

Game & Fish Fund Budgetary Oversight Committee

—Authorized under Minnesota Statutes Section 97A.055 Subd. 4b—

Joe Duggan, Chair

Subcommittee Chairs

Michael Dosch—Fisheries Operations

Jeff Broberg—Trout & Salmon Stamp

Rick Horton—Wildlife Operations

Scott Nagel—Big Game

Dean Potter—Turkey Stamp

Brad Cobb—Pheasant Stamp

Tom Jes—Waterfowl Stamp

John Curry—Ecological Services

Lee Borash—Enforcement, Support Services,
& Administration

August 9, 2004

Subject: Recommendations for FY 2006-07 Game & Fish Fund Budget

Dear Commissioner Merriam:

The members of the Game and Fish Fund Budgetary Oversight Committee (BOC) truly appreciate the opportunity to provide the Department of Natural Resources (DNR) with citizen input during the early development stages of the 2006-2007 budgets as per Minn. Stat. Sec. 97A.055 Subd. 4b (d). We sincerely hope that this feedback provides the Department with useful insights into public desires as the process moves forward.

We did not feel comfortable suggesting line-item funding changes in many cases. The task is simply too complex for this body at this time. Rather, we are providing broad statements about desired outcome goals derived from past BOC reports, BOC subcommittee input, citizen input and current DNR plans and strategies. Where possible we have provided suggested source of new funding or legitimate cuts. However, we urge the Department to take a strong look at costs v. benefits of all programs in order to identify those that could be de-emphasized to provide necessary funding for others that more clearly provide public benefit.

Thank you once again for this opportunity.

Sincerely,



Joe Duggan, Chair

c: Mark Holsten
Brad Moore
Joe Kurcinka
John Guenther
Col. Mike Hamm
Lee Pfanmuller

Game and Fish Fund Budgetary Oversight Committee

FY 2006-07 Budget Recommendations

Submitted August 2004

EXECUTIVE SUMMARY

The Game and Fish Fund Budgetary Oversight Committee (BOC) is providing the Minnesota Department of Natural Resources (DNR) with input and program direction for its use in developing the FY 2006-07 budget. This input comes from a variety of sources, including BOC Subcommittees, conservation organizations, general public comments, advisory committee reports and the DNR's own strategic plans.

There are several areas of general agreement among BOC members, including support for the DNR *A Strategic Conservation Agenda, 2003-2007*, the Wildlife Section's *A Vision for Wildlife and Its Use: Goals and Outcomes 2003-2013*, the Fisheries Section's *Long Range Plan Covering Fiscal Years 2004-2010*, the *Lake Superior Rainbow Trout Long Range Plan* and *Long Range Plans for SE Minnesota Cold Water Resources*. We urge the DNR to continue efforts to increase the acreage of Wildlife Management Areas (WMA) and Aquatic Management Areas (AMA) and secure sufficient funding to adequately manage these properties. We also encourage the DNR to continue expanding hunter and angler recruitment and retention efforts with increased education, urban/special hunting and fishing opportunities and outreach.

Each of the BOC Subcommittees has provided suggestions that could improve the areas under their purview. Additional subcommittee recommendations can be seen in the body of the report.

- The Big Game Subcommittee desires better population models and set population objectives.
- The Ecological Services Subcommittee seeks more Game and Fish Fund support, through indexed license fee increases distributed to all Divisions that benefit game and fish resources.
- The Enforcement and Operations Support Subcommittee would like to see Conservation Officer positions fully funded and increased support for special investigations.
- The Fisheries Subcommittee asks that sufficient funding be made available to fully implement the various fisheries long range plans and to develop similar regional and aquatic habitat management plans.
- The Pheasant Stamp Subcommittee desires more emphasis on developing pheasant Core Wintering Areas.
- The Trout and Salmon Stamp Subcommittee asks that funding be focused on realizing the existing trout and salmon long range plans and to develop similar plans for other Minnesota cold water resources.
- The Turkey Stamp Subcommittee asks for increased habitat work within the existing turkey range and continued expansion of that range.
- The Waterfowl Stamp Subcommittee is asking for increased emphasis on shallow lakes management and water control structure improvements.
- The Wildlife Operations Subcommittee asks that if wages are frozen again, sufficient funding be appropriated to cover employee step raises and insurance increases agreed to by the administration during employee contract negotiations.

AREAS OF COMMON AGREEMENT

There are several areas that the BOC felt were universally important and wished to emphasize during budget development. These include:

- Strategic Plans - We feel that the Department and the Sections have done a very good job in compiling public input into strategic plans. We encourage the DNR to take the steps necessary to fully implement the *Strategic Conservation Agenda, 2003-2007*, the Wildlife Section's *A Vision for Wildlife and Its Use: Goals and Outcomes 2003-2013* and the Fisheries Section's *Long Range Plan Covering Fiscal Years 2004-2010*, the *Lake Superior Rainbow Trout Long Range Plan*, the *Strategic Plan for SE Minnesota Cold Water Resources* and the *Long Range Plan for Trout Stream Resource Management in SE Minnesota 2004-2009*. These are ambitious plans, with lofty goals, but they are achievable given adequate funding, technology and dedication. As always, plans are not useful if they collect dust on a shelf, they must be implemented.
- WMA and AMA Acquisition and Development – One of the biggest threats to the enjoyment and protection of Minnesota's fish and wildlife resources is the loss of habitat and public access resulting from land use changes, development and parcelization. For example, there is currently a trend towards loss of access to industrial forests as tracts are sold or leased for exclusive use. This state has set a national example in Wildlife Management Area acquisition and management since the Save the Wetlands Program of the 1950's. The 2002 WMA Acquisition Citizen's Advisory Committee Report set some ambitious, but attainable, goals for conserving lands for the future. We encourage the DNR to continue to seek the means to meet these goals. In addition, we believe Aquatic Management Areas offer multiple benefits to the public by preserving key fish and wildlife habitat areas. It is critical that funding be secured to provide for the initial development of these properties (e.g. boundary surveying and posting, access development, structures and improvements). Having lands in public ownership provides multiple benefits to fish, wildlife, recreation and the economy. It is important to provide sufficient funding to actively and effectively manage these lands in order to maximize these benefits.
- Leverage Funding Opportunities – We are fully aware that there is a finite amount of funding available to perform the necessary activities to meet the expectations of the BOC and the general public. Therefore, we encourage the DNR to seek out existing and novel ways to leverage Game and Fish Funds through matching grants from other entities, like non-governmental organizations (e.g., conservation organizations, sporting clubs, etc.), federal programs (NAWCA grants, Farm Bill programs, etc.) and other sources. We recommend focusing budget funds into those areas to achieve maximum value due to the exponential benefits accrued with such leveraging.
- Benchmarks for Fund Integrity - Historically the Divisions (Sections) of Fish and Wildlife have had the ability to provide line-item accounting for revenues and for program or project spending. The Division re-organization may affect this ability. The Budgetary Oversight Committee will need to see how Game & Fish Funds are allocated to the new Sections from various funding sources. We also recommend that benchmarks be developed in order to measure the Sections' project and program outcomes under the new organization and leadership.
- Hunter Recruitment and Retention – It is critically important that youth, women and minority hunters and anglers are brought into the sporting community and instructed on how to be safe, effective and responsible. It is equally important to retain existing sportsmen and women by providing new opportunities, particularly near metropolitan areas. We are very pleased with the Department's efforts over the past few years, and we

encourage the DNR to continue these efforts by expanding the Adult Hunter Education program, Asian education programs, Becoming an Outdoors Woman and other educational opportunities. We also would like to see continued expansion of special youth and adult hunts, particularly in or near metro areas (e.g. metro dove hunt areas).

- Small Game License Structure – The Electronic License System (ELS) has essentially made printed stamps (pheasant, waterfowl, trout, turkey, etc.) unnecessary, except for collecting and art production purposes. In addition, stamp and license fees have not kept pace with the costs of inflation. However, there is a concern that raising fees across-the-board may negatively effect hunter recruitment and retention efforts. We ask that the DNR review the small game license structure and attempt to reconcile these issues, while also simplifying the license, retaining and increasing species’ dedicated funding, creating dedicated funding for grouse and woodcock management and reducing overhead costs. We also ask that the DNR consider strategies for dove management and education opportunities.
- Private Lands Management – Most of the land base in Minnesota is in the hands of private landowners. These individuals therefore have much control over the fate of future fish and wildlife populations. They often need technical advice, literature, information, assistance and financial incentives to create, maintain and improve habitat on their lands. We ask that the DNR review the private lands management program to assure that dedicated funds are being properly utilized, provide more incentives to perform game management, and provide more hands-on education on wildlife habitat management for private landowners (workshops, seminars, etc.).
- Invasive Exotic Organisms - Invasive plants and animals can have extremely detrimental effects upon fish and wildlife populations and habitats. New challenges arise every year. We encourage the Department to remain vigilant and address growing concerns regarding exotic species among the state’s sportsmen and women.
- User and Attitude Surveys – It is critical for the Department to have information on who is using natural resources, how users feel about issues and the quality of their experience, and how different groups will respond to proposed regulatory and structural changes. This feedback is very important in continually improving service to the people of Minnesota. We ask that the DNR provide adequate funding to gather, compile, analyze and report findings from surveys (e.g. hunter/angler satisfaction, WMA users, landowner attitudes, etc.).
- Appropriations – A certain proportion of dedicated funds are “held back” during each budget cycle and rolled forward to the succeeding year. This can be critically important due to the combined effect of the cyclic nature of license fee increases and the steady rise in program costs. However, at times over 20% of the fund balance is rolled forward. We ask that the DNR review these fund balances and ensure that at least 85% of the available money is appropriated.

BOC SUBCOMMITTEE RECOMMENDATIONS

Big Game Subcommittee

- Create short, intermediate and long-range population goals for deer, bear, elk and moose.
- Design population models for each species based on sex ratio, age class, harvest and population goals.
- Continue CWD monitoring.

Ecological Services Subcommittee

- Review the program areas the Ecological Services Division feels could be justified as expenditures out of the Game and Fish Fund but which are currently being covered by other funding sources.
- Seek funds from the Pesticide Regulatory Account for the Aquatic Plant Management Program.
- Continue River and Stream Protection and Restoration.
- Plan and seek funding for additional lake mapping.

Enforcement & Operations Support Subcommittee

- More funding for filling vacant Conservation Officer stations.
- Increased funding for special investigations.

Fisheries Subcommittee

- Ensure that the Fisheries Section has adequate staff, technology and funding to achieve the Section of Fisheries Long Range Plan.
- Fully fund the Red Lake walleye recovery initiative including careful consideration of thorough enforcement, monitoring and habitat preservation and enhancement.
- Resolve jurisdictional issues regarding public water accesses; secure funding to assure safe, clean and well-maintained ramps, parking areas and associated grounds.
- Fund the continuation and expansion of the FiN (Fishing in Neighborhoods) program; double the number of participating waters by 2008.
- Fund the continuation and expansion of the Lake Superior kamloops and Chinook salmon programs.

Pheasant Stamp Subcommittee

- Fund development of pheasant Core Wintering Areas.
- Finalize the Long Range Pheasant Plan so it is no longer in “draft” status.
- During the last signup period less than 50% of the CRP contracts were approved state-wide. Help direct more federal resources (CRP, WHIP, CCRP, CREP) into the Minnesota pheasant range.
- Create a prioritized list of key private lands adjacent to public lands (WMAs, WPAs, etc.) and other core habitat areas (winter habitat, nesting habitat, escape cover). Provide this information to land managers to help them make informed decisions regarding Farm Bill programs, cooperative agreements and cost-share opportunities.

Trout and Salmon Stamp Subcommittee

- Fund implementation of the existing trout, salmon and cold water resource plans, including the following elements:
 - Continue to support the efforts to restore or enhance sport fisheries through culture and stocking.
 - Easement identification and acquisition continues to be a top funding priority. Annually request \$300,000-\$400,000 for easements on SE Minnesota trout streams.
 - More research is needed to address Lake Superior forage base and steelhead fishery rehabilitation.
- There is a continuing need to develop current informational resources. Maps and website development and updates to identify trout fishing opportunities throughout the state, including public accesses, easements, habitat improvements, intensely stocked areas, and fishing areas for youths, families and handicapped anglers.

Turkey Stamp Subcommittee

- Increase funding for the wild turkey trap and transplant program.
- Purchase WMAs within the turkey range.
- Increase tree planting within the turkey range to improve roosting conditions.

Waterfowl Stamp Subcommittee

- Use waterfowl stamp proceeds to support a federal wetland legislation advocate in Washington, D.C.
- Protect and actively manage shallow lakes for the benefit of migrating and nesting waterfowl.
- Review and document water control structures. Prioritize their replacement and/or repair, with an emphasis on shallow lakes.

Wildlife Operations Subcommittee

- Bring Con-Con Lands up to minimum WMA standards within 2 years by surveying and posting the boundaries.
- In the event that wages are once again frozen for FY 06-08, we ask that sufficient funds are appropriated to cover step raises and projected insurance increases agreed to by the administration during employee contract negotiations. This will help maintain funding for necessary programs.
- Provide funding for forest inventories, aerial photos and other tools necessary for wildlife managers to properly manage forest habitats on WMAs.

POTENTIAL FUNDING REDUCTION RECOMMENDATIONS

And areas for further consideration

We realize that in order to recommend increased funding in some areas, we must also recommend reducing emphasis on other programs. In reviewing past expenditures, we asked ourselves two questions. "Who benefits from this activity?" And "How much does this activity benefit the state's hunters and anglers?"

- Heritage Enhancement Grants to Small Clubs – This program was established with the intent of providing an avenue for small local sporting clubs and conservation organizations to affect habitat management on nearby Wildlife Management Areas and reduce the burden on DNR field staff. However, we respectfully submit that it has fallen short of that goal due to the administrative difficulties of handling state grants. Small clubs and organizations simply do not have the staff or infrastructure to fill out the applications, handle large sums of money and comply with reporting requirements. They also do not have the professional staff to implement projects, so much of the work falls upon beleaguered field staff. Therefore, much of this funding is only being utilized by large organizations with sufficient clerical staff to administer the grants. We recommend that the Department review this program and consider streamlining the process, with an eye towards the original intent of these moneys. Perhaps by helping fund an Adopt-A-WMA/AMA program.
- Aquatic Plant Management Program – Inappropriate aquatic plant management is often detrimental to fish habitat. These practices may improve visual aesthetics, yet removal of native aquatic plants can be detrimental to fish habitat and fisheries productivity, and should be discouraged. Sport fishing is an extremely valuable recreational activity for many Minnesotans. Game and Fish Funds should not be used to remove native aquatic

vegetation. We recommend that the Department seek funding from other sources (Department of Agriculture, permit fees, etc) to fund this activity.

However, unmanaged exotic aquatic plants and species, like Eurasian watermilfoil, curly-leaf pondweed, and zebra mussels, can be detrimental to fish through destruction of native habitat and degradation of water quality as well as interruption of the food chain necessary for fish support. Therefore, some level of support for exotic species management is appropriate for the Game and Fish Fund. The Division of Ecological Services is currently reviewing and revising its Aquatic Plant Management Program consistent with this philosophy. No further fee increases or reductions should be considered until the APM review is completed. Invasive exotic plants and animals have broad negative effects. We recommend that the Department seek supplemental funding for the Exotic Plant Management Program.

- DES Information Systems – A significant portion of the Division of Ecological Services' Information Systems and Communications budget is funded from the Game and Fish Fund. We ask that the Department review these expenditures and assure that they are appropriate for the Game and Fish Fund.
- Mosquito and Black Fly Control – Insect control can be detrimental to fish populations. We ask that the Department review the Division of Ecological Services' role in the permitting process and the degree to which this activity is funded by the Game and Fish Fund.
- Private Aquaculture Health Monitoring – The Pathology Lab conducts diagnostic pathogen inspections at 12 private fish hatcheries. We ask that the Department review this activity to see if these are “for profit” operations and the degree to which anglers dollars are funding these inspections. Perhaps the hatcheries should pay for this service.
- Resource Damage Assessments - The Division of Ecological Services responded to 269 spills and 86 kills in FY 03. Damage assessments for pollution spills should be paid by the entity responsible for the spill in the form of fines and charges. We ask that the Department review this situation for the possibility of increasing restitution.
- Commercial Licenses/Enforcement – Enforcement activities for commercial enterprises like minnow trapping, commercial fishing, ginseng growers, game farms, etc., are important for resource protection. However, these entities should be funding their own enforcement activities through fees, licenses and fines. We recommend that the Department review these programs and determine the degree to which the Game and Fish Fund is funding them.
- Administrative Support – What percent of the budgets of Facilities and Operations Support, Commissioners Office, Office of Management and Budget Services, Bureau of Human Resources, Bureau of Management Information Services and Bureau of Information and Education are paid from the Game and Fish Fund and how does that relate to the percentage of each entity's work load that directly results from game and fish management activities? How are these percentages determined? How have they changed over time? We ask that the Department review these breakdowns and annually provide the BOC with a histogram showing current and historic patterns.

NON-BUDGET POLICY RECOMMENDATIONS

We realize this is not supposed to be a policy recommendation platform, but at times we encounter excellent suggestions that may not be directly related to the budget process.

- Expanding Role of Conservation Officers – Conservation Officers (COs) continually have new responsibilities added, which serve to detract from core duties of protecting fish and wildlife. These include educational duties (Firearms Safety, Advanced Hunters Education, Asian Education, Boating Safety, Snowmobile safety, and ATV Safety), recreational vehicle enforcement (boating, snowmobile, OHV and ATV laws), pollution control (sewage spills, non-point source, etc.) and water protection (shoreland development, aquatic vegetation, dredging, etc). The burgeoning number of ATVs in the past 10 years has alone created an enforcement nightmare. Since 1995, ATVs have increased 147%, Off-road vehicles increased 1,085% and Off-Highway motorcycles increased 3,450%! We ask that the Department critically review CO responsibilities with an eye towards which duties should be transferred to other entities (PCA, Department of Agriculture, county sheriffs, USFWS, MNDOT, etc.) or if another self-funded branch could be created to handle some duties (education, motor vehicle enforcement, etc.). We wish to ensure that Game and Fish Funds are being utilized to best protect hunting, angling and associated habitats.
- Easements – Conservation easements can be an effective tool for protecting lands from development. We recommend that the DNR investigate the use of easements to protect critical habitat areas with fish, water or wildlife benefits, where direct acquisition for management is not possible. This may also apply to WMA and state forest in-holdings and adjacent lands. Where possible the easement should provide for habitat management and public access.
- Adopt-A-WMA/AMA – Local sportsmen’s club, conservation organization chapters and civic groups can often provide funding, equipment and labor for managing and maintaining local WMAs and AMAs, provided they feel a sense of ownership on the area. We suggest the DNR investigate creating a state-wide Adopt-A-WMA/AMA program patterned after the MNDOT Adopt-A-Highway program or the USFWS Friends of the Refuge system.

LEGISLATIVE RECOMMENDATIONS

Many natural resource solutions require legislative action. We realize that the Department does not have legislative authority, however we wish to take this opportunity to create discussions about possible legislative actions.

- Long-term Funding – The sports men and women of Minnesota have a long history of “stepping up to the plate” regarding funding natural resource management in the state. The sheer size of the Game and Fish Fund is a tribute to that dedication. However, this management provides a myriad of benefits to the larger populace that provides for a high quality of life – clean air, clean water, abundant wildlife for viewing, green spaces, etc. We feel it is critically important to secure adequate long-term funding for natural resources management. License fees and surcharges have proven insufficient for the task. All of the citizens of the state need to contribute to the healthy future of our natural resources. We encourage the DNR and state legislature to seek the means to secure long-term dedicated funding for maintaining and enhancing fish and wildlife habitats.
- LCMR Projects – Many fish and wildlife-related activities can and should be funded by the Environmental Trust Fund as it relates to that account’s legislative intent. We recommend that the Department package fish and wildlife funding proposals in such a way that the LCMR and accepts them for funding. A good example is the need to quickly and completely survey and post the Con-Con lands so that WMA laws can be effectively enforced.

- Lottery-in-Lieu - The tax imposed on the lottery was intended to go completely into the Environmental Trust Fund for natural resources management. However, over the years funds have been diverted to other uses. We ask that the proportion of this fund dedicated to natural resources be restored to FY 2000 levels.
- WMA Bonding – The State’s hunting and angling community was very disappointed when the WMA Bonding Bill was not addressed this past session. The Governor’s \$12 million recommendation was a good start towards funding the recommendations of the 2002 WMA Acquisition Citizen’s Advisory Committee Report, but it will require a large, sustained funding initiative to fully implement that plan. We must act now to preserve fish and wildlife habitat for future generations of Minnesotans.
- RIM Critical Habitat Match – Funding from the sale of the Critical Habitat license are now matched with other private donations – those provided through conservation organizations – and individual/corporate donors. This was not the original intent of the Critical Habitat Match Program. We recommend that the legislature restore appropriations to this fund. It is an easy way to leverage public money to increase land acquisition and management.

CONCLUSION

The members of the Game and Fish Fund Budgetary Oversight Committee hope that this input helps the Department of Natural Resources and other decision-makers make informed choices in setting future budget and policy goals. We have tried to capture the desires of the sporting public. Unfortunately, we are not able to provide the Department with a concise, line-by-line analysis of the entire DNR budget at this time. We believe that our role is best served by offering recommendations on issues of common interest, and suggestions of potential funding sources. The administration, state legislature and agency’s professional staff will have an important role in developing and implementing these recommendations.

The BOC welcomes the opportunity to discuss issues and concerns regarding this report with the administration, DNR professional staff, state legislators and other interested parties.