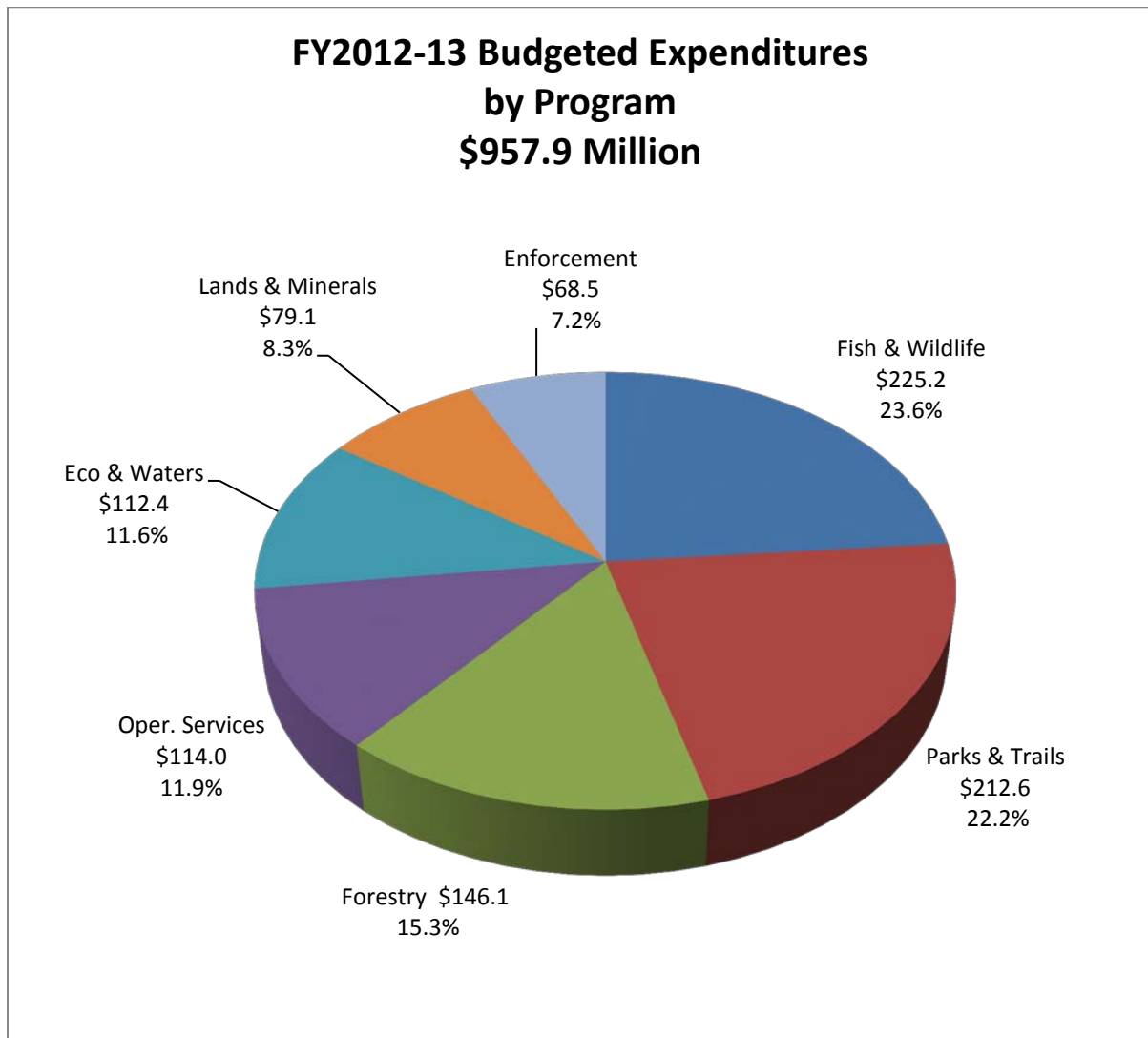


**DNR FY 2012-13 Budget
2012 Legislative Session**

Where Funds are Spent

The DNR is organized into seven operating divisions, or programs, for managing where funds are spent. The Divisions are Lands and Minerals, Ecological and Water Resources, Forestry, Parks and Trails, Fish and Wildlife, Enforcement, and Operations Services.

The DNR's funding in FY 2012-13 for each program is shown below.

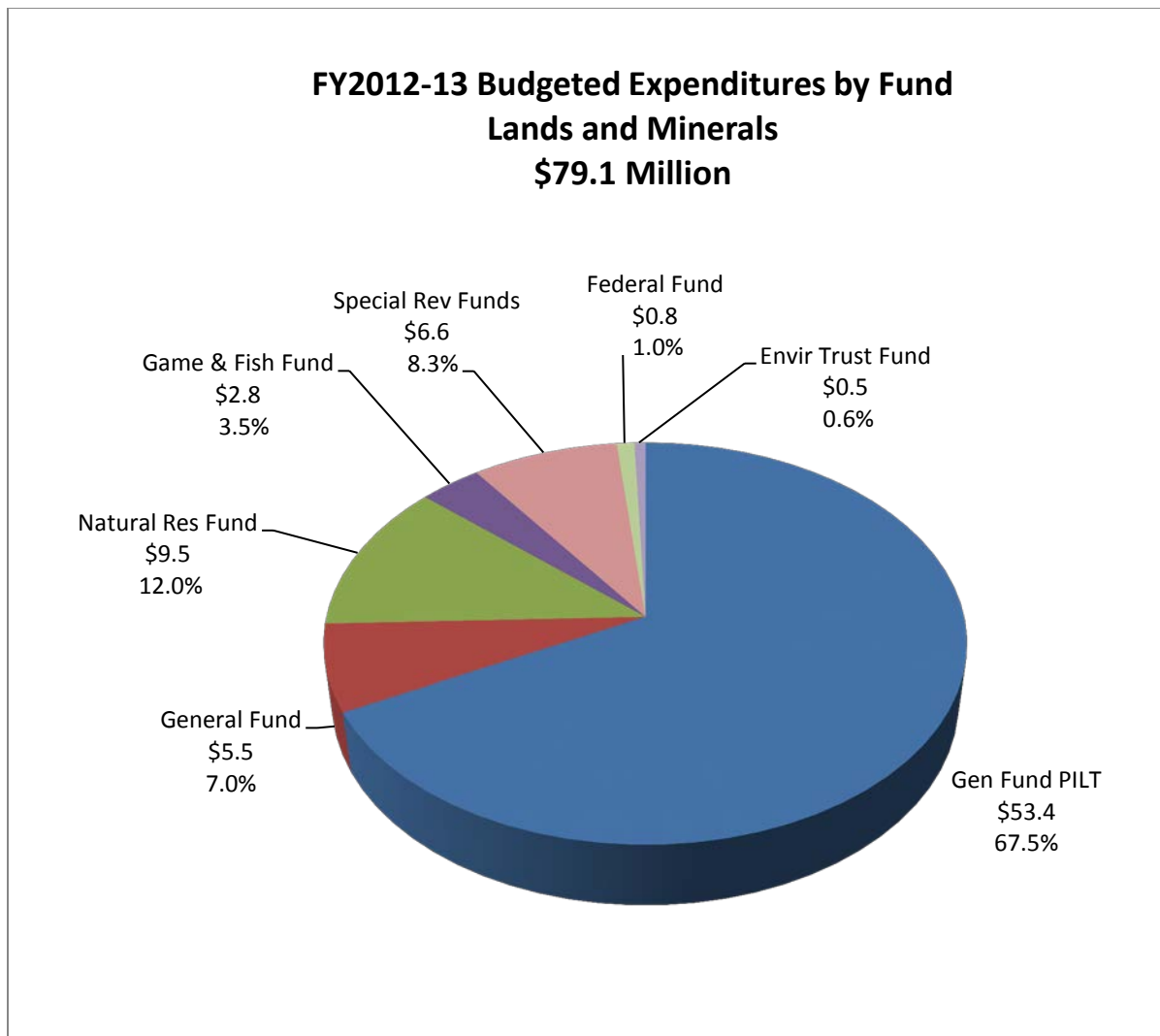


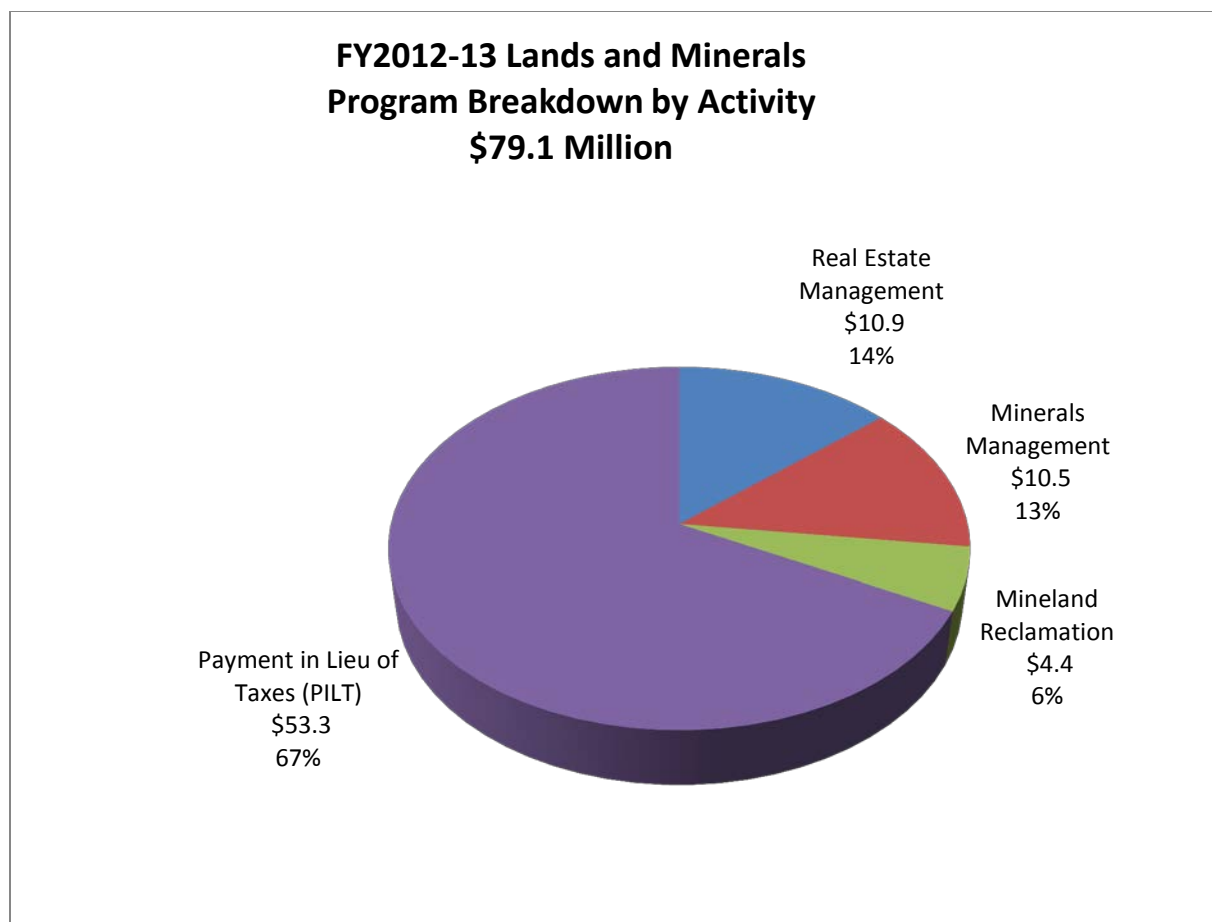
DNR Funding and Spending by Program

Lands and Minerals

The Division of Lands and Minerals is responsible for implementing land policy on state-owned lands and providing fiduciary oversight for real estate and minerals transactions that relate to state ownership. The division has regulatory authority for reclamation of metallic mineral and peat mines to ensure environmentally sound mining practices. Real estate responsibilities include appraisals, acquisitions, sales, leases, and land exchanges. Mineral management responsibilities include issuing leases for exploration and mining, negotiating lease rates and managing revenue transactions related to mining and exploration. The program also provides technical assistance to local governments on mineral resources and mining issues. For more information on the DNR Division of Lands and Minerals, please visit:

http://www.dnr.state.mn.us/lands_minerals/index.html.





Real estate management is responsible for land acquisitions, land exchanges, land sales, road easements, utility licenses, real estate tax and special assessment payments, agricultural leases, calculating payments in lieu of taxes (PILT), reviews county-proposed tax-forfeited land sales, land surveying and boundary staking and platting for acquisitions, conservation easements, review of encroachments and adjoining rights, and review of quiet title actions.

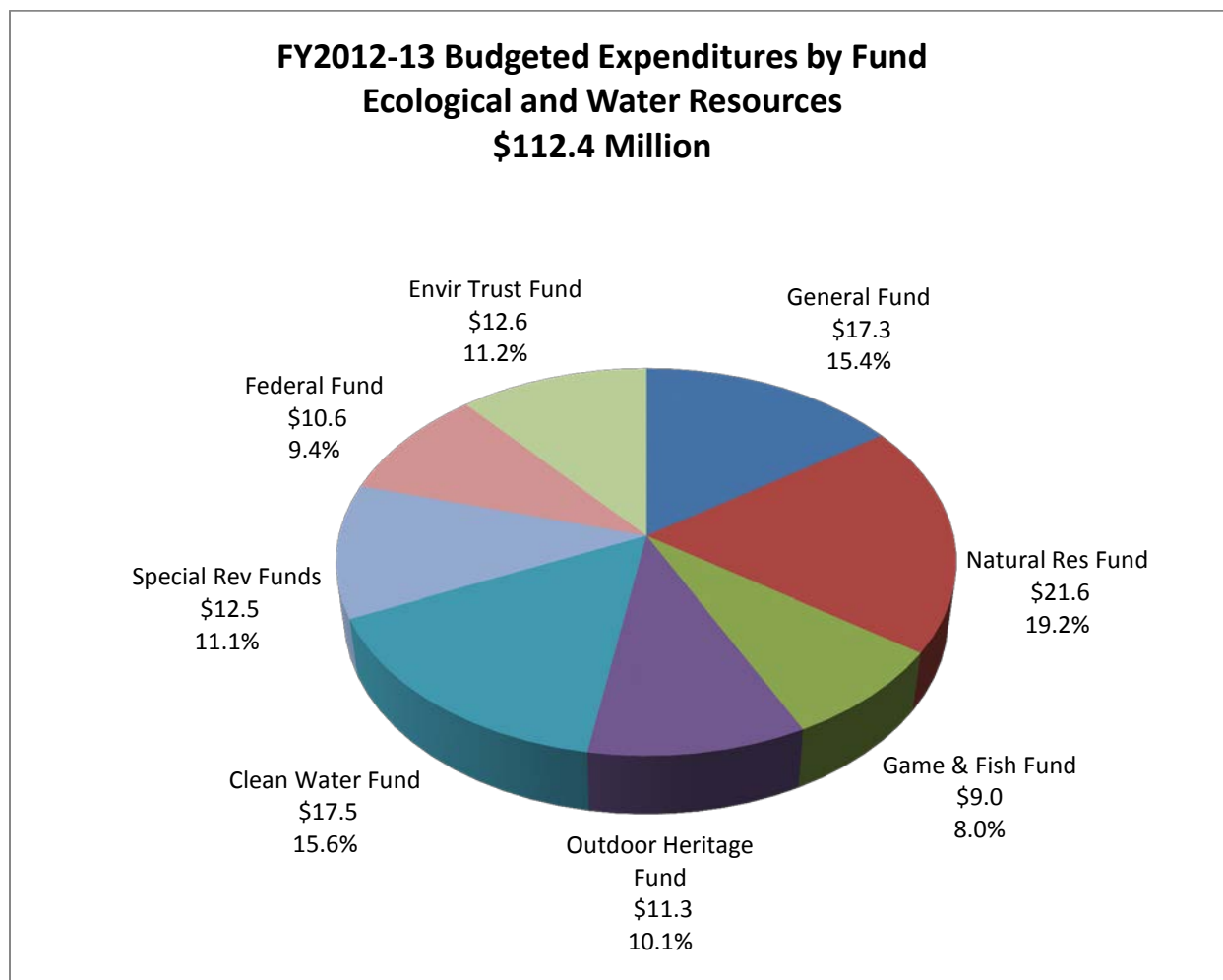
Minerals management is responsible for mineral leases, title research, maintaining land and mineral rights information, monitoring global commodity demand and pricing, determining ore quality, conducting field inspections, technical information on construction aggregate resources, Iron Ore cooperative research, and minerals diversification program.

Mineland reclamation is responsible for issuing mining permits, establishing and enforcing regulations for reclamation of lands disturbed by mining, enforcing reclamation law, developing mine closure plans, and environmental cooperative research program.

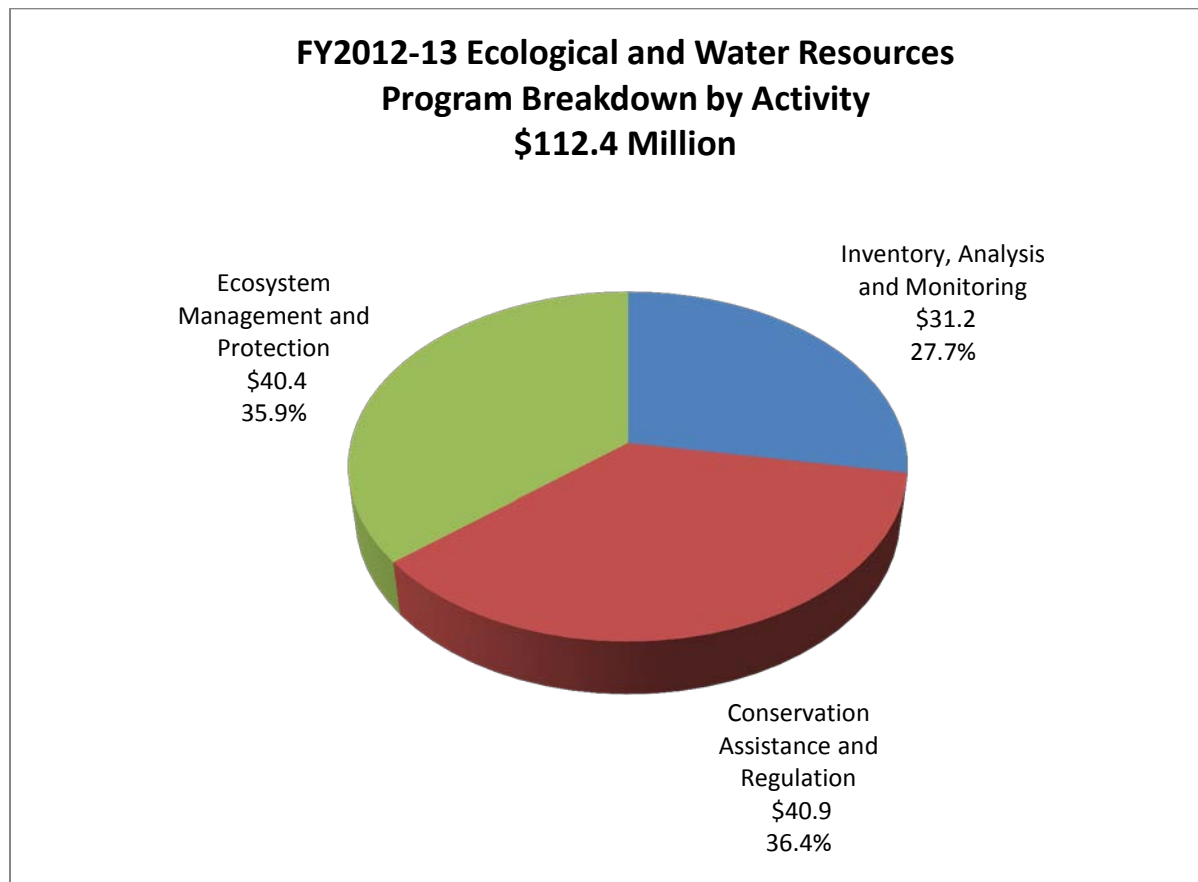
Pass through payments for PILT are made by the Department of Revenue. PILT is a local governmental aid payment, for state owned natural resource lands, that is made by the state to counties, townships, and some school districts.

Ecological and Water Resources

The Division of Ecological and Water Resources is dedicated to promoting and delivering integrated conservation of Minnesota's water resources, biological diversity, and ecosystem services to achieve healthy watersheds throughout Minnesota, and ensure a high quality of life for present and future generations. The division provides data, technical assistance, grants, and stewardship education for the state's ecological and water resources and engages citizens, other state agencies, local units of government, and nonprofit organizations in the protection and management of these resources. The division has regulatory programs involving shoreline modification, dams, filling and excavation of public waters, water appropriation, removal of aquatic plants, invasive species, and threatened and endangered species. The division also manages the Scientific and Natural Area (SNA) and Native Prairie Bank (NPB) easement programs. The division promotes restoration of stream systems, as well as recreational enjoyment of Minnesota's native flora and fauna. For more information on the DNR Division of Ecological and Water Resources, please visit: <http://www.dnr.state.mn.us/waters/index.html> and <http://www.dnr.state.mn.us/eco/index.html>



The Division of Ecological and Water Resources programs and functions are organized by three strategic objectives (labeled as “activities” in the accompanying chart) and are implemented by staff in the four DNR Regions, as well as in the DNR Central Office. The three Division objectives and some key associated functions are:



Inventory, Analysis, and Monitoring

- Develop integrated information on systems relevant to division and department resource management (e.g., watersheds, landscapes, biological communities).
- Integrate analysis, synthesis, and interpretation around systems relevant to division and department resource management.
- Coordinate data collection for effectiveness and efficiency.
- Tailor inventory and monitoring to the scale where they are useful to guide resource management action.

Conservation Assistance and Regulation

- Deliver integrated land and water resource information and interpretation at appropriate scales to local governments, other agencies and organizations, DNR divisions, private citizens, and developers.
- Implement conservation regulations in effective and efficient ways.
- Provide financial and other incentives to encourage best resource management practices.
- Enhance compliance with regulations through technical assistance, incentives, and education.

Ecosystem Management and Protection

- Develop integrated protection and management strategies (BMPs) across watersheds and landscapes emphasizing connections among various division objectives.
- Lead collaborative efforts to protect and manage key resources.
- Support development of forest certification and other performance-based management systems across ownerships.
- Integrate protection, restoration, and management incentives for system improvement and foster incorporation of ecosystem services in DNR management.

Forestry

Sustaining Minnesota's forest ecosystems in a healthy, resilient, and productive state is the best way to ensure that current and future generations enjoy a full range of forest benefits.

Forest products manufacturing is Minnesota's fourth largest manufacturing sector with a total annual economic effect of \$18 billion output and \$7.3 billion value added (contribution to gross state product), supporting 89,500 jobs with about \$4 billion in labor income. Forest products manufacturing and related sectors generate \$530 million in state and local income, sales, and property tax payments.¹ Since FY 2008, timber harvested from state managed land has accounted for about 26 percent of annual statewide harvest volume.² Based on percentage harvest volume, DNR's contribution to the state's timber economy is estimated to be \$4.7 billion output and \$1.9 billion value added, supporting 23,300 jobs with about \$1 billion in labor income. In addition, DNR's portion of the forest products total state & local tax effect is about \$138 million.

Division of Forestry Activities:

- **Fire Management:** Protects citizens, property, and natural resources from wildfires;
- **State Land Asset Management:** Manages state administered forestlands for multiple forest values, including quality timber, wildlife habitat, and recreation over the long term;
- **Cooperative Forest Management:** Supports the efforts of private landowners and communities to maintain and enhance their forest resources; and
- **Core Support Programs:** Supports our own activities, those of other units in the Department of Natural Resources and other state agencies, and other stakeholders.

For more information on the DNR Division of Forestry please visit:

<http://www.dnr.state.mn.us/forestry/index.html>.

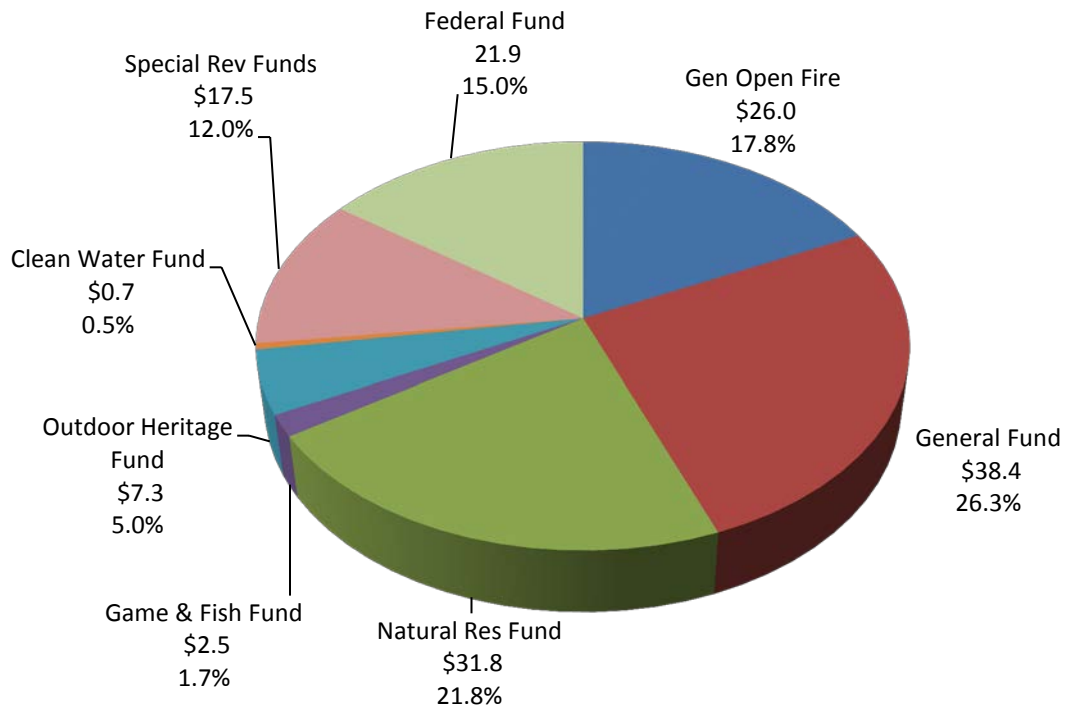
The Minnesota Forest Resources Council (MFRC) brings together the state's varied forest resource interests to develop and implement programs that promote sustainable site and landscape-based forest management practices.

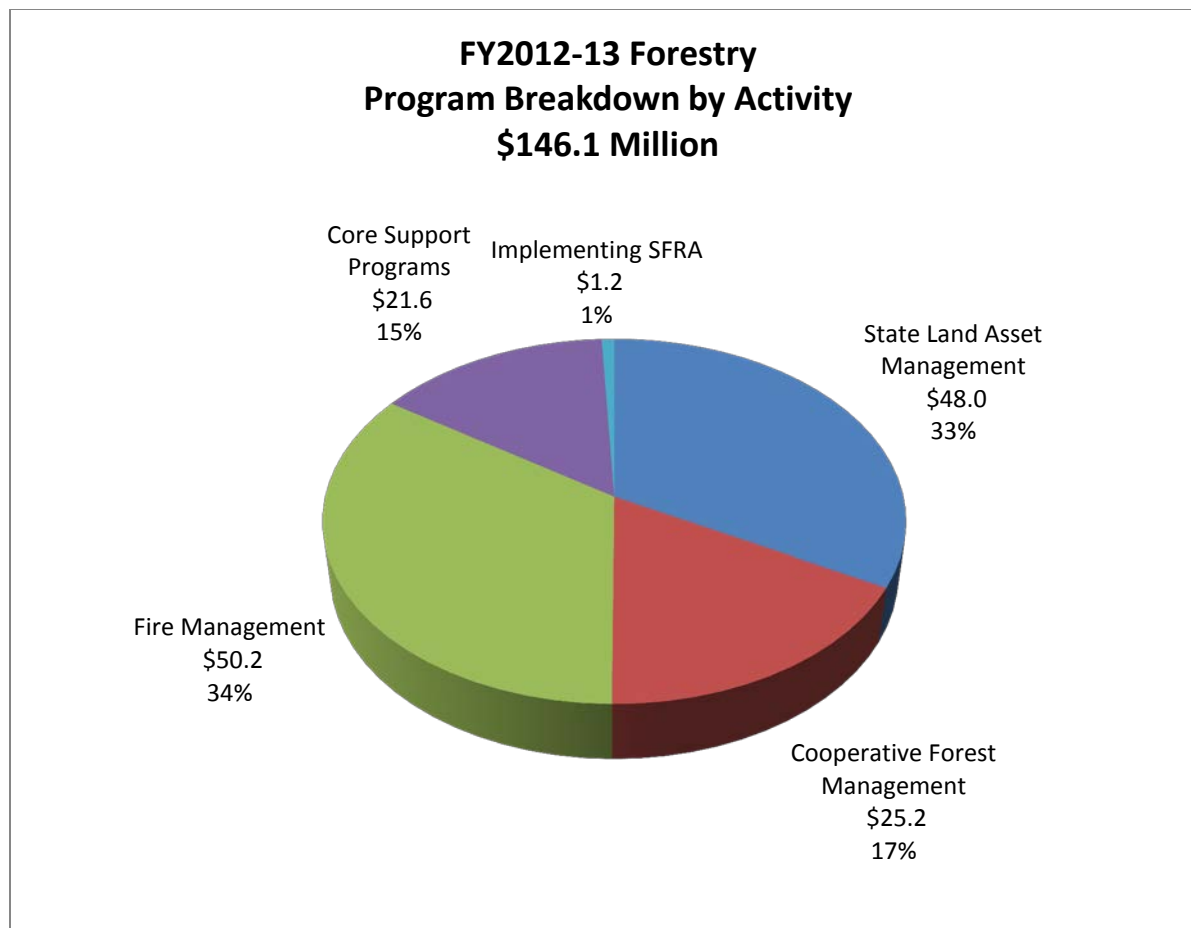
For more information on the MFRC please visit: <http://www.frc.state.mn.us/>.

¹ Skurla, James A., et. al. 2010. The Economic Impact of Minnesota's Forestry-Related Industries on the State of Minnesota. Duluth, MN: Labovitz School of Business and Economics, Bureau of Business and Economic Research.

² DNR estimates derived from 2008 USFS FIA commercial timber land acreage by ownership data and DNR compiled statewide all-ownership harvest estimates for 2008, 2009, and 2010.

**FY2012-13 Budgeted Expenditures by Fund
Forestry
\$146.1 Million**





State Land Asset Management: The Division of Forestry manages state-administered lands by sustaining and enhancing forest ecosystems, ensuring a sustainable supply of high quality forest products and recreational opportunities, and providing revenue to the permanent school trust fund.

Managing 4.2 million acres of state-owned forestlands includes:

- Planning for and managing forest vegetation;
- Providing opportunities to harvest forest products, including biomass;
- Reforestation harvested areas and improving timber stands;
- Conserving old growth, critical ecosystems and habitats, and riparian areas;
- maintaining more than 2,000 miles of state forest roads for public recreational uses and access to state lands;
- Supporting outdoor recreation, including motorized and non-motorized activities;
- Enforcing state forest rules and regulations; and
- Maintaining forest health and minimizing the negative effects of invasive species.

Cooperative Forest Management: The Division of Forestry provides technical and cost-share assistance to non-industrial private forest landowners and Minnesota communities with **urban** forests. We acquire and monitor permanent conservation easements to ensure that working forests continue to provide Minnesotans with recreational opportunities, forest products, and ecosystem services.

Fire Management: The Division of Forestry provides wildfire protection to avoid loss of life and minimize the loss of property and natural resources. We respond to fires and natural disaster emergencies in Minnesota and other states, and support the effective use of prescribed fire as a natural resource management tool.

Protecting against wildfire includes:

- Training firefighters and support personnel, making heavy ground-based and aerial firefighting equipment available, and maintaining emergency communications networks and mobilization plans;
- Locating wildfires using aerial patrols, public reports, and lookout towers and controlling the spread of wildfires and the damage they cause;
- Training and supporting homeowners, developers, and communities in practices that reduce the risk of wildfire educating children and adults about wildfire;
- Regulating open burning and enforcing state wildfire laws;
- Assisting other state and federal agencies in fighting fires;
- Conducting prescribed burns safely to accomplish many natural resource goals; and
- Assisting local fire departments with training and equipment.

Core Program Support: We produce and sell tree and shrub seedlings for conservation planting on public and private lands. We monitor the health, growth, and composition of Minnesota' forests and check on the implementation and effectiveness of forest management practices and guidelines. We develop, and evaluate new management approaches, assist county land managers, and provide marketing assistance to forest-related businesses. And we coordinate forestry related education programs in schools.

Implementing the Sustainable Forest Resources Act: The Legislature created the Minnesota Forest Resources Council (MFRC) to help implement the Sustainable Forest Resources Act. The MFRC is a forum in which forest stakeholders can solve problems in forest management collaboratively. The MFRC addresses conflicts between economic, ecological and social values associated with forests by focusing on site-based forest resource practices and landscape-level planning and coordination.

The Minnesota Forest Resources Council:

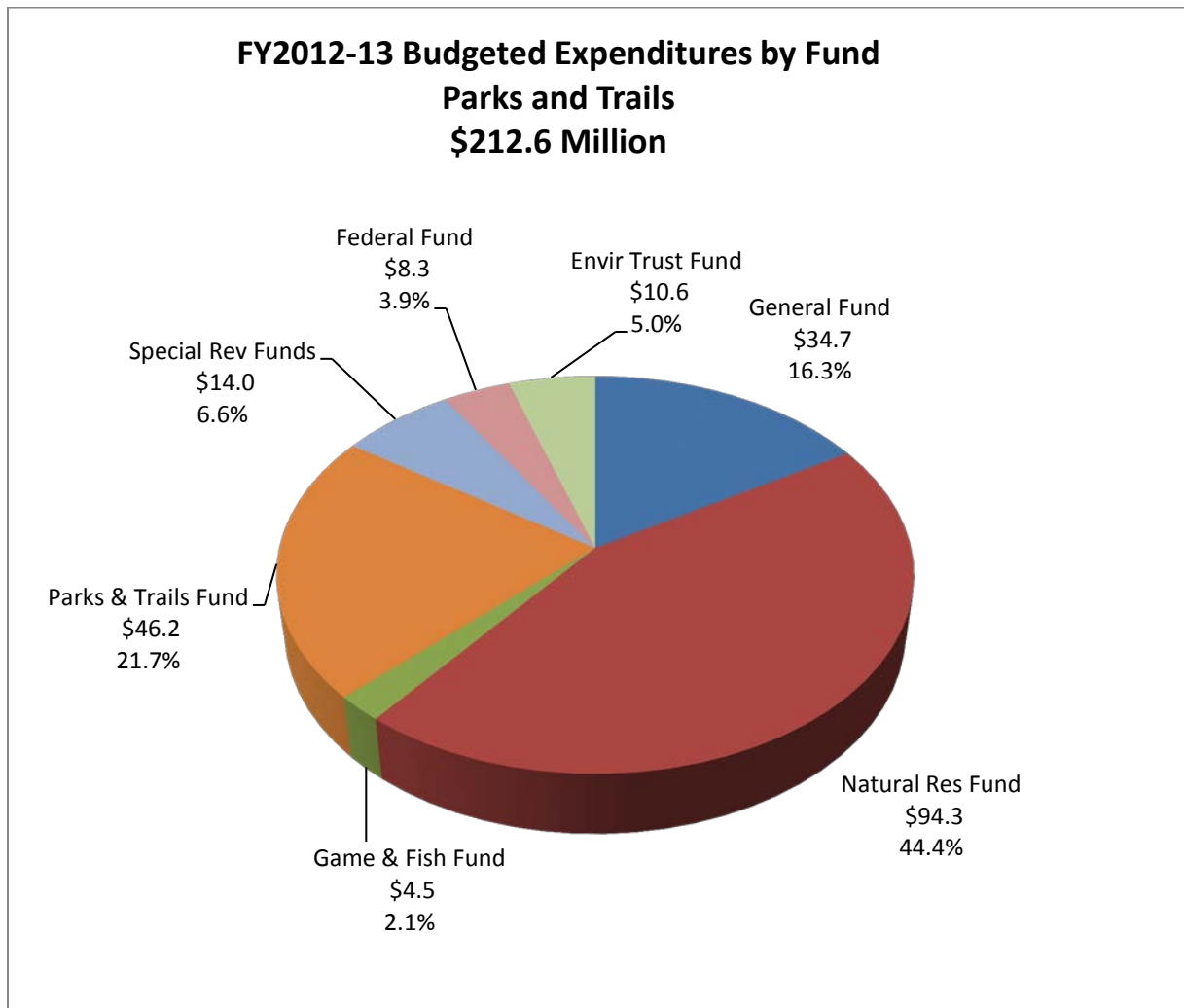
- Provides policy advice to the governor, legislature and public management agencies;
- Develops and promotes science-based best management practices;
- Coordinates multi-owner, landscape-level forest resource planning and management;
- Assesses the implementation and effectiveness of forest management guidelines;
- Assesses current trends and conditions of forest ecosystems;
- Supports relevant forest research; and
- Evaluates citizen concerns regarding timber harvesting and forest management.

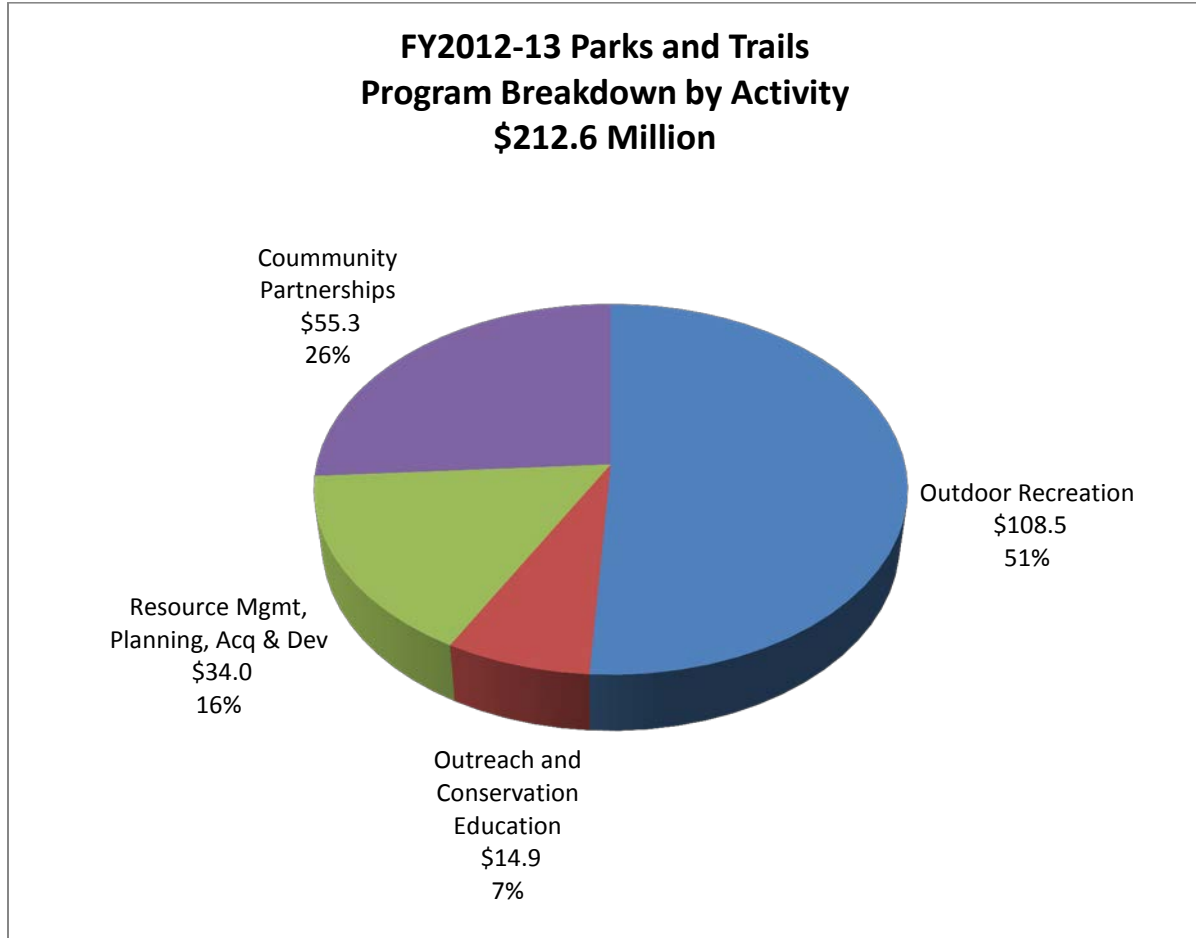
Parks and Trails

The Division of Parks and Trails provides a state park and state recreation system and creates recreation opportunities through a system of trails and water recreation facilities that conserves and manages Minnesota’s natural, scenic, and cultural resources, for current and future generations.

The division maintains and operates 73 state parks and recreation areas, 54 state forest campground and use areas, and provides access to lakes, rivers, and streams; designates canoe and boating routes; and provides trails to be used for a variety of motorized and non-motorized recreational activities.

The division, in cooperation with local governments, constructs boat accesses and fishing piers; acquires shore-fishing sites; and plans, acquires, develops, and manages the state trail system. Eight million visitors visit state park and recreation areas annually generating \$15 million in annual revenue. For more information on the DNR Division of Parks and Trails, please visit: http://www.dnr.state.mn.us/parks_trails/index.html





Outdoor Recreation - To provide a high-quality, safe and diverse outdoor recreation system for the state of Minnesota that is geographically dispersed and contains natural and cultural landscapes of statewide significance.

Outreach and Conservation Education - To provide programs that connect people to the outdoors through skill building, conservation educational opportunities, special events and natural and cultural resource interpretation to build the next generation of stewards for Minnesota's great outdoors. To promote, advertise and create awareness and motivation for participating in these conservation education programs and outdoor recreation opportunities offered by the DNR.

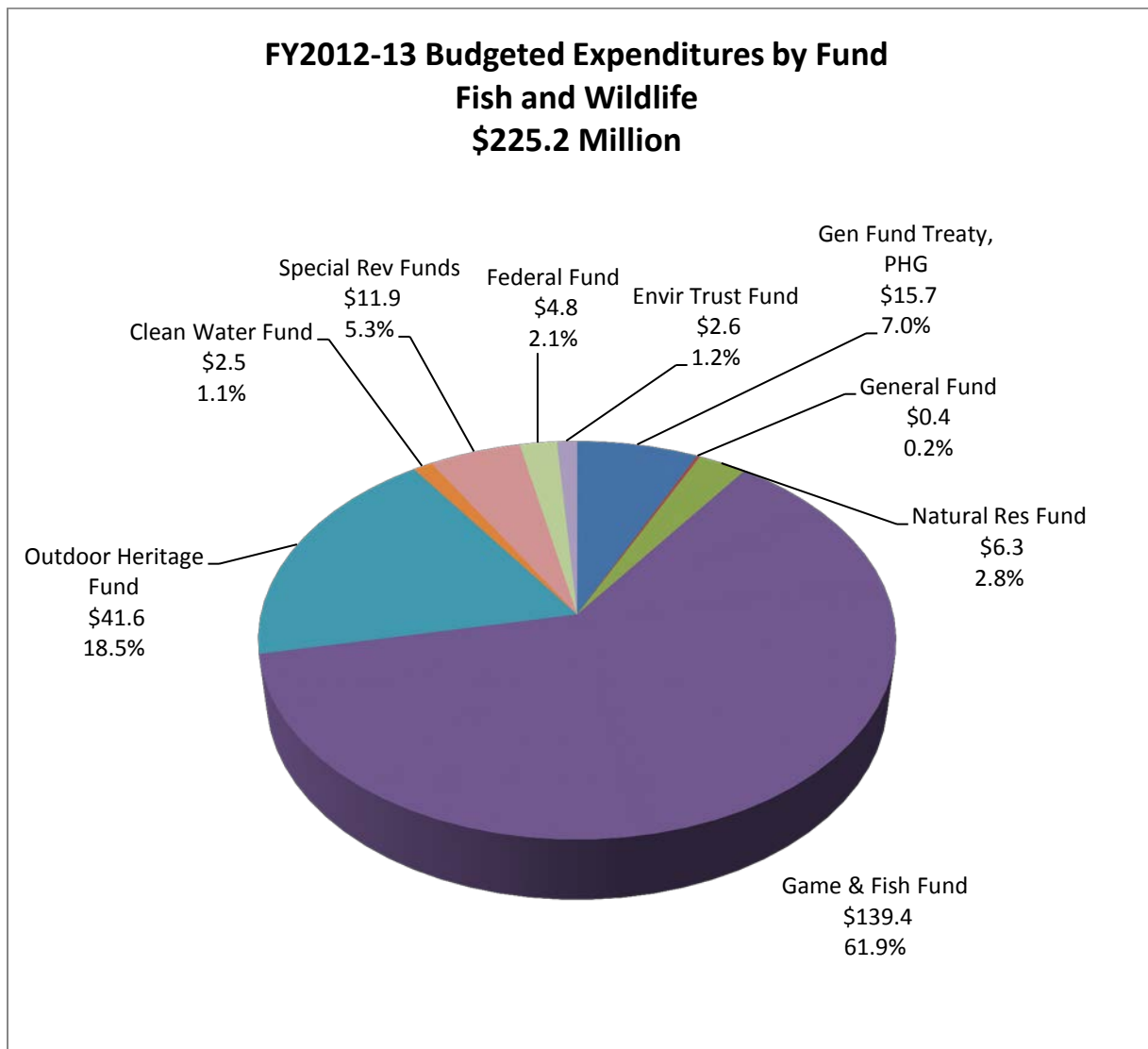
Resource Management, Planning, Acquisition and Development - To protect, manage and restore natural features, plants and animals to maintain high quality recreation opportunities in parks, trails and water access lands. Prescribed fires, control of invasive plant species,

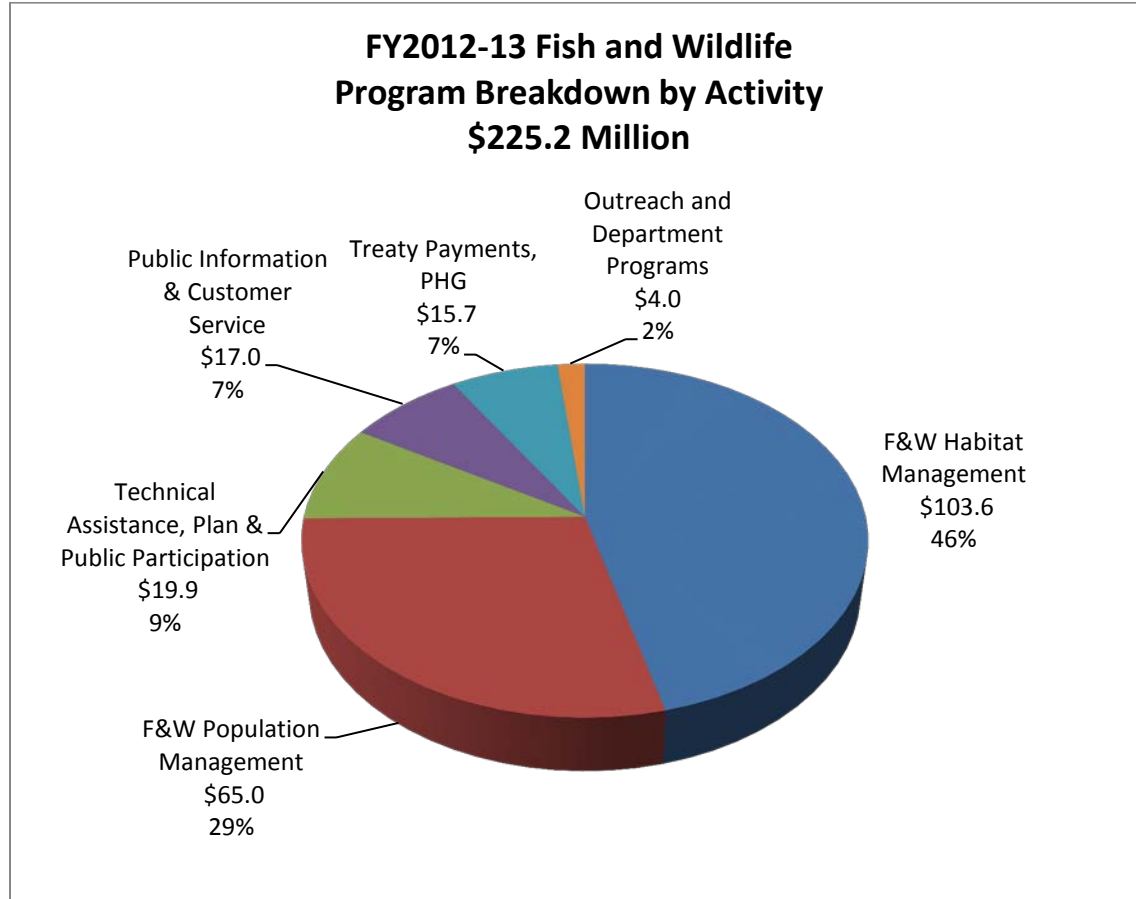
reconstruction of native plant communities, repair of visitor impacts and other types of active management are required to insure that important natural features on state park, trails lands and water access sites are maintained.

Community Assistance (Grants & Partnerships) - To manage trail recreation programs through local grants. Grant programs are funded on both public and private lands and provide trail users the opportunity to access and enjoy the outdoors in a safe, responsible manner, while protecting sensitive resources and fostering local economic development. Water access sites provide the public with water-based recreational boating, canoeing, kayaking and fishing opportunities and services. Maintain and enhance partnerships to provide safe and convenient access to state outdoor recreation systems.

Fish and Wildlife

The Division of Fish and Wildlife is responsible for managing fish and wildlife, their habitats, and the public use of fish and wildlife. The division develops, directs and manages statewide fish and wildlife populations, and habitat programs. It monitors progress so that programs are continuously adapted and improved to meet the changing resource conditions and societal needs. The division directs hatchery systems, acquisition and management of aquatic and wildlife management areas. The division oversees education, communication, user recruitment and retention and certain private and public land habitat projects. The division also manages and directs the statewide game and fish licensing and the registration of recreational vehicles and watercraft. The division serves 1.5 million licensed anglers, 600,000 licensed hunters and trappers, 2.1 million wildlife viewers, over 850,000 boaters, 260,000 snowmobile riders and almost 250,000 recreational ATV riders. For more information on the DNR Division of Fish and Wildlife, please visit: <http://www.dnr.state.mn.us/fishwildlife/index.html>





Fish and wildlife habitat management activity provides healthy and productive aquatic and terrestrial fish and wildlife habitats maintained on a sustained basis.

Fish and wildlife population management activity provides healthy and productive fish and wildlife populations maintained on a sustained basis.

Technical assistance, planning and public participation activity involves educating the public about social and ecological value of healthy environments and supportive of the conservation of natural resources and ecological systems. Creating effective citizen partnerships to manage fish and wildlife resources.

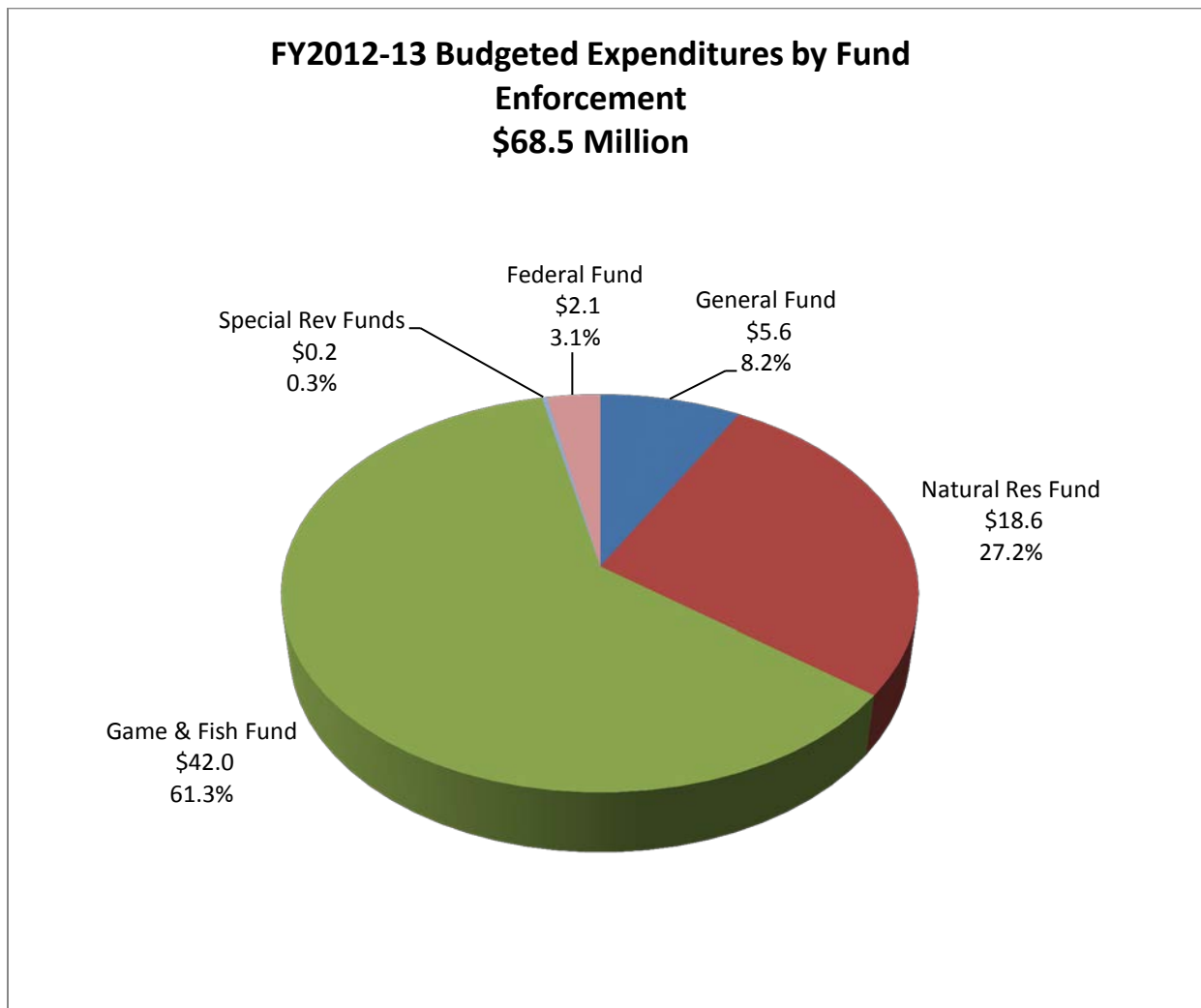
Public information and customer service activity provides game and fish licensing, commercial permitting, and recreational vehicle registration and titling.

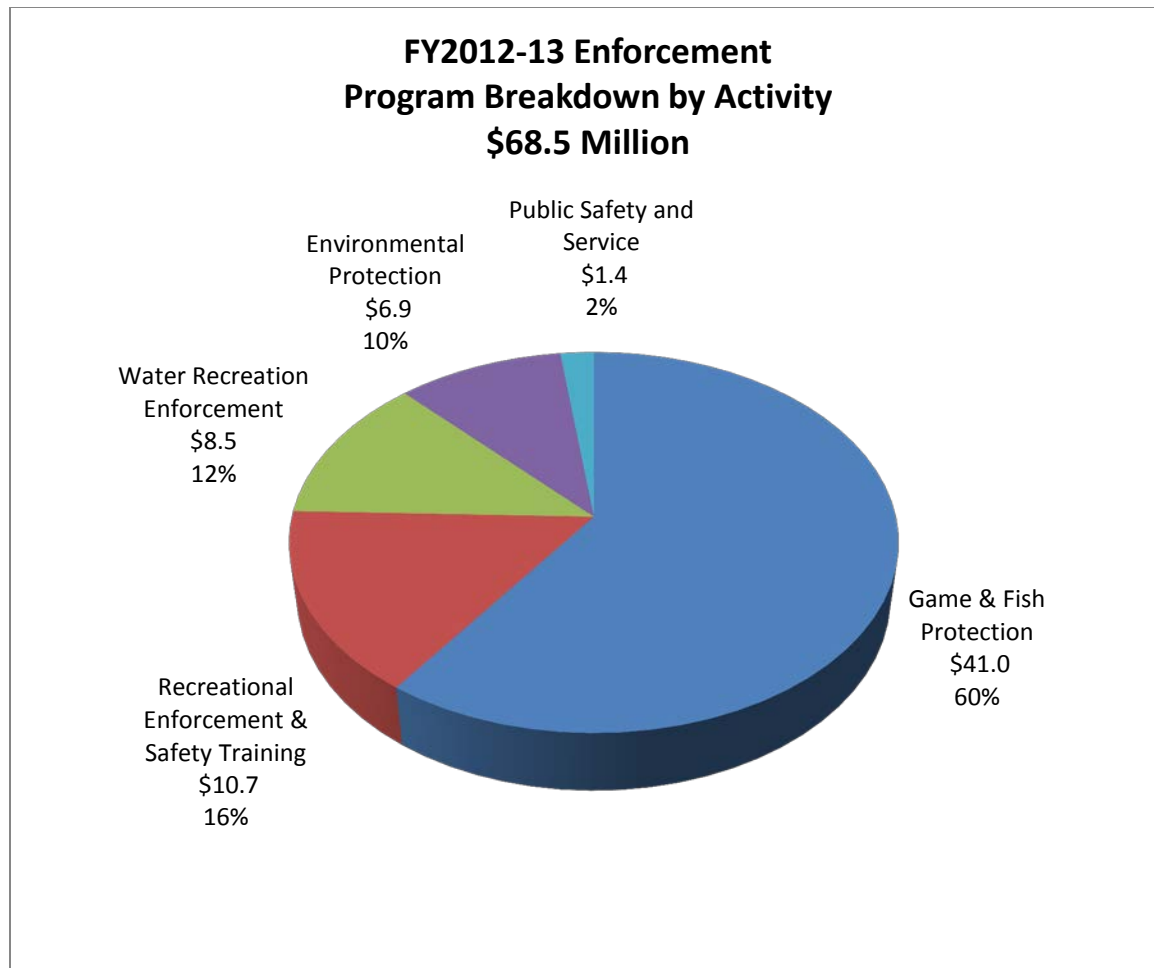
Treaty payments made to certain indian bands in recognition of rights preserved by federal treaty for hunting, fishing, trapping and gathering of wild rice.

Outreach and department programs activity strives to increase multicultural, urban, and youth participation and appreciation of our outdoor heritage.

Enforcement

The Enforcement Division ensures compliance with laws regarding state game and fish, recreational vehicles, natural resource commercial operations, environmental protection, and public safety. Major responsibilities include enforcement of rules and regulations related to hunting and fishing seasons, methods of taking fish and wildlife, and daily harvest and possession limits. The division works to ensure public safety, especially as it related to the handling of firearms by hunters and the safe operation of boats and other recreation vehicles. The division also enforces the law on the commercial use and possession of natural resources, the protection of wetlands, and air and water quality regulations. For more information on the DNR Division of Enforcement please visit: <http://www.dnr.state.mn.us/enforcement/index.html>





Game and fish protection activity is directed at the protection of fisheries stocks while assuring ample harvest or recreational opportunities and to protect small game, migratory waterfowl, and big game populations from unlawful harvest so that overall populations are sustainable in spite of hunting mortality, natural mortality, and environmental factors that may limit wildlife populations.

Recreational enforcement and safety training activity enforces laws regarding land-operated recreational vehicles including snowmobiles, all-terrain vehicles (ATVs), off-highway motorcycles (OHMs) and off-road vehicles (ORVs) and non-motorized enforcement services at state parks, state forests, and state recreational trails. This includes administering the ATV Trail Ambassador Program and introductory level safety training for youth and adults for firearms, advanced hunter education, and in the use of ATVs, OHMs, ORVs, and snowmobiles.

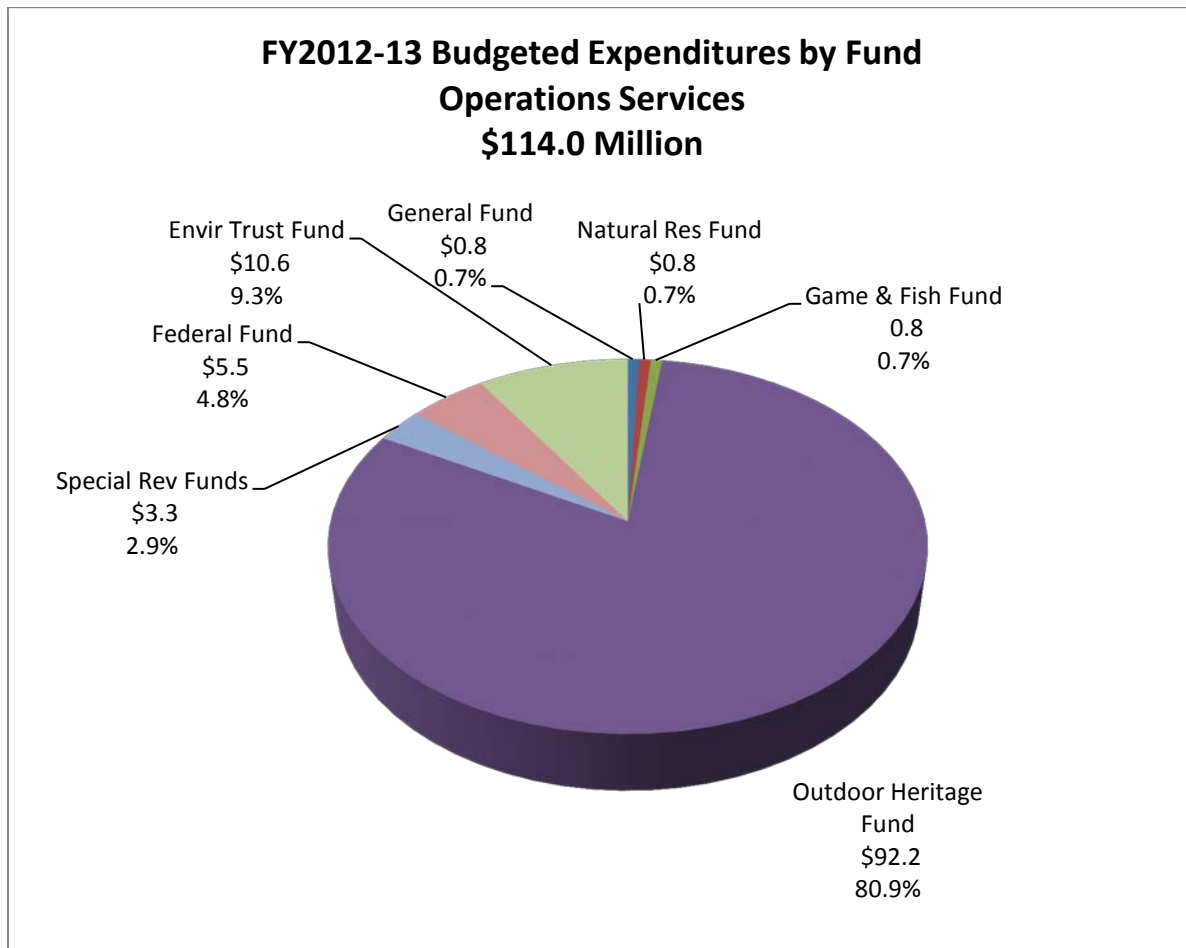
Water recreation activity is responsible for boat and water safety enforcement and public access enforcement. Through a grant program, the DNR enlists law enforcement support from local sheriffs' departments throughout the state.

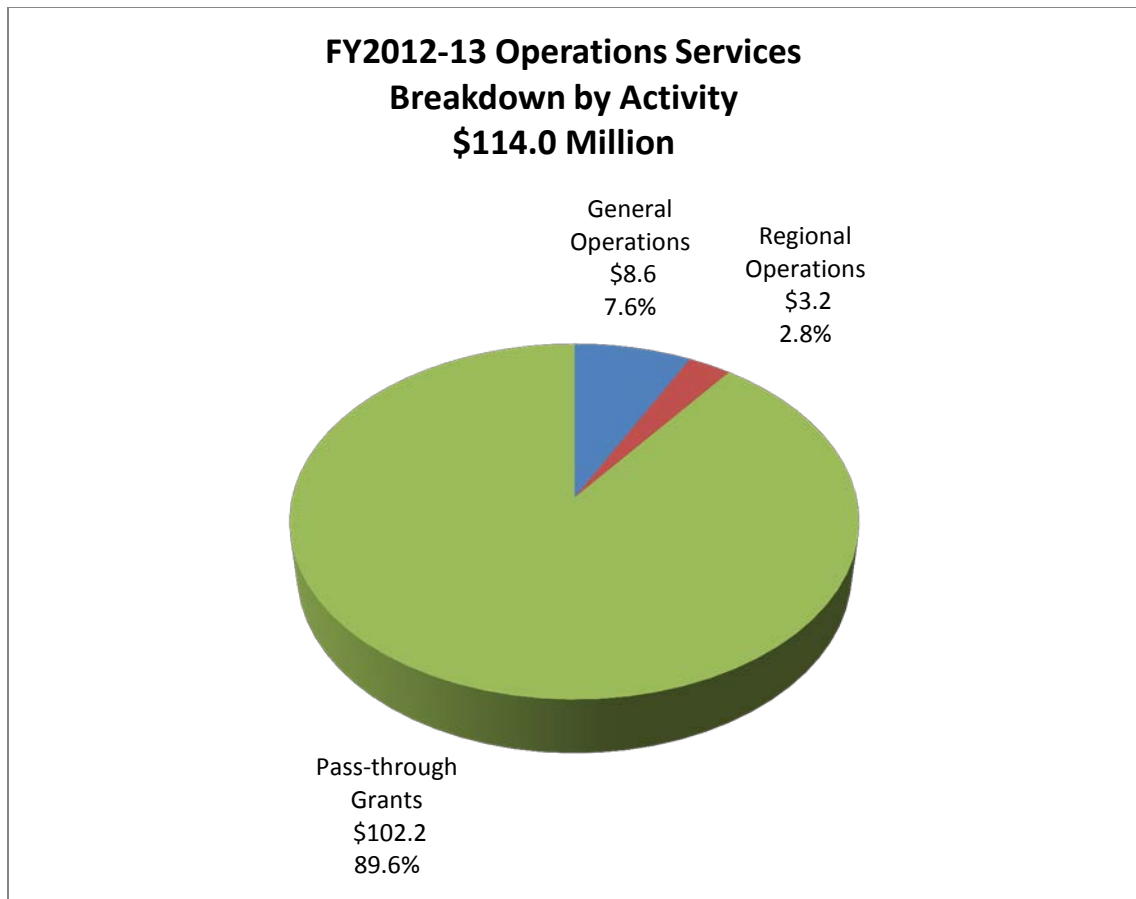
Environmental protection activity is directed at enforcement of the wetlands conservation act, and enforcement activities involved with protecting water quality, aquatic plants, wildlife management areas, fire, air quality, timber and solid waste.

Public safety and service activity is in support of police and sheriff's law enforcement efforts, including disaster response, search and rescue, and nuisance wild animal control.

Operations Services

Operations Services provides administrative leadership and support to the entire agency, direct services to the general public and financial assistance to local governments and private organizations to build recreation facilities and to protect and enhance natural areas.





Recreation and local grants consist of several state and federal pass-through grants and competitive matching grant programs to local governments and private organizations for diverse recreation and natural resource projects and disaster relief. It also includes pass-through grants for projects funded from the Outdoor Heritage Fund.

Central operations support provides agency executive leadership and agency wide administrative leadership and support in accounting, financial and management reporting, agency/statewide financial systems integration, auditing, contracting, grants management, strategic and budgetary planning, interdisciplinary coordination, demographic and natural resource utilization, research and analysis, public information and education, press relations, human resources and payroll management, materials management, motor vehicle fleet management, systems development support and management, and engineering services.

Regional operations support provides regional executive and administrative leadership, regional interdisciplinary coordination, local government relations, and regional planning.

Biennial Budget History Last Five Biennia by Fund

