

December 12, 2013

TO: John Hunt, Budgetary Oversight Committee Chair
Fisheries Oversight Committee members
Wildlife Oversight Committee members

SUBJECT: DNR Response to Budgetary Oversight Committee (BOC) Report FY 2012

Dear Members:

Thank you for all of your efforts involved in reviewing the *Game and Fish Fund Report for the Fiscal Year Ended June 30, 2012*. We recognize and appreciate the many hours and meetings with staff to review the report and learn more about our programs, accomplishments, and challenges. Enclosed you will find responses to the issues raised during your review.

As we look forward into the 2013-2014 review period, the DNR would especially appreciate additional BOC exploration of the following issues:

1. Input into the next biennial budget cycle, which the Department will embark on starting next summer, and longer-term approaches to balancing fishing and hunting license revenues and expenditures. We would especially appreciate some analysis and recommendations about the impacts of the less-than-full implementation of the proposed 2010 fishing license fee increases.
2. Because the DNR anticipates additional one-time Pittman-Robertson federal aid revenues to the state, the Department would also appreciate recommendations for uses of this increase in coming years, and whether the priority should be one-time infusions for high-priority initiatives or longer-term investments in new or existing programs.
3. Suggestions for budget priorities and DNR engagement on agricultural issues to ensure sustainable and high-quality water and grassland resources.
4. Exploring permanent funding options for the Walk-In Access Program.

Thanks again for your dedication and service on behalf of the contributors and beneficiaries of the game and fish fund. If you have questions about this response, please contact Paul Telander, Section of Wildlife Chief (651-259-5237); Don Pereira, Section of Fisheries Chief (651-259-5229); or Beth Carlson, BOC Facilitator (651-259-5531).

Sincerely,

Erika Rivers, Assistant Commissioner
Department of Natural Resources

Enc.: *Response to Citizens Oversight Report on Game and Fish Fund Expenditures, Fiscal Year 2012*

Game and Fish Fund Budgetary Oversight Committee

Authorized under *Minnesota Statutes*, section 97A.055, subd. 4b

**DNR Response to:
“Citizen Oversight Report on
Game and Fish Fund Expenditures
Fiscal Year 2012”**

December 2013

Executive Summary

Background

The Budget Oversight Committee (BOC) highlighted the following statements in the cover letter to Department of Natural Resources (DNR). The DNR responses follow each statement.

1. **BOC Statement:** The DNR's Parks and Trails Division should continue to modify processes to ensure that Game and Fish Fund expenditures are both strategic and do not carry forward large unexpended balances.

***DNR Response:** A Division of Parks and Trails (PAT) strategic "system plan" will be available for public review in early 2014. To reduce unexpended Game and Fish Fund balances, PAT has charged an interdisciplinary team to review the water access grant program and develop policies and procedures for (1) the application, management, and reporting of Dingell-Johnson Water Access funds; (2) the deposit of federal funds into the Game and Fish Fund so the state earns the highest amount of interest possible; and (3) the tracking of matching funds.*

2. **BOC Statement:** The DNR should fund aquatic invasive species (AIS) activities through the General Fund or other mechanisms, such as user fees, to avoid negative impacts on ongoing Game and Fish Fund programs.

***DNR Response:** The governor's 2014-2015 biennial budget replaced one-time AIS funding with \$3.75 million in General Fund and the Invasive Species Account to provide a more stable funding base for AIS programs. There are no plans to use additional Game and Fish funds for AIS.*

3. **BOC Statement:** The DNR and the legislature should ensure that adequate laws and regulations are in place to protect coldwater streams from silica sand mining activities to protect Game and Fish Fund investments.

***DNR Response:** Legislation during 2013 session (Minn. Stat. sec. 103G.217) requires the DNR to create a permit program for any silica sand mining that occurs within one mile of a designated trout stream within the Paleozoic Plateau (Driftless Area) of Minnesota. Prior to issuing a permit, DNR must identify appropriate setbacks from designated trout streams, springs, and other hydrogeological features and other restrictions to protect trout stream water quality, quantity, and habitat. DNR is currently developing a permit program that will accomplish these goals. The permit program will apply to all projects that submitted environmental review documents after April 30, 2013.*

4. **BOC Statement:** The DNR should provide leadership in working with other state agencies, conservation and agricultural organizations, and the legislature to provide and promote clear understandable conservation drainage concepts.

***DNR Response:** Natural Resources Conservation Service (NRCS) has invited partners to help develop a tile outlet proposal with a \$1 million EQIP allotment to deploy a number of practices including controlled drainage with shut off valves/gates, bioreactors, saturated buffers, constructed wetlands, conservation tillage, nutrient management, and cover crops. DNR staff will participate on this committee and will meet with NRCS engineers to discuss wetland design and management. DNR will continue to look for opportunities to influence conservation drainage to provide benefits for wetland and wildlife.*

5. **BOC Statement:** The DNR should support continued land acquisition and other habitat management strategies in agricultural areas due to the unprecedented impacts on grasslands and wetlands. These lands are critical for providing opportunities for hunters, trappers, and other recreationists, improving water quality, reducing severity of flooding, and related prairie, wetland, and grassland benefits.

***DNR Response:** DNR continues to focus on fish and wildlife habitat in agricultural areas through implementation of the Prairie Plan, Federal Farm Bill partnerships, Working Lands Initiative program, Farmers and Fish Habitat program, the Shallow Lake and Duck Plans, and other acquisition and management programs.*

Expenditure Review and Policy Recommendations by DNR Program

Fish Management

Muskie Stocking and Management

Budget Recommendations

1. **The FOC requests that the DNR provide a thorough, detailed, and complete explanation of the cost increase for muskie stocking being reported to the FOC.**

DNR Response: *It appears that the FOC is comparing the Management and Development (MAD) report numbers from FY 2007-2009 (the average cost of \$16.95 per fish) to what is reported in the Game and Fish Fund expenditure report. These costs are calculated differently and are not comparable. The Game and Fish Report values include the total administrative and overhead costs for the Section, which are then pro-rated across all programs. The MAD report only took those administrative costs directly related to production. The reality of the situation is that muskie production costs are relatively stable or declined because of changes to drainable ponds and dry diet. The number of fish harvested for stocking results in fluctuations in costs per muskie. This value is dependent on weather, food source, and other environmental factors that are out of our control. Staff would be happy review calculation methods with the FOC.*

2. **The FOC recommends that the DNR review the cost allocation methodology for the “operations governance” program to ensure that the allocation is fair and equitable compared to other DNR programs.**

DNR Response: *The DNR has a rigorous methodology for allocating costs for operations governance programs. The creation of the shared services model was authorized by the Legislature and is governed by the DNR’s Operational Order 122 “Shared Services Governance Framework.” Cross-functional advisory groups and committees, the Shared Services Governance Board, and DNR’s senior managers review adoption of rates and costs annually. The Commissioner formally approves the rates. The Operations Services Division prepares a biennial report of shared services’ performance against key deliverables, services, and cost delivery. This report will be available by December 2013.*

The Shared Services Governance Board adopted a new model for shared services effective FY 14. This model is based on three components including (1) actual FTE March 2012 to March 2013; (2) actual number of allotments in FY 13; and (3) FY 13 appropriations and dedicated revenue budget amounts. FAW sections within the division will be assessed governance fees using this same model in FY 2014.

Policy/Activity Recommendations

3. **The FOC requests that DNR issue this plan as a “final plan” subject to future revisions and updates—not a “draft.”**

DNR Response: *Thank you for bringing this to our attention. A final PDF of the August 2008 “Long Range Plan for Muskellunge and Large Northern Pike Management through 2020” was posted on July 26, 2013, at http://www.dnr.state.mn.us/fisheries/muskiepike_2020.html.*

4. **The FOC recommends that for future Esox workshops “minutes” be prepared and provided to meeting participants that summarize discussions and include the recommendations of participants and DNR decisions on those recommendations.**

DNR Response: Committee Chair Tim Goeman indicated that minutes have been prepared for the last two meetings, and this communication will continue for future meetings.

5. **The FOC recommends that the DNR increase support from its Outreach Division to educate the public with regard to the muskie program.**

DNR Response: Staff will schedule a meeting between the FAW Outreach Section and representatives from the FOC and Muskies, Inc. (MI) to formulate some ideas.

6. **The FOC recommends that the DNR strengthen and accelerate its efforts to create more fishing opportunities for muskies through the partnership with the Minnesota Muskie & Pike Alliance (MMPA) and Muskies, Inc., to implement the “Long Range Plan for Muskellunge and Large Northern Pike.” This could be accomplished by more active involvement with these groups.**

DNR Response: The DNR has routinely engaged the MMPA and MI to improve the science of muskie management, to provide education about muskies, to establish a long-range plan, and to participate on the Fisheries Oversight Committee. In 2011, three new waters were added for Minnesota muskie fishing opportunities. Other recent interactions with MMPA and MI include incorporating volunteers into DNR projects (e.g., Cass Lake population assessment), collaboration on research (e.g., fingerling-yearling stocking evaluation), applying for Hugh Becker grants (e.g., enhancing field capability to rear fish or conduct field work), routinely attending MMPA meetings, and convening Esocid Workshops to identify issues and develop actions for the future.

Opportunities for strengthening and accelerating efforts for improved muskie management in Minnesota will include many of the actions identified above. The Esocid Workshop is the primary statewide approach for directly engaging MMPA and MI on new initiatives. Currently, increasing the minimum length limit is being discussed along with potentially stocking some waters to enhance population levels. The potential for enhancing harvest of quality northern pike in prairie lakes is also being discussed. Any of these newer initiatives will take additional discussion and technical review prior to direct implementation. MMPA and MI input are necessary for moving forward with these initiatives.

The long-range plan recommends a goal of up to eight new waters by 2020. So far, three new waters have been added (Pokegema, Roosevelt, Sauk River Chain of Lakes). Managing additional waters will require the deliberate process of DNR, MI chapters, and local interests working together to build understanding and appreciation for improving muskie fishing. On all of these accounts, DNR is committed to working with MMPA and MI to move in this direction.

Coldwater Fish Stocking and Management Program

Budget Recommendations

- 7. The FOC recommends that overall coldwater species stocking efforts and expenditures be maintained and that production and stocking be redirected to stream and inland systems with public use potential still in need of restoration.**

***DNR Response:** The Section of Fisheries determines its coldwater production needs based on individual lake and stream management plans. These plans are based on lake and stream monitoring data, which allows fisheries managers to evaluate whether a coldwater system would benefit from stocking and make their production requests accordingly. If managers feel there are locations that could benefit from additional stocking, or if they identify new stocking locations, available production capacity could be directed toward those locations.*

Policy/Activity Recommendations

- 8. The FOC recommends that the DNR initiate outreach efforts to prepare the public for this action and to solicit input for how to best utilize those coldwater production facilities in the future based on existing species management plans.**

***DNR Response:** The Lake Superior Fisheries Office will be discussing the lake trout fishery during the Lake Superior Management Planning process that will be launched in the near future. This process has worked very well to discuss and debate the various issues around Lake Superior management.*

During the past several years, the Fisheries Section has been evaluating its management programs for effectiveness and efficiency to provide the best return on the angler's license dollar. This review has included all of our coldwater hatcheries. The DNR is in the process of reviewing the French River feasibility report and other information for the Lake Superior/North Shore fisheries. We will engage the FOC and other interests in the near future for a broader discussion about the next steps regarding any coldwater production or management changes.

- 9. We urge the DNR to assess lake trout harvest levels closely to ensure that the pace of recovery of the wild fishery is not being adversely impacted by overharvest.**

***DNR Response:** DNR Fisheries has already discontinued stocking in MN-3 (2003) and MN-2 (2007), and have reduced stocking in MN-1 from 232,000 to 170,000 (2007). Staff continue to collect data and assess the condition of the lake trout fishery on Lake Superior. Overall, wild fish far surpass stocked fish in MN-1. Fisheries staff will provide further information when FOC meetings resume.*

The FOC also understands that the French River Hatchery will be evaluated to determine its future. Funds have already been allocated for an outside evaluation of the hatchery and needed renovations and associated costs.

- 10. The FOC supports this review and requests the opportunity to review the results and recommendations and provide comments on the report.**

***DNR Response:** The DNR is in the process of reviewing management goals and hatchery information. We will engage FOC members and other interests in the near future for a broader discussion about next steps.*

- 11. The FOC recommends that the DNR coordinate closely with the MPCA to identify a list of priorities with regard to improvement in water quality of stream systems that have the potential to support high quality coldwater fisheries.**

***DNR Response:** The DNR currently coordinates with the MPCA on water quality work for coldwater streams in multiple capacities. Clean Water Legacy coordinators within the Division of Ecological and Water Resources as well as Section of Fisheries staff work directly with MPCA staff and their contractors during the Watershed Restoration and Protection Plan (WRAPP) process that identifies strategies and outcomes to address water quality impairments or to protect streams from degradation. This process also brings together key partners, such as local units of government and Soil and Water Conservation Districts, so that a coordinated action plan for the stream can be created. The Section of Fisheries has recently revised its stream management plans to be more holistic in considering watershed processes, and plans will incorporate recommendations that come from MPCA's WRAPP. This sets the stage for increased interaction between the DNR and MPCA in watershed planning efforts.*

The recently approved DNR Fisheries Habitat Plan emphasizes some of these same goals, including prioritizing project areas to focus habitat and water quality work and for engaging partners. The plan acknowledges the linkage between watershed land use and water and habitat quality; in order to provide quality habitat for fish we must often work at the watershed scale. Because the DNR's staff time for this type of work is limited, partnerships with MPCA and others will be critical.

- 12. The state and the DNR should take strong positions in favor of a cautious approach regarding silica sand mining to ensure such activity is carried out only in responsible locations and manners where public resources will not be impacted, and permits denied where significant impacts could occur.**

***DNR Response:** Among the new requirements for the DNR, EQB, and other agencies, Minn. Stat. sec. 103G.217 requires the DNR to create a permit program for any silica sand mining that occurs within one mile of a designated trout stream within the Paleozoic Plateau (Driftless Area) of Minnesota. Prior to issuing a permit DNR must identify appropriate setbacks from designated trout streams, springs, and other hydrogeological features and other restrictions to protect trout stream water quality, quantity, and habitat. DNR is currently developing a permit program that will accomplish these goals. The permit program will apply to all projects that submitted environmental review documents after April 30, 2013.*

- 13. The DNR should increase efforts to work with the Minnesota Pollution Control Agency, Minnesota Board of Water and Soil Resources, Minnesota Department of Agriculture, USDA Farm Service Agency, and Natural Resources Conservation Service to ensure that conservation measures accompany such activities.**

***DNR Response:** The Fisheries Section is committed to achieving greater awareness and programmatic delivery of fish habitat goals and objectives with other agencies that affect land and water conservation. Fisheries recently completed its strategic guidance document, "Fish Habitat Plan," and hired a fisheries habitat manager to assess, influence, and focus aquatic habitat benefits from a variety of programs in ways that improve fish habitat conditions. This realignment of Fisheries organizational structure should also increase our ability to secure outside funding, such as Outdoor Heritage Funds, Clean Water Funds, and other habitat-related funds to improve aquatic habitats. See also the response to Item 21.*

Wildlife Management

Budget Recommendations

- 14. Develop a plan of action for sustainable hunting license and dedicated stamp revenue to carry out the mission of the Department effectively related to wildlife resources. Communicate the plan to the BOC by July 1, 2014.**

DNR Response: Any plan to ensure that license and stamp revenues are commensurate with the Department's mission relative to wildlife resources, whether it is periodic regular license fee/stamp increases (e.g. every 6 years) or annual adjustments based on inflation, would require legislative approval. There has been inadequate legislative support in the past for this type of system. The Department, Division and Section will discuss this further and report back to the WOC.

- 15. Continue to make incremental adjustments to align wildlife revenue more closely with wildlife expenditures (long-term outcome to reduce reliance on hunting revenue to support Fisheries Section activities).**

DNR Response: Incremental adjustments are a good approach and close monitoring of such adjustments will continue. The department will continue working toward reducing the imbalance, but steps will need to be taken to request appropriations that more closely align revenues and expenditures.

- 16. Expend the estimated increased federal aid of \$4 to \$6.5 million for reimbursable game and fish management activities on projects and programs that do not require annual appropriations and expenditures since this revenue is likely not to be sustainable over time.**

DNR Response: In general, we agree that this increase is not likely sustainable over time. Increased apportionments are captured through expenditures of existing appropriated dollars, resulting in a 75 percent reimbursement. Future appropriations will be needed to spend the reimbursed dollars, and we will work with the BOC on development of budget initiatives to utilize those increased revenues. A review of eligible programs and expenditures will be shepherded by the new federal aid coordinator.

- 17. Develop a sustainable source of adequate funding for wolf management.**

DNR Response: Currently the Wolf Management Account is funded by wolf application fees, license sales, and a \$0.50 charge from each deer license sold. At the current cost of \$30 per license and \$4 per application, these fees alone cannot pay for all of the costs of wolf management. Adding the funding from the \$0.50 from deer licenses helps make the account sustainable, but this still does not entirely pay for the wolf management program.

- 18. Develop a sustainable source of funding for the allowance of hunting on private land across the state (e.g., walk-in or other innovative hunting programs).**

DNR Response: The Section of Wildlife is investigating the feasibility of a sustainable funding mechanism for Walk-in Areas (WIA). One option under consideration is a combination of user fees (via WIA validation) supplemented by an additional appropriation of Game and Fish Fund based on increased federal Pittman-Robertson revenues.

- 19. Develop a method to track users of walk-in or other hunter access programs (e.g., in addition to HIP certification when licenses are sold) and ask a question related to use and frequency of walk-in areas.**

***DNR Response:** The mandatory Walk-In Access user validation can be purchased through the Electronic Licensing System (ELS). The validation will be used to create a database of users from which to gain user information via cooperative survey with University of Minnesota. The survey findings will be key in developing a sustainable funding mechanism as discussed in Item 18.*

- 20. Identify game and fish fund costs (percent of personnel time, etc.) associated with the major grassland partnership initiative announced by the Commissioner this past year.**

***DNR Response:** Personnel time committed to implementation of the Prairie Plan is substantial. Up to half of the Prairie Habitat Team supervisor's time, half of the WIA/WLI coordinator's time, and up to a quarter of two additional Prairie Habitat Team staff will be in direct support of Prairie Plan Implementation. In addition, we are expecting to shift the Walk-In Access program to operational mode upon identification of a long-term funding strategy, including a dedicated WIA coordinator, thereby potentially freeing up the WIA/WLI coordinator to operate as full time Prairie Plan Implementation coordinator. Including time spent by the habitat program manager, total personnel time will be about 2.25 FTEs. A full assessment of workloads would be needed prior to personnel expansion.*

Policy/Activity Recommendations

- 21. Provide leadership to enhance partnerships with conservation interests and the agricultural community to incorporate conservation drainage so that drain collection and conveyance systems manage flows to provide wildlife benefits and reduce the transport of sediment and pollutants.**

- a. Partner with the Department of Agriculture et al. to increase educational and training programs and appropriate landowner incentives to address drainage system concerns including water quality protection, soil erosion, flood control, and invasive species.
- b. Assist with giving drainage authorities more tools and resources to implement projects with integrated drainage, flood control, conservation, and water quality benefits.
- c. Better integrate effects on wetlands and water quality into drainage authority decisions about drainage system work.
- d. Assist in addressing the legal framework for drainage including gaps and ambiguities. Offer legislative changes necessary so that drainage and conservation goals can be better realized.

***DNR Response:** Natural Resources Conservation Service (NRCS) has invited partners to help develop a tile outlet proposal with a \$1 million EQIP allotment to deploy a number of practices including controlled drainage with shut off valves/gates, bioreactors, saturated buffers, constructed wetlands, conservation tillage, nutrient management, and cover crops. DNR staff will participate on this committee and has been invited to meet with NRCS engineers to discuss wetland design and management. DNR will continue to look for opportunities to influence conservation drainage to provide benefits for wetland and wildlife.*

- 22. Continue BOC involvement with the department's biennial budget development, work planning, and related annual activities to meet statutory direction.**

***DNR Response:** Operations staff within the Section of Wildlife will be available to attend BOC meetings and provide summary updates on budget development, annual work planning processes, and accomplishments. The Game and Fish Fund Report fosters discussion of these topics annually, and Wildlife operations staff will continue to be available for dialogue with the BOC. As the Division*

manages the dedicated accounts, BOC comments and statutory requirements will continue to be included in planning sessions to analyze revenues and set annual allotments from the funds. Operations staff will ensure reports from Wildlife's budget planning software and the state's financial systems are available to BOC as needed. Operations staff can provide analysis of statutory compliance for Wildlife budget allotments and expenditures to meet funding integrity.

- 23. Continue fine tuning performance management objectives and outcomes for all Division activities. Evaluate the cost/benefits of wider dissemination by including them on the DNR website or other media so that hunters, anglers, and the public have access to the information to increase their understanding of accomplishments, challenges, and opportunities.**

***DNR Response:** Wildlife will consider the cost/benefit of publishing on the DNR website a summary of strategic objectives and performance measures. A [legislative presentation](#) summarizing this information for FY 2012-2013 is posted on the DNR's website. This summarized format including performance measures, targets, and outcomes would be a good format for sharing this type of information with a larger audience of hunters, anglers, and public. Other performance-focused publications are available on the DNR's website, including the "Strategic Conservation Agenda," which addresses wildlife goals and several performance indicators.*

- **[Referenced in Executive Summary, unnumbered] In spite of the downturn in the forest products industry, continue to provide forest management for game species in northern forests through other strategies.**

***DNR Response:** DNR will continue to pursue opportunities to provide forest management for game species by taking advantage of commercial harvest when available, as well as other strategies. DNR is exploring ways to pair viable commercial timber sales with other non-commercial or marginally commercial timber stand improvement projects. DNR annually submits project proposals seeking Outdoor Heritage Funds for forest management projects. Recently funded examples include ML10 (FY 2011) and ML11 (FY 2012) Accelerated Forest Wildlife Habitat Program Grants, as well as being a partner in the ML 12 (FY 13) Minnesota Moose Habitat Collaborative. For the FY 2015 OHF funding cycle, DNR partnered with Pheasants Forever and the Minnesota Sharp-tailed Grouse Society to develop and submit the ML14 (FY 2015) Northeastern Minnesota Sharp-tailed Grouse Habitat Partnership. In addition, DNR has partnered successfully with local conservation groups, local governments, and larger conservation organizations, such as the National Wild Turkey Federation and Minnesota Deer Hunters Association, to secure Conservation Partners Legacy grants for forest habitat work, and will continue to seek opportunities for the use of these funds.*

- 24. Develop operating standards and desired future condition plans to optimize game management on WMAs for habitat, food plots where appropriate, winter cover, grasslands, and wetlands, to improve hunter experiences and management consistency of WMAs across landscape regions. Complete one pilot project in each region by August 2014.**

***DNR Response:** The Section of Wildlife Habitat Program is in the process of developing a Strategic Habitat Implementation Project that will incorporate current wildlife planning efforts in to a single interactive tool for managers as they develop habitat restoration and enhancement projects. The intent of the tool is to provide real-time feedback to project proposers on how their project fits with current plans and priorities.*

- 25. Provide an evaluation in 2015 of the structural changes within the Division of Fish and Wildlife to determine the success of increasing habitat acreage in active management and any savings realized in other areas of the operation from the 2012 organizational changes.**

DNR Response: This should be a straightforward exercise in evaluating accomplishments relative to acres on the ground, dollars into the Section of Wildlife, and resources expended to accomplish the same activities relative to 2012.

- 26. Ensure that grazing on WMAs is limited to achieving specific resource management goals by developing formal monitoring protocols.**

DNR Response: The Section of Wildlife is about to roll out its "Statewide Conservation Grazing Plan," which will give clear guidance to managers and practitioners as to the purposes of grazing. Area Wildlife managers will be approved to conduct conservation grazing operations only after the preparation and approval of a comprehensive grazing plan written with the consultation of Minnesota Department of Agriculture conservation grazing specialists and DNR habitat assessment biologists. Wildlife assessment biologists are also assisting this effort by: 1) performing monitoring projects that will result in recommendations to assist managers with decision-making, and 2) assisting managers with specific monitoring needs to assess the effectiveness of site-specific grazing prescriptions/plans.

- 27. Provide regular information through a variety of medium to better inform the public about the projects and activities of the Wildlife Section (make this a priority using existing staff to achieve this goal).**

DNR Response: The Section of Wildlife will continue to publish reports and summaries made available to the public through the DNR's website. As an example, the annual "Wildlife Populations Report" and the "Wildlife Research Findings Report" provide annual program updates in an easily accessible format. The annual Minnesota DNR Roundtable is another opportunity for the Section of Wildlife to highlight significant projects and activities for an audience of statewide conservationists. The Section of Outreach is adding capacity in FY 2014 to continue improving web and other media content of field-driven information and success stories. The Division of Fish and Wildlife will continue to generate news releases and media communications in a variety of formats to inform the public of timely wildlife projects and activities. The outreach associated with the first inaugural wolf hunt and the moose mortality study are good examples of recent public information campaigns for the Section of Wildlife.

- 28. Support current re-evaluation of population goals to increase deer populations in areas with low numbers.**

DNR Response: We appreciate the support. It should be noted that in some areas the outcome of re-evaluating deer population goals may result in a goal to decrease deer numbers. All deer permit areas will be re-evaluated, not just those with low numbers.

- 29. Support giving the department's commissioner authority to manage deer for antler point restrictions or other management strategies to sustain a viable deer herd throughout the state.**

DNR Response: Again, we appreciate that support. As a result of a new law in 2013, the DNR must seek legislative approval for implementing any new antler point restrictions beyond the southeast. Legislative support will be necessary before we consider antler point restrictions in other regions.

30. Include a list of waterfowl refuges in the annual waterfowl hunting synopsis.

***DNR Response:** Depending on space consideration, this may be a very practical proposal. Going a step further, the last four to eight pages of the waterfowl hunting synopsis has been devoted to education items pertinent to Minnesota waterfowl hunters. In light of this request regarding refuges, it may be appropriate to use at least some of these pages to inform hunters and other conservationists about the value of waterfowl refuges. Since the “Minnesota Shallow Lakes Plan” recommends that state waterfowl refuges be evaluated with an eye towards needed establishment of new refuges to benefit waterfowl populations, the Section of Wildlife will consider including these refuges and other wetland habitat issues, in future waterfowl hunting synopses as well.*

31. Increase efforts to broker a compromise between trappers and hunters who own hunting dogs to reduce incidence of trap-killed dogs.

***DNR Response:** The Minnesota Trappers Association has recently taken some proactive steps to acknowledge and respond to this issue, including creating and funding a small, lightweight kit that includes nylon zip ties and simple instructions that allow any dog owner to release a dog quickly and easily from a body-gripping trap. They plan to distribute this kit at upcoming sports shows. In addition, this group has indicated that they are willing to work with dog owners to change trap placement regulations in ways that would further protect dogs from accidental capture in body-gripping traps. The DNR Furbearer Management Committee met with the Dog Lovers 4 Safe Trapping group in April 2013 to hear their concerns and answer any questions they might have. The Minnesota Forest Zone Trappers Association was part of a DNR-led discussion on the topic in May. The DNR Furbearer Management Committee will maintain close contact with each of these groups and will be available to assist in any way possible as this issue moves through the Legislature.*

32. Determine viability for continuing the venison donation program on a statewide basis.

***DNR Response:** We still think that the venison donation program is an important service to the community, as well as a deer management tool. It served well during the period when liberal limits were employed to reduce deer numbers. We are now in a different place where the opportunities to take multiple deer have been considerably reduced throughout much of the state; this has resulted in fewer donated deer. That is understandable, but it does not necessarily mean that we should abandon the program.*

Lead in venison obviously complicated the program. Voluntary efforts to use copper bullets will likely increase over time as hunters learn that copper is an effective alternative. This should help keep the program viable.

Section of Outreach

Budget Recommendations

33. Expand marketing for critical habitat license plates to generate increased revenue without major increases in the license plate fee for the current 107,000 purchasers.

***DNR Response:** Marketing and promotion for the Critical Habitat License plates includes brochures, posters and other materials that are sent to registrar offices (license vendors). The existing \$7,000/year budget for marketing just barely covers this cost. In order to boost awareness of this*

program and the license plates, additional funding would be needed for advertising purchases and other marketing materials.

Policy/Activity Recommendations

34. Support continued aggressive efforts to recruit new hunters and retain existing users.

DNR Response: We agree. A number of efforts are underway, including the formation of the Commissioner's Council on Recruitment and Retention.

35. The BOC recommends that the next report include information on diversity initiatives and accessibility program expenditures and accomplishments. The FOC also recommends that the DNR consult with stakeholders to review such activities and recommend actions and initiatives to provide greater access.

DNR Response: Information on diversity and accessibility initiatives will be included in the next report. The DNR's Division of Operations Support oversees accessibility projects and is working to increase staffing devoted to these projects.

License Center Operations

Budget Recommendations

36. Provide more detail in the game and fish fund report on the breakout of License Center operations for personnel, supplies, and expenses.

DNR Response: The License Center will provide more detail.

37. Provide a breakout in the game and fish fund report of the individual number of stamps sold in each year to best track trends.

DNR Response: The License Center will provide the number of stamps sold.

Policy/Activity Recommendations

38. Increase the use of the message board for ELS agents to enhance information, education and orientation of new rules and regulations, other changes, or critical interpretations of policies and procedures.

DNR Response: The License Center will increase the use when appropriate and effective.

39. Include license vendors in the development of license structures and annual fishing and hunting regulations.

DNR Response: We would like to hear more about the WOC's concern and may consider this option in the future.

40. Modify ELS licensing so that hunters or anglers who purchase subsequent licenses have one updated master license that includes all of their endorsements, stamps, etc.

DNR Response: This recommendation has been examined regularly since the introduction of the ELS and reexamined during each new generation of the ELS. The limited amount of licenses this would affect and the cost to implement under the current licensing structure and laws and rules make the suggestion impractical.

Ecological and Water Resources

Budget Recommendations

- 41. The FOC recommends that no additional full-time employees be added for AIS work to be funded by the game and fish fund pending decisions on the requested increase to protect ongoing fisheries activities from possible future reprogramming.**

DNR Response: The governor's FY 2014-2015 biennial budget replaced one-time AIS funding with \$3.75 million in General Fund and the Invasive Species Account to provide a more stable funding base for AIS programs. There are no plans to use additional game and fish monies for AIS.

- 42. The FOC recommends that the DNR and legislature consider a "user fee" approach to help fund the AIS program. This user fee approach could help supplement or replace general fund or game and fish fund appropriations and would be focused on those activities and users that have the greatest potential to cause the spread of AIS.**

DNR Response: The Invasive Species Program receives funds from the Invasive Species Account and the General Fund. The Invasive Species Account receives funds from two forms of surcharge: 1) a five-dollar surcharge on out-of-state fishing licenses, and 2) a five-dollar surcharge on boat licenses. DNR is therefore currently using the user fee approach, but at present the revenues do not fully support the AIS program.

Policy/Activity Recommendations

- 43. The FOC recommends that Ecological and Water Resources Division develop additional performance indicators that focus on outcomes and use tables and maps to document graphically the spread of AIS. These performance tools can be used to determine effectiveness of the AIS strategy including enforcement and education initiatives and can be used to set future priorities.**

DNR Response: The Invasive Species Program will review the rate of overland spread as an outcome-based measure of programmatic effectiveness. The focus of the AIS laws outlined in Minn. Stat. chap. 84.D and the DNR prevention program is on reducing the risk of AIS transport through water-related activities. Measuring the rate of infestation due to overland spread directly indicates compliance with statute by individual citizens. DNR has also developed a GIS data layer, indicating the location of designated infested waters, for maps and analysis.

The Invasive Species Program is currently working with University of Minnesota researchers to explore messaging and performance indicators to help evaluate the effectiveness of our education and communication programs.

- 44. The FOC recommends that the Ecological and Water Resources Division work with Enforcement Division on a strategy to do selective enforcement of LSPs and to increase educational efforts to identify who needs an AIS permit and what are the requirements.**

DNR Response: In 2013, the Invasive Species program hired a training coordinator to continue to develop the AIS training program, including the lake service provider (LSP) training program. The addition of language into the "Service Provider" definition during the 2013 legislative session helps clarify who is required to take the LSP training (Minn. Stat. sections 84D.01, subd 15a, and 84D.108, subd. 2). In addition, entities that provide decontamination services and those that rent water-related equipment are now identified in the service provider definition.

The new training coordinator is reviewing and improving both the educational materials used in the LSP training and the communication regarding who needs to take the training, the requirements, and how to find LSPs with training.

The Divisions of Ecological and Water Resources and Enforcement are continuing to work closely to improve compliance with permit requirements in all areas related to AIS.

- 45. The FOC also urges the DNR to continue to expand the education and prevention program to other activities that are potential sources of movement of AIS including lake owners, marina operations, and bait providers.**

***DNR Response:** The addition of the training coordinator position will allow DNR to explore other opportunities for online training and education. The department continues to review this program and identify areas of expansion for online training and education. In 2013, the commissioner formed the AIS Advisory Committee. This committee consists of 15 stakeholders and ex-officio members. The committee provides advice on program policy and implementation. DNR is currently working with the committee to help review program elements.*

- 46. The BOC recommends that the Ecological and Water Resources Division develop a more comprehensive overall AIS strategic plan and step down operational plans along with cost estimates to present to the governor and legislature for future budgeting purposes. Given the magnitude of the problem, the BOC recommends that a triage approach be developed that places AIS capabilities in the best places to prevent or control infestations.**

***DNR Response:** The Minnesota Invasive Species Advisory Committee (note: this is different than the DNR AIS Advisory Committee described above) developed the Minnesota State Management Plan for Invasive Species in 2009 (available at http://files.dnr.state.mn.us/natural_resources/invasives/state_invasive_species_plan.pdf). This plan provides strategic direction for DNR and its partners for invasive species actions. The DNR Invasive Species Program is in the process of developing an implementation plan based on the Minnesota Statewide Invasive Species Plan. The implementation plan includes operational direction for DNR and its partners.*

In 2011, DNR contracted with Thompson Engineering Company to complete an economic analysis of seven programmatic prevention options (http://files.dnr.state.mn.us/natural_resources/invasives/ais_prevention_measure_evaluation_final_report_feb_2012.pdf). The report outlines the cost, feasibility, and effectiveness of each option. This report was presented to the legislature in February 2012.

As part of on-going effort to enhance the effectiveness of program elements, during each watercraft inspection a user survey is conducted. The results of these surveys inform an existing triage matrix. This matrix has six tiers to guide the watercraft inspectors' work activities. The Invasive Species Program also reviews each element of the program annually to determine appropriate direction and identify need for changes.

The DNR is commended for a widespread educational effort to educate the public on AIS.

- 47. However, the FOC believes that this effort needs to be more strategic in nature aimed at the major sources of invasive species. In addition, the messaging to the public needs to be simplified. For example, for anglers and recreational boaters there are a diversity of signs at launches with**

complex messaging that might not be read or fully understood. For example, CLEAN/DRAIN/DRY is a simple message that should be posted at every launch site and billboard and used in all written outreach materials.

***DNR Response:** The Invasive Species Program hired an information officer in 2012. One of the main duties for this position is to develop and maintain consistent and effective messaging. The program has reviewed current educational materials to identify inconsistencies and clarify language. The DNR's Division of Parks and Trails has also developed a set of AIS best management practices (BMPs) for public access sites to help guide users through activities to help prevent the spread of AIS and is implementing these improvements at 200 DNR-managed public access sites.*

The newly formed AIS Advisory Committee has also identified education and public awareness as one of their top priorities. The Advisory Committee and our education and communication staff are working closely on developing new messaging and a communication plan.

The FOC is greatly concerned regarding the Asian Carp situation. There is an immediate need to prevent the passage of these fish through the upper locks at St. Anthony Falls. If these carp enter the headwaters of the Mississippi River, it will have a devastating effect on our lakes and rivers connected to this system. It will adversely affect recreational boating, fishing, lake and river property values, and many other related economic values worth millions of dollars.

48. The FOC requests that the State aggressively pursue efforts to close this lock and Lock and Dam No 1 (Ford Dam) as well to protect the fishery and related economic values.

***DNR Response:** Federal legislation to close the lock at Upper St. Anthony Falls is in both the House and Senate versions of the Water Resources Development Act. The bill has been heard in conference committee and it appears there is a good chance that the lock closure language will pass. DNR and the Governor's Office have been strongly supportive of this legislation.*

Enforcement

Budget Recommendations

49. The DNR should receive a direct appropriation from the general fund for AIS enforcement to protect the integrity of such funds for enforcement use, rather than using an internal transfer to the Ecological and Water Resources Division.

***DNR Response:** This was accomplished last legislative session when the Division of Enforcement was given a direct appropriation for AIS.*

It was not clear to the BOC how much game and fish funding is allocated to administrative support costs. The latest overhead cost analysis was done in 2009.

50. The DNR should conduct an updated overhead cost analysis that will ensure that the game and fish fund is charged fairly relative to other divisions.

A significant cost increase will be assessed to the Enforcement Division over the next two budget cycles to cover a funding deficit in the retirement fund due to legislative action requiring automatic cost-of-living-adjustments. According to enforcement personnel, this action will result in a 3% agency contribution increase for the next two biennia and will increase annual costs by approximately \$1,000,000 in FY 2014. At this point, there is no proposal to provide increased

funding to the Enforcement Division to cover these costs. This would result in a significant reduction in enforcement capability equal to the loss of 4-5 officers per year that would be compounded in future years.

DNR Response: We require each division to document how they will pay for shared services as part of the spending plan certification process. This is done to ensure that dedicated accounts pay their fair share, and only their fair share, of these support costs. The fiscal impact of the retirement cost increases is actually \$255,000 in FY 2015 and in FY 2016, and a compounded permanent impact of \$510,000 annually from FY 2017 on.

- 51. The commissioner should request an increase in the department's enforcement budget to meet commitments made to current conservation officer retirements while making adjustments in the employee benefit package and employee contributions for future officers to make the retirement fund sustainable.**

DNR Response: DNR is drafting a supplemental budget initiative for possible consideration by the 2014 legislature.

- 52. Overall conservation officer costs should be reduced by continuing to streamline fleet and other areas of operations while maximizing time in the field to reduce the 29% not directed field service hours.**

DNR Response: The Division of Enforcement is constantly looking for ways to improve efficiencies and has launched a strategic planning effort and plans to initiate new continuous improvement projects aimed at efficiency. The division also anticipates addition efficiencies as a result of the comprehensive law enforcement records management system and other investments in technology. The bulk of non-direct field time is statutorily mandated training related to an Officer's Peace Officer License and contractual obligations for vacation and sick leave.

- 53. The records system needs updating so that it enables readily retrievable data for officer contacts, oral and written warnings, formal complaints, citations, and conviction rates.**

DNR Response: The legislature provided funding last session for a law enforcement records management system, and the Division of Enforcement is currently in the process of purchasing and implementing the system.

Policy/Activity Recommendations

- 54. Officers should be encouraged to expand efforts to inform and educate citizens of game and fish laws and regulations and be recognized or rewarded for their efforts through commendations or other appropriate employee recognition mechanisms.**

DNR Response: The Division of Enforcement has a long-standing awards program that recognizes officers in several different areas of work. Each award is based on several performance measures within those specific awards categories. One major indicator in all the award categories is the education/outreach that officers perform based on the award category. Several outside organizations also offer awards to officers, and their criteria include education/outreach. Officers also have outreach/education built into their position description and are rated on that aspect during annual performance appraisals.

- 55. DNR outreach specialists should work with the Enforcement Division to develop outreach programs and provide training, materials, and support to officers in the field to conduct outreach activities that are aimed at educating the public to prevent violations.**

DNR Response: Outreach (recruit/retain) efforts are a significant goal of the "Conservation That Works" document. Conservation officers conduct a tremendous amount of outreach. Last year alone conservation officers documented 975 separate group presentations.

- 56. The Enforcement Division should work with the Ecological and Water Resources Division to clarify LSP requirements and expand its outreach program to educate LSPs regarding permit requirements and best practices and begin enforcing LSP permit conditions.**

DNR Response: The Division of Enforcement worked closely with EWR staff when the LSP requirements were created and continues to work with them on the clarifications. Like any new requirement in a diverse program like LSP, it is nearly impossible to plan for every possible condition that would require a permit. Enforcement and EWR are continuously monitoring these variables and are making recommendations for proposed change in statute and DNR policy.

- 57. Research alternatives for conducting a survey to assist in determining compliance rates of angling and wildlife regulations and update the BOC in 2015.**

DNR Response: Until a records management system (RMS) is purchased and implemented, it will be difficult to determine what kind of reporting capabilities it can provide. The Division of Enforcement intends to see what those capabilities are before investing in a separate process to measure compliance rates.

- 58. Provide separate numbers for outreach efforts by the Enforcement Division in future game and fish fund reports.**

DNR Response: We will do our best to provide more information to the FOC and WOC about enforcement outreach efforts, including meeting with the committees to review the nature of that outreach and how it can be tracked.

- 59. Modify tags for big game animals and turkeys to protect privacy of individual hunters.**

DNR Response: Site tags were modified in the fall of 2013 and now only have the name of the hunter and the MN DNR number on them.

- 60. Provide an update on the Division strategic plan mapping out goals, objectives, and strategies for the future, including outreach and diversity.**

DNR Response: We will share with the BOC as the Division of Enforcement moves forward with a Strategic Planning process that is set to be completed in the spring of 2014.

Forestry

Budget Recommendations

- 61. Reduce overhead for managing commercial harvest on WMAs for wildlife habitat management to reduce game and fish fund reimbursement costs or seek additional federal reimbursements to offset those costs.**

***DNR Response:** There are opportunities to streamline the collaboration process to reduce reimbursement costs. The Section of Wildlife staff will continue its leadership role in clearly outlining objectives and outcomes for WMA lands and Division of Forestry staff will look for ways to implement timber harvesting activities more efficiently on the landscape to meet those goals. The Section of Wildlife is exploring ways to secure federal aid in wildlife restoration reimbursement for Division of Forestry costs. The Department always looks for more efficient, cost-effective ways to manage the state's resources, the savings from which, in the context of WMAs, can be passed on to the Game and Fish Fund.*

- 62. Continue to seek additional funds to supplement game and fish fund allocations for the invasive species program that is critical for protecting forest habitat.**

***DNR Response:** The Division of Forestry will continue to look for funds from other sources to address terrestrial invasive species. Forestry has received grants to address terrestrial invasive species through the Division of Ecological and Water Resources (EWR) every year since 2007. Forestry receives about \$35,000 per year from this funding source. In the last four years, Forestry has received three US Forest Service (USFS) competitive grants, averaging \$100,000 per year, which target specific invasive species management projects. The division has submitted a number of LCCMR proposals but to date, none has been accepted. The Division of Parks and Trails Legacy dollars have been used as match funds on USFS competitive grants that the Division of Forestry has received. EWR and the Division of Fish and Wildlife also contribute general funds to the state match for Forestry's USFS competitive grants. Forestry receives other USFS cooperative grants each year for forest health protection. While those grants are not specific to invasive species, the forest health staff devotes significant time to invasive species outreach and public education as well as completes some survey work. Field foresters contribute time to invasive species work under Minnesota Department of Agriculture lead cooperative efforts (gypsy moth, emerald ash borer, etc.).*

Policy/Activity Recommendations

- 63. Monitor compliance with access and development easements on +/- 91,000 acres of forest legacy lands to ensure benefits are maintained for hunting and trapping.**

***DNR Response:** The Division of Forestry has established a long-term program for monitoring forest legacy conservation easements. DNR Forestry staff annually monitor roughly 347,000 acres of forest conservation easement lands to ensure public access is maintained for hunting and trapping. Funding for monitoring is provided through a newly established Minnesota Forests for the Future Easement Account and from the General Fund.*

Lands and Minerals

Budget Recommendations

- 64. The BOC requests that the Lands and Minerals Division provide the FOC with a description of the process to ensure accurate cost coding to specific projects along with a description of how costs are determined.**

***DNR Response:** The DNR has a system of numbered operational orders to define policies and procedures concerning the internal management of the department. The basic guidelines and requirements for acquisitions are included in one of the operational orders.*

The Division of Lands and Minerals (LAM) has made significant changes to cost coding in order to better categorize activities. The division has developed coding based on the transaction being performed such as acquisitions, sales, exchanges, licenses, leases, and easements. In addition, LAM has coding for a variety of activities typically performed within transactions such as title work, appraisals, surveying and closings. This additional cost coding will allow LAM to better categorize the activities it performs.

- 65. The BOC encourages the DNR to control professional services charges and Office of Enterprise Technology overhead expenses so that the four year multi-million dollar lands record system is completed on time and within budget.**

***DNR Response:** The new land records system was implemented in October 2013. The DNR has a Shared Services Governance Team to guide decisions regarding the quality and costs of shared services. This team includes an information technology staff from MN.IT@DNR.*

Policy/Activity Recommendations

- 66. The BOC requests that the Lands and Minerals Division continue to monitor proposed improvements. We request that division staff brief the BOC next year on its efforts and provide periodic progress reports on acquisitions funded by the game and fish fund, as well as other sources such as the Outdoor Heritage Fund and federal sources.**

***DNR Response:** The continuous improvement activities for 2013 within Lands and Minerals will initially focus on land acquisitions. A kaizen event was conducted in 2012 to find improvements in the initial decision-making process related to land acquisitions. Another process improvement process will be conducted in early 2014 to identify additional improvements in the acquisition process.*

- 67. The BOC recommends that the DNR develop a process to inform the Lands and Minerals Division of overall DNR acquisition priorities between divisions.**

***DNR Response:** As a result of a continuous improvement effort in 2012, an internal document related to land acquisitions will be modified to allow for regional and divisional leaders to indicate their land acquisition priorities.*

In addition, the DNR is developing a decision-making framework to: move the department toward more strategic acquisitions that complement our existing public lands; to assure that the department continues to regularly assess its portfolio of lands in the future and make any necessary improvements; and to ensure effective, efficient and timely interdisciplinary participation in land asset decisions.

- 68. Support department efforts to improve the land acquisition process and recommend not allowing the Lands and Minerals Division to invoice other divisions for services until all phases of the land acquisition process improvement project are completed (target date is July 1, 2014).**

DNR Response: In the 2014-2015 biennial budget, DNR implemented a full cost recovery model for real estate services on state managed lands. The Division of Lands and Minerals is making good progress on the process improvement project, and the DNR does not believe it is necessary or beneficial to impose an interim restriction on division invoicing.

- 69. Develop standards so that land acquisition, surveying, and related work can be completed within a timeframe that is commensurate with private and non-profit real estate transactions.**

DNR Response: As a state agency, DNR has more legal requirements regarding acquisitions, surveys, and other related work, which makes it impossible to complete those activities within the same time frame as private entities. In addition, a number of the non-profit organizations that we work with also have additional requirements beyond those already defined in statute. That said, the department is committed to continuous improvement of acquisition and related processes.

Parks and Trails

Budget Recommendations

- 70. The BOC requests the DNR to provide a summary report of expenditures and balances for both the game and fish fund (including federal funds) and the water recreation account during the next FOC cycle in 2013 to review continued progress. The BOC requests information on the water recreation account because funding is combined with game and fish fund funds for water access projects.**

DNR Response: The Division of Parks and Trails agrees to provide a summary report of expenditures for the state game and fish fund and water recreation account. There are no federal game and fish funds, however the balance of the obligated and unobligated funds of the grant with USFWS can be updated and reported.

- 71. The BOC requests that Parks and Trails work with the Lands and Minerals Division to modify the planning and execution process to spread expenditures out for access projects to avoid carrying forward large unexpended balances in alternate years.**

DNR Response: The Division of Lands and Mineral is working to improve acquisition processes including for public water access. However, this will probably not have an immediate effect on the carry-forward balance. Several other obstacles exist. The USFWS is under sequestration, which has slowed down grant approvals, amendments, and withdraws on the balance. There is a vacancy in a critical USFWS position that approves an "in-kind bank" (adding federal interest to public access sites without prior federal interest), which would allow acquisitions to be reimbursed at 100% instead of 75%. Current projects are complex and the design unit staff is near or at capacity.

- 72. The BOC recommends that Parks and Trails consider using federal funds for additional development or maintenance projects to help reduce carry over balances in future years, if necessary.**

DNR Response: At this time, the Division of Parks and Trails will continue to utilize acquisition, rehabilitation and development projects for reimbursement, which reduces the balance. Building an

“in kind bank” to increase reimbursements of land acquisitions at 100% is another technique that can be applied to decrease the balance. We will consider your request to use federal funds for maintenance projects.

73. A response to the BOC outlining the results of this review and subsequent changes in coding procedures is requested.

***DNR Response:** The Division of Parks and Trails is using cost coding to ensure that all expenditures for a project are coded to that specific project. Cost coding will help with accurate report development and streamlining expenditure reimbursements through the grant with USFWS. To ensure fund integrity Parks and Trails will continue to develop and monitor budgets and expenditures as required by Department policy.*

Policy/Activity Recommendations

74. The BOC requests a response on progress on the strategic plan and associated operational plans as part of the 2013 game and fish fund report.

***DNR Response:** The Water Recreation strategic plan has evolved to become a major component of the Parks and Trails “System Plan,” which is in progress. A water recreation team is working on the plan. A draft will be shared with the BOC and other stakeholder groups as part of the public review process in early 2014.*

75. The FOC recommends that Parks and Trails have an employee succession plan to ensure ongoing and appropriate accountability and compliance with state and federal requirements.

***DNR Response:** The Division of Parks and Trails is working on a project to document critical Sport Fish Restoration Boating Access processes and to broaden the knowledge base. In addition, training is available for staff to learn the appropriate accountability and compliance requirements, from both state and federal agencies.*

76. The FOC also recommends that Parks and Trails Division develop a stakeholder advisory group on boating and fishing access that can review programs and provide recommendations and advocacy. Such a group should include representatives from organizations that can represent anglers with disabilities.

***DNR Response:** The Division of Parks and Trails will consider this recommendation. The Division has always worked closely with local angling and sportsman’s clubs, and local government units to provide boating and angling facilities where there is community support and public demand for those facilities.*

Operations Support

Budget Recommendations

77. Develop budget options for operations support consistent with Division requirements of cost control strategies.

***DNR Response:** Senior Managers and the Division of Operations Services work collaboratively to contain costs while ensuring DNR has the necessary business services to maximum natural resources benefits. Costs for shared services are tied directly to the services required by divisions to support their natural resources work.*

78. Include regional and commissioner's offices in any budget scenarios for reductions or enhancements.

DNR Response: The regional and commissioner's offices are committed to seeking and achieving budget savings where possible.

Policy Recommendations

79. Provide greater transparency of the total governance model cost (Division of Operations Support billing for overhead and administration) for shared services that come out of the game and fish fund. List as a separate item in future game and fish fund reports.

DNR Response: In the future reports each division will present the amount they spent for operational support.

Game and Fish Dedicated Accounts

Deer and Bear Management; Computerized Licensing Account

Budget Recommendations

- 80. Since no expenditures were needed for computerized licensing in FY 2012 from this account, evaluate the need to maintain that portion of this account.**

DNR Response: Computerized licensing needs to be funded whenever significant changes to license types or options occur. While this does not necessarily happen annually, at times these expenses are significant, and the Section of Wildlife would still like to retain the ability to use the Deer/Bear fund for this purpose.

Deer Management Account

(including emergency deer feeding and wild cervid health management)

Policy/Activity Recommendations

- 81. Maintain deer population within goal in 78% of deer permit areas and adjust goals per current stakeholder input meetings.**

DNR Response: The Section of Wildlife agrees with this recommendation.

- 82. Effectively manage terrestrial invasive species through increased forest management efforts where needed to provide control on state land and prevent encroachment into adjacent private or public land.**

DNR Response: We would like to have more discussion with the committee on investing deer management account money into the control of terrestrial invasive species. We typically have not used this funding source for this work. Use of funds from the deer management account could be applied to projects that incorporate invasive species management if the objective of the forest management work includes improvement or maintenance of deer habitat.

Waterfowl Habitat Improvement Account

Budget Recommendations

- 83. Develop a plan for incremental increases in the state waterfowl stamp to keep pace (at a minimum) with inflation.**

DNR Response: We agree that a system of incremental increases for stamp (and license) fees makes sense and research shows that public resistance to smaller more frequent fee increases is less than to large increases. We need to insure that the account, and not necessarily the cost of the stamp itself, grows. Increasing the cost of the stamp will accomplish this only if everyone continues to buy a stamp. Tying the stamp fee to inflation may be an effective way of increasing revenue and has been considered by the Legislature.

Policy/Activity Recommendations

- 84. Continue recruitment and retention efforts to reach a goal of 110,000 annual licensed hunters. Current estimate is +/- 90,000 participants.**

DNR Response: DNR seeks to increase hunting license sales. The DNR Waterfowl Committee continues trying to balance waterfowl regulation simplification and liberalization that benefit hunters with the need to have regulations that provide needed conservation. Continued waterfowl habitat protection, restoration, and management will provide populations and places for hunters to utilize.

- 85. Support a restoration target of 40,000 acres annually through partnership efforts. This number is an ambitious target of the Department conservation agenda as well as a BOC recommendation in 2010.**

DNR Response: The Section of Wildlife will continue to seek the resources and partnerships needed to move ahead with restoration. Hand-in-hand with this is the need for continued habitat protection, management and maintenance.

- 86. Establish 14,000 acres of seasonal wetlands using moist soil management techniques. The Department conservation goal is 12,000 acres with some stakeholders desiring a much higher target.**

DNR Response: Moist soil management goals are currently being reevaluated. While moist soil management remains a valuable habitat activity in the proper situation, future moist soil management work will seek to utilize natural hydrologic systems to make them more cost effective.

- 87. Enhance 1,800 shallow lakes for waterfowl migration habitat. This is a long-term goal first recommended by the BOC in 2010.**

DNR Response: Shallow lakes monitoring and management continues to be a high priority activity for the Department. The existing Shallow Lakes program staff continue to be stretched thin with the workload they face. A record number of drawdowns were recorded in 2012.

- 88. Increase Minnesota's Mississippi Flyway harvest share to 1970 levels of one in six. This is an ambitious target of the current Department conservation agenda.**

DNR Response: We continue to work hard towards improving waterfowl habitat within the state, liberalizing harvest opportunities, growing the state's waterfowl population, and recruiting waterfowl hunters. Changes in continental waterfowl use, migration, and distribution as well as the structure of flyway waterfowl hunting regulations, may prevent us from reaching this goal, despite sincere efforts to do so.

Pheasant Habitat Improvement Account

Budget Recommendations

- 89. Develop a plan for incremental increases in the state pheasant stamp to keep pace (at a minimum) with inflation.**

DNR Response: We agree that a system of incremental increases for stamp (and license) fees makes sense and research shows that public resistance to smaller more frequent fee increases is less than to

large increases. We need to insure that the account, and not necessarily the cost of the stamp itself, grows. Increasing the cost of the stamp will accomplish this only if everyone continues to buy a stamp. Tying the stamp fee to inflation may be an effective way of increasing revenue and has been considered by the legislature.

Policy/Activity Recommendations

90. Achieve an annual harvest of 500,000 ringnecks per year. The department target harvest is 450,000. Pheasants Forever supports a long range target of 750,000, which would require 6 million acres of grasslands. Admittedly, winter severity and weather during nesting season are beyond control.

***DNR Response:** With the unprecedented loss of grasslands as conservation acres (CRP) are submitted to the pressures of commodity production, this goal would seem very aggressive even with such organized efforts as the Minnesota Prairie Conservation Plan aligning and targeting the efforts of multiple conservation groups and agencies. While we support ambitious goals, significant farm policy and resources will be required to move in this direction.*

91. Continue to place a priority on the partnership with BWSR to continue technical support to landowners and their participation in federal Farm Bill Conservation Programs.

***DNR Response:** Not only does DNR agree with this, but we are trying to increase our efforts here. We have increased our annual commitment to \$245,000 (up from \$150,000) and have included a request for \$125,000 annually from OHF funds to match PHIP contribution. We continue to work cooperatively with BWSR and our other Prairie Conservation Plan Partners to strengthen and target Farm Bill assistance positions and accomplishments. Federal Farm Bill Assistance personnel have become integral members of the developing Prairie Plan Local Technical Teams.*

92. Create a best management practice guide for food plots on private land and develop a strategy to distribute to landowners as recommended by the BOC in 2010. The plan should be consistent with the pheasant habitat model that includes winter cover, grasslands, and food within a 9-square mile block.

***DNR Response:** A BMP guide would be a great resource to provide landowners that are interested in habitat improvement for pheasant. Staffing shortages have made delivering such a product challenging, but this idea deserves attention in the FY 2014-2015 biennium.*

93. Provide for a sustainable funding source for the Walk-in or other innovative hunter access programs.

***DNR Response:** The Section of Wildlife agrees with this recommendation.*

Wild Rice Management Account

Policy/Activity Recommendations

94. Continue to foster wild rice productivity by partnering with Ducks Unlimited to control negative impacts of beaver impounded wild rice areas.

***DNR Response:** The Section of Wildlife agrees with this recommendation.*

95. Develop a strategy to increase the number of lakes managed for wild rice from the current 300.

DNR Response: This recommendation will require DNR to identify additional funding, or to reprioritize existing funding, to increase wild rice management.

96. Increase marketing efforts for wild ricing to increase license sales and get more people engaged in the outdoors harvesting the most valuable grain that grows in Minnesota.

DNR Response: The Division is increasing its efforts to market the outdoors. We agree that efforts to increase the number of wild ricers are important.

Wildlife Acquisition Account (Small Game License Surcharge)

Policy/Activity Recommendations

97. Continue to acquire the highest priority WMA lands to provide contiguous blocks large enough to provide hunting and trapping opportunities at a rate of 8,000 acres per year utilizing a variety of funding sources and partnerships. This target is the same as the DNR's conservation agenda target with expected Lessard-Sams Outdoor Heritage funding and is critically important as more marginal land is converted to row crops.

DNR Response: The acquisition process prioritizes acquiring lands adjacent to existing WMAs and other protected lands. During FY 2013, 5,255 acres were acquired and added to the WMA system. The value of agricultural lands has increased in recent years, making it difficult to reach a goal of 8,000 acres.

Wild Turkey Management Account

Policy/Activity Recommendations

98. Conduct a survey in 2015 to determine hunter satisfaction with newly created turkey zones.

DNR Response: We will look for opportunities to address this question as we work with Minnesota citizens to review our entire turkey hunt management program. As of now, we hope to get this process underway in the fall or winter of 2013.

99. Enhance information provided to private landowners to maximize wild turkey productivity as recommended by the BOC in 2010.

DNR Response: We are in the process of adding capacity to our Section of Outreach and will evaluate this recommendation for inclusion in the section's work plans..

Heritage Enhancement Account

Budget Recommendations

100. Conduct an audit to ensure that 87% of this fund is spent in the field.

DNR Response: This would be manageable for Fish and Wildlife using budget software reports, expenditure reports, and the matrix of activity codes. The Internal Audit Unit was recently assigned a project to review the 87% compliance requirement. The project will include a review of FY 13

supporting documentation for a sample of transactions to determine if costs were eligible and properly authorized.

Policy/Activity Recommendations

101. Continue the highly successful Archery-in-the-Schools program.

***DNR Response:** The Section of Outreach will continue to fund a National Archery In the Schools Program coordinator. It will also provide a certain number of cost-share grants to schools that raise the necessary funds to participate in this program, which now includes 438 schools, more than 1,200 certified instructors, and more than 200,000 students per year.*

102. Support continuing aggressive efforts by the department and conservation organization partners to fund strategies that increase hunter recruitment and retention especially related to youth involvement.

***DNR Response:** The Section of Outreach will continue to support existing skills-based, mentoring and education efforts that aim to recruit and retain hunters and anglers. It will also share with organizations the most recent findings on effective strategies for recruiting and retaining hunters and anglers.*

Emerging/Other Issues

Enforcement Diversity Training Initiative Comments/Recommendations

103. The BOC recommends that the DNR continue to recruit qualified diverse candidates through existing recruitment mechanisms for activities funded by the game and fish fund and not use game and fish fund sources for the new diversity initiative training program. If the DNR is determined to proceed with the proposed subsidized training program for diverse candidates then the cost should be reimbursed by other funding sources such as the general fund.

DNR Response: All hiring is based on funding allocations provided by the Legislature and approved by the Executive Branch. Programs like the CO-PREP are not intended to be a long-term solution, rather a short-term project to fill an immediate need for a diverse workforce. Part of the Division of Enforcement's planning is to approach recruitment in a holistic fashion by working with other DNR divisions and their outreach. A successful recruitment program will provide an opportunity for the Division to connect with potential employees prior to college and provide an educational roadmap for them to meet the minimum and preferred requirements of a conservation officer.

104. The program should be expanded to the entire department and general fund dollars should be requested to accomplish the personnel objective of having employees more closely matching percentages of the diversity profile of the Minnesota population.

DNR Response: Enriching diversity and inclusivity are department goals. Because diversity and inclusivity positively impact all programs, the department believes it is appropriate to fund staff recruitment programs through the funding allocations provided by the legislature.

105. The BOC requests that the DNR outline what impacts this funding will have on current and projected enforcement needs for fish and wildlife enforcement activities.

DNR Response: Funding for recruitment is additional funding to the Division/Department. No programs were cut to establish outreach to recruit qualified, diverse, conservation officer candidates.

106. The DNR should also develop a retention policy and agreements for trainees that will ensure a return on investment such as a 4-5 year commitment to the DNR.

DNR Response: This process is being vetted by Minnesota Management and Budget and has not yet been fully approved. The contract a student signs prior to starting CO-PREP includes a retention piece.

107. The program should also be structured to favor applicants with prior law enforcement experience and/or training and individuals with hunting and fishing backgrounds and demonstrated interest in fish and wildlife.

DNR Response: Overall, the division has made a commitment to hire qualified applicants who have a passion for the outdoors and our natural resources. That passion cannot be taught, but law enforcement skills can be taught and evaluated. Future conservation officers need a passion for our natural resources; we will teach them the law enforcement.

108. The BOC recommends that the DNR obtain formal legal opinions from the Attorney General and the U.S. Fish and Wildlife Service on whether such use would constitute a "diversion" and therefore disqualify the state from receiving federal funding or violate state law regarding the use of license funding.

DNR Response: DNR is preparing a request to USFWS to review the program.