting reforestation in Interior Alaska, and if violations occur, working with directives and other enforcement actions to correct any problems.

Measure:

The annual volume of state timber sold as compared to the amount offered for sale.
Sec 110(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Targets

- 45.9 MMBF offered (including re-offers and over-the-counter sales). This includes 44.6 MMBF from the operating budget and 1.6 MMBF from CIP sales.
- 40.8 MMBF sold
-

Progress

DNR offered 32.5 MMBF for sale in FY01, and sold 7.7 MMBF. Sales were considerably below offerings in northern southeast Alaska, on the Kenai Peninsula, and in the Fairbanks area due to weak markets, especially for salvage timber in spruce beetle areas.

Benchmark Comparisons:

There is no benchmark 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.

Where feasible, the department also offers salvage sales of timber damaged by fire, bark beetles, or other pests. Salvage sales are designed to reduce wildfire hazards, accelerate reforestation and defray its cost, and capture economic value before the wood decays. Salvage timber may be used locally or exported. The projected volume of sales is somewhat less than the total volume of timber offered because markets are weak for salvage sales, particularly over-the-counter sales and re-offers. However, DNR wants to keep salvage timber offerings available to achieve the benefits of harvesting and reforestation where possible.

DNR projects that FY03 offerings and sales will be greater than the FY01 results. The increase reflects additional offerings in Southern Southeast Alaska, where demand exceeds supply, offering of a large value-added sale near Tok (AS 38.0.123), and significant over-the-counter offerings and re-offers of unsold timber in Northern Southeast and the Copper River areas. This increase is also supported by the FY02 increment in program receipt funding for removing barriers to value-added sales.

There is no standard performance level for this target. Sale levels depend on the sustainable harvest level in each area, timber type and condition, and markets. State sales vary by area. For example, in Southern Southeast Alaska, DNR plans to offer the full allowable cut for sale, and demand exceeds supply. In Interior Alaska, state timber offerings exceed current demand. Unsold sales continue to be available over-the-counter.

Measure:

The acreage of

- (A) state forest land with active insect infestations or diseases;
- (B) infested or diseased timber offered for sale on state land; and
- (C) infested or diseased timber sold on state land.

Sec 110(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Targets

1,421 acres of infested or diseased timber offered for sale on state land

1,218 acres of infested or diseased timber sold on state land

Progress

In FY 01, 1,853 acres of beetle-killed or infested timber was offered for sale in the Haines and Kenai areas, but only 52 acres were sold due to weak markets for salvage timber. Even at a sale price of \$1/MBF, many sales have no purchasers. DNR continues to offer salvage timber for sale. Since FY94, in the Kenai area alone, 10,892 acres of infested timber have been offered for sale, and 10,348 acres have been purchased. However, not all of the purchased timber has been harvested, and some unharvested sales have been returned to the state, were re-offered, and were not purchased.

Benchmark Comparisons:

There is no benchmark for this measure.

Background and Strategies:

Where feasible, the department offers salvage sales of infested or diseased timber. Salvage sales are designed to reduce wildfire hazards, accelerate reforestation and defray its cost, and capture economic value before the wood decays. Salvage timber may be used locally or exported. In recent years, weak markets for timber, especially beetle-killed timber – have been weak and many salvage sales had no bidders. Unsold offerings continue to be available over-the-counter or are re-offered.

There is no target for the acreage of infested or diseased land. The extent of infestations is largely controlled by climate and stand condition. Many infested forests are in parts of the state that have no road access or commercial markets, and are not actively managed.

The projected acreage of timber sold is somewhat less than the total acreage offered because markets are weak for salvage sales, particularly over-the-counter sales and re-offers. However, DNR wants to keep salvage timber offerings available to achieve the benefits of harvesting and reforestation where possible. For FY03, DNR is requesting that the intent of an existing timber salvage CIP for the Kenai area be changed to allow us to target salvage to reduce fire hazards and defray reforestation costs that are a barrier for some sales. The original CIP specified that the funds be used on four large salvage sales that are not economically feasible in the current market.

There is no standard for the amount of infested or diseased timber offered or sold. Amounts offered and sold depend on the extent, location, and type of infestations and the market demand for the infested timber. Markets for infested timber are weak, reflecting both generally weak markets for Alaskan timber, especially in interior and south central Alaska, and reduced value of infested timber.

Measure:

The annual volume of state timber offered for in-state companies and converted to value-added products. Sec 110(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Target:

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

Progress:

From FY97 through FY01, DNR sold over 240 timber sales to more than 120 different in-state purchasers to be processed wholly or partially in-state. These sales totaled over 80 MMBF of timber (see table).

Area	Number of state timber sales to Alaskan businesses					Total FY97-01	# Different Purchasers
	FY 97	FY 98	FY 99	FY 00	FY 01		
Southern SE	17	25	14	13	6	75	36
Northern SE	1	7	1	5	13	27	15
Kenai-Kodiak	0	0	1	4	0	5	4
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Delta	7	7	4	10	8	36	14
Tok	0	0	1	4	2	7	6
Statewide Total	50	51	32	59	56	248	128

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.

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, all offerings were sold. In most 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.

Measure:

The total costs to the division per board foot sold.
Sec 110(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Target:

\$20.80/MBF offered for in-state companies and converted value-added products.

Progress:

Projected costs for FY03 are slightly higher than those for FY02 due to a slight increase in the proportion of timber expected to be sold from south central where sale preparation costs/MBF are higher due to low volumes per acre. In SE small sizes don't require advertising or Forest Land Use Plans.

Benchmark Comparisons:

There is no standard for this measure.

Background and Strategies:

DNR strives for efficiency in the preparation, sale, administration, and reforestation of timber sales. Improvements in technology, such as increased use of GPS systems and links between GPS use and GIS mapping are used to increase per capita productivity over the years. To keep costs down, personnel from different area offices are combined into layout teams to prepare high priority sales, and cross-training between fire and forest management staff allows use of seasonal fire staff to assist on timber sale projects when available.

Costs per MBF sold will vary by available access, topography, timber type, sale size, reforestation needs, and market fluctuations. Annual figures on the amount of timber sold are also complex because some costs occur prior to the sale year (e.g., layout, planning, and advertising), and some costs occur after the sale year (e.g., contract administration and reforestation). In weak markets some timber offered for sale will not be purchased at the initial offering, but may be purchased over-the-counter over the next two years. For these reasons, figures on cost/MBF sold should be considered rough numbers, and changes in the number are likely to reflect changes in markets, sale size, or location rather than changes in operating efficiency. The department's emphasis on providing wood for local, value-added processors, increases some costs, because most processors are small operations, and their demand is for small sales. Small sales cost more per unit volume to offer and administer than large sales.

The projected cost/MBF is an average statewide figure. Actual cost will vary by the location, access, sale size, and volume/acre of sales that are actually purchased. This figure includes costs of sale design and road layout, mapping, cruising, appraisal, contract preparation and administration; preparation and distribution of Forest Land Use Plans, Coastal Consistency Determinations, and best interest findings; and auction costs, including advertising. It does not include overhead costs or reforestation and thinning costs, which are part of basic, long-term forest stewardship, and are not attributable to individual sales. Costs are estimated based on typical sale costs rather than by time logs for each sale.

Measure:

The number of fires that result from human actions, whether as a function of population growth or other causes.
Sec 110(b)(6) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Target

Reduce human caused fires in the state's protection area. In fire season 2000, 260 of the 299 fires were human-caused.

Progress

On track -- so far in FY 02, 42 fires have been reported, of which 38 are human caused.

This is a reduction of the number of human caused fires from fire season 1999 which was 302 human caused fires.

Benchmark Comparisons:

There is no benchmark for this measure.

Background and Strategies:

Humans cause approximately 84 percent of the wild land fires occurring each season in the Division's protection area. Strategies include maintaining an aggressive wildland fire prevention program and continued support of the survivable space and FIREWISE concepts in an effort to reduce the overall percentage of human-caused fires.

Measure:

The percentage of fires in full and critical protection categories that are held to less than 10 acres.
Sec 110(b)(7) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Target:

Contain 90% of fires in full and critical protection categories at 10 acres or less.

Progress:

First quarter FY02 on track. In fire season 2001, 271 of 277 fires (99%) of fires in full and critical protection were kept to 10 acres or less. In fire season 2000, 236 of 241 fires (98%) reached the target.

Benchmark Comparisons:

There is no benchmark for this measure.

Background and Strategies:

The Division of Forestry responds to an average of 423 wildland fires annually in its protection area with the exact number and location being unknowns. The most cost-effective response requires adequate preparedness and coordination with the Division's numerous cooperators. The occurrence of wildland/urban interface fires will continue to increase as the population moves to the wooded areas of the state, climatic changes result in longer fire seasons, and serious insect/disease infestations add to the hazardous fuels problem.

Strategies include providing immediate, aggressive initial attack in coordination with cooperating local government, structure fire departments and federal agencies. This strategy includes creating and maintaining cooperative agreements to enhance initial attack response effectiveness. Additional strategies include media coverage of fires to expand public awareness of the impact of human caused fires, support of fire prevention activities, and increased public education on how to create survivable space around private property.

Forest Management and Development
Component Financial Summary

All dollars in thousands

Non-Formula Program:	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Component Expenditures:			
71000 Personal Services	7,800.4	6,670.6	7,046.9
72000 Travel	421.2	219.7	220.2
73000 Contractual	1,097.2	1,445.3	1,485.3
74000 Supplies	517.9	549.6	553.1
75000 Equipment	228.6	50.5	50.5
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	10,065.3	8,935.7	9,356.0
Funding Sources:			
1002 Federal Receipts	867.3	1,161.9	1,175.4
1004 General Fund Receipts	6,957.3	7,020.1	7,133.2
1005 General Fund/Program Receipts	13.7	0.0	0.0
1007 Inter-Agency Receipts	2,058.3	155.6	218.4
1053 Investment Loss Trust Fund	45.7	0.0	0.0
1061 Capital Improvement Project Receipts	105.2	288.1	468.3
1108 Statutory Designated Program Receipts	17.8	30.0	30.0
1155 Timber Sale Receipts	0.0	280.0	330.7
Funding Totals	10,065.3	8,935.7	9,356.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
Timber Sale Receipts	51076	0.0	0.0	50.0	0.0	20.0
Unrestricted Fund	68515	448.1	11.0	11.5	11.5	11.5
Unrestricted Total		448.1	11.0	61.5	11.5	31.5
Restricted Revenues						
Federal Receipts	51010	867.3	1,161.9	1,161.9	1,175.4	1,174.9
Interagency Receipts	51015	2,058.3	155.6	783.0	218.4	218.4
General Fund Program Receipts	51060	13.7	0.0	0.0	0.0	0.0
Statutory Designated Program Receipts	51063	17.8	30.0	20.4	30.0	30.0
Timber Sale Receipts	51076	0.0	280.0	280.0	330.7	330.7
Capital Improvement Project Receipts	51200	105.2	288.1	345.5	468.3	468.3
Restricted Total		3,062.3	1,915.6	2,590.8	2,222.8	2,222.3
Total Estimated Revenues		3,510.4	1,926.6	2,652.3	2,234.3	2,253.8

Forest Management and Development

Proposed Changes in Levels of Service for FY2003

Component service changes are proposed with the following increments:

Overcoming Barriers to Value-Added Timber Sales - \$50.0 funded by Timber Sale Receipts

This increment would expand the successful efforts begun in FY 02 to support and increase timber sale offerings for in-state, value-added processing. It would pay for a mix of road and bridge construction, reforestation, thinning, and timber sale preparation. A typical mix of annual accomplishments provided by this increment would include reforestation of about 100 additional acres in south central and interior Alaska, and 25 more acres of pre-commercial thinning (also called timber stand improvement) in dense, productive forests in southeast Alaska. It would also construct river and railroad crossings, and establish central haul roads. This effort would open or maintain areas for multiple timber sales where individual sales cannot pay the capital costs for regional access. Reforestation tasks include site preparation, seedling purchases, and planting. The increment is less than the total reforestation cost. DNR will continue to use natural regeneration to keep down reforestation costs where feasible, and will continue to include costs of reforestation in timber sale contracts where the sale can bear the cost and the purchasers have the expertise to replant successfully.

Federally Funded Hazard Fuels Assessment and Mitigation - \$230.0 (\$170.0 CIP, \$60.0 I/A)

This increment uses federally funded project receipts to identify wildfire hazard zones, prioritize future hazard fuel mitigation, perform multi-resource stewardship planning, develop fuel use pilot projects, develop community planning for fire, equip volunteer fire departments, and provide infrastructure mapping and fuel classifications. The federally funded projects involve participation with federal, state, and cooperative agencies and expand reporting of land ownership, road coverage, insect infestation, and unidentified airstrips. The projects accomplished with this increment will afford us greater accuracy in our prevention and suppression actions, reduce response time, reduce loss of property, and lower suppression costs.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	7,020.1	1,161.9	753.7	8,935.7
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	113.1	13.5	13.7	140.3
Proposed budget increases:				
-Overcoming Barriers to Value-Added Timber Sales	0.0	0.0	50.0	50.0
-Federally Funded Hazard Fuels Assessment and Mitigation Projects	0.0	0.0	230.0	230.0
FY2003 Governor	7,133.2	1,175.4	1,047.4	9,356.0

Forest Management and Development

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2002</u> <u>Authorized</u>	<u>FY2003</u> <u>Governor</u>		
Full-time	60	64	Annual Salaries	5,423,615
Part-time	117	116	COLA	107,215
Nonpermanent	12	12	Premium Pay	6,953
			Annual Benefits	2,022,133
			<i>Less 6.79% Vacancy Factor</i>	(513,016)
			Lump Sum Premium Pay	0
Totals	189	192	Total Personal Services	7,046,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk II	0	0	0	1	1
Accounting Tech I	0	1	0	0	1
Accounting Tech II	1	0	0	0	1
Administrative Assistant	0	0	1	0	1
Administrative Clerk II	0	1	0	0	1
Administrative Clerk III	1	1	0	7	9
Administrative Manager I	0	1	0	1	2
Administrative Manager IV	1	0	0	0	1
Analyst/Programmer II	0	1	0	1	2
Analyst/Programmer III	1	1	0	0	2
Analyst/Programmer IV	0	1	0	0	1
Division Director	1	0	0	0	1
Education Assoc II	1	0	0	0	1
Emergency Management Assistant	1	0	0	0	1
Emergency Management Spec	1	0	0	0	1
Equip Operator Journey II	0	1	0	0	1
Forest Tech II	0	6	0	13	19
Forest Tech III	0	12	0	34	46
Forest Tech IV	0	8	0	19	27
Forester I	1	3	0	2	6
Forester II	1	5	0	12	18
Forester III	1	3	2	8	14
Forester IV	0	2	0	2	4
Forester V	0	1	1	0	2
Information Officer I	1	0	0	0	1
Maint Gen Journey	1	1	0	2	4
Maint Gen Sub - Journey II	0	0	0	2	2
Maint Spec Bfc Jrny II/Lead	1	1	0	0	2
Mech Auto Journey	2	1	0	0	3
Natural Resource Mgr I	1	0	0	0	1
Natural Resource Mgr II	0	1	0	0	1
Natural Resource Mgr IV	2	0	0	0	2
Procurement Spec III	1	0	0	0	1
Student Intern I	12	0	0	0	12
Totals	32	52	4	104	192