

Game & Fish Fund Budgetary Oversight Committee

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

CITIZEN OVERSIGHT REPORT ON GAME AND FISH FUND EXPENDITURES FISCAL YEAR 2006

June 2007

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This report was approved by the Game & Fish Fund Budgetary Oversight Committee (BOC) as of July 2, 2007.

BOC MEMBERS:

Brad Cobb
Budgetary Oversight Committee Chair

Terry Peltier
Fisheries Operations Subcommittee Chair

Dave Bennett
Trout & Salmon Stamp Subcommittee Chair

Dennis Neilson / Terry Johnson
Wildlife Operations Subcommittee Co-Chair

Scott Nagel
Big Game Subcommittee Chair

Kyle Thompson
Pheasant Stamp Subcommittee Chair

Tom Glines
Turkey Stamp Subcommittee Chair

Ryan Heiniger
Waterfowl Stamp Subcommittee Chair

John Hunt
Ecological Services Subcommittee Chair

Fred Boethin
Enforcement, Support Services, and Administration Subcommittee Chair

Game & Fish Fund Budgetary Oversight Committee

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

Brad Cobb, BOC Chair

Subcommittee Chairs:

Terry Peltier—Fisheries Operations Subcommittee

Dave Bennett—Trout & Salmon Stamp Subcommittee

John Hunt—Ecological Services Subcommittee

Scott Nagel—Big Game Subcommittee

Fred Boethin—Enforcement & Operations Support Subcommittee

Dennis Neilson/Terry Johnson—Wildlife Operations Subcommittee

Kyle Thompson—Pheasant Stamp Subcommittee

Tom Glines—Turkey Stamp Subcommittee

Ryan Heiniger—Waterfowl Stamp Subcommittee

June 30, 2007

Commissioner Mark Holsten
Minnesota Department of Natural Resources

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Chair, Senate Environment & Natural Resources Committee

Sen. Ellen Anderson
Chair, Senate Environment, Energy, & Natural Resources Budget Division

Rep. Kent Eken
Chair, House Environment & Natural Resources Committee

Rep. David Dill
Chair, House Environment & Natural Resources Committee – Game, Fish, and Forestry Division

Rep. Jean Wagenius
Chair, House Environment & Natural Resources Finance Division

Ladies and Gentlemen:

Enclosed you will find the Game and Fish Fund Budgetary Oversight Committee (BOC) report for Fiscal Year 2006. As chair of the BOC I want to express my sincere appreciation to all of the various volunteer subcommittee members who have contributed countless hours of time to this final report. The BOC would also like to thank the Department of Natural Resources (DNR) staff for their cooperation throughout this reporting cycle and attendance at all of our monthly meetings. The BOC would like to specifically express our appreciation to BOC facilitator Beth Carlson for her guidance and support this past year.

In general, the BOC found that expenditures complied with the overall requirements and intent of the Game and Fish Fund (GFF) and state statutes. We encourage all of you to review each subcommittee report and their findings and/or recommendations.

Besides the business of GFF budgetary reviews, the BOC also has the responsibility to express opinions or recommendations on issues affecting the GFF. Throughout the course of our reporting cycle we discussed a wide range of topics and proposed legislation that may have direct or indirect relationships to the GFF. This year we devoted a tremendous amount of time to several key areas:

fund imbalances between wildlife and fisheries, a proposed biennial reporting cycle change, and other subcommittee recommendations.

Funding imbalance

As was reported in last years FY 2005 BOC report, an Ad Hoc committee report shows that for at least the last eight years “spending did not keep pace with income from new hunting opportunities, while fisheries spending greatly exceeded income from fishermen.” The 2005 BOC report also recommended that the DNR consider developing tactics and strategies for the FY 2008-09 budget to take steps to balance the differences. The current BOC has agreed that current imbalance situation is a revenue issue rather than an expenditure issue. To date, the FY2005 BOC requests were not fully implemented by the DNR nor were adequate measures taken in the Governor’s FY08-09 budget to address this situation. The BOC feels that it is the responsibility of the DNR to develop strategies or tactics to fully address this situation.

To correct this imbalance the BOC does not want to see reductions in programming or staffing currently funded by the GFF. To this end; **the BOC has several recommendations;**

- First, the DNR must recommend fishing license increases – especially non-resident license fees where Minnesota generally lags behind fees of neighboring states. Revenues from these fee increases must go towards the imbalance and not used as offsets towards fee decreases or fee elimination, such as portable fish house license elimination.
- Next, given the fact that fishing-related recreation has a greater statewide economic impact than hunting, the BOC believes that the DNR is justified in seeking additional General Fund monies from the legislature to support the work of the Fisheries Section. Doing so would also help address the potential for future imbalances of GFF spending between fish and wildlife programs
- Finally, the BOC recommends that the DNR must implement long range budgetary strategies that would prevent such occurrences from happening again.

We see the legislature’s new requirement for a report from the DNR next year as a good first step.

Biennial reporting cycle proposal

Last year the BOC was introduced to a proposal that would require legislative approval to change the BOC reporting cycle from annual reports to biennial reports which was tabled for further discussion this year. While this proposal has advantages and disadvantages it was clear again this year that the nine member BOC was split on trying to approve this proposal. The BOC has not come to any agreement on this proposal. Further discussions on this topic maybe appropriate in the next few years.

Other subcommittee recommendations

Many of the GFF subcommittees want to briefly express some key recommendation in this letter. Again, we ask all of you to read each of the subcommittee reports, findings, and recommendations.

The Fisheries Operations Subcommittee is concerned that there may be a large number of non-profit organizations asking for grants and/or funding from Game and Fish monies. We would like to see the DNR establish criteria for such requests. Also, we want to applaud the DNR in their efforts being put forth in the area of recruitment and retention.

The Wildlife Operations Subcommittee sees a need for a Legislative Auditor Program Evaluation of DNR funding and accounting. Also, due to the Minnesota Lottery advertisements, we strongly believe the DNR is being hindered in its ability to raise funds for conservation efforts that are needed today. The Minnesota public is wrongly led to believe that the DNR, or the environment, is getting more than 50% of the net proceeds from the lottery when in fact the General Fund gets the majority of the net proceeds.

The Waterfowl Stamp Subcommittee is proud to announce that **2007 represents the 30th Anniversary of the Minnesota Waterfowl Stamp**. This was the states first stamp program and in the last three decades, has raised millions of dollars for habitat conservation and research to improve the future of waterfowl. In cooperation with the DNR, the Waterfowl Stamp Committee is planning to recognize this anniversary with a project dedication in conjunction with the youth waterfowl opener in September 2007. Fittingly, the artwork for the 30th Anniversary Stamp is a pair of lesser scaup – an icon in Minnesota – flying over a classic northern Minnesota lake.

The Big Game committee has several ongoing/new issues that need to be addressed. First, considering the current research which suggests a link between disease outbreak and transfer of captive cervids, the committee believes the DNR, through deer hunter dollars, should not be required to solely finance the solution to this problem without having regulatory authority. The committee also believes other sources of funding should be looked into to address wild cervid health. Second, in addition to WMA maintenance and improved access, the committee sees an ongoing need to increase WMA acquisition considering that land prices continue to rise & large tracts of land are rapidly becoming fragmented. Third, hunter recruitment, education and retention needs to be continually increased and improved. With regards to hunter retention, the committee recommends the DNR increase opportunities for hunter access through hunter education and land owner incentives. Finally, the committee sees an urgent need for additional studies to better understand the etiology of the significant increase in moose mortality in northern Minnesota.

Trout & Salmon Stamp Subcommittee suggests that the DNR develop an on-going mechanism through which impending water, energy, and climate issues affecting the well-being of the streams, rivers, and lakes are identified and where solutions can be considered. The DNR needs to become a leader in these areas, well ahead of the major changes we can expect in protection of our natural world.

The Wild Turkey Stamp provides an important source of funding to address short and long term goals of wild turkey hunting in Minnesota. Expanding the wild turkey range through the Trap and Transplant Program has been effective in increasing wild turkey numbers and hunter opportunity. Most of the wild turkey range in Minnesota has been explored and stocked; however additional habitat management on public and private lands will be necessary to improve recreational opportunities for wild turkey hunters. Three areas targeted for the future are: 1) improving wild turkey habitat throughout the wild turkey range; 2) increasing public acres in the wild turkey range, and, 3) improving access to existing landlocked public areas by purchasing "walk in" access easements. The DNR, along with its conservation partners, can accomplish these goals to improve the overall wild turkey hunting experience in Minnesota.

Ecological Services Subcommittee continues to advocate for additional funding to combat the spread of both aquatic and terrestrial invasive species and is calling on the DNR to play a central role in the evaluation of the potential impacts of increased biofuels production on fish and wildlife habitat in the state.

In conclusion, over the course of this past reporting cycle the BOC has addressed some tough issues with the DNR and we found the agency to be very cooperative in helping us get a better understanding of these various issues and working with us to find solutions. As chair of the BOC I want to personally thank the men and women from all nine subcommittees who have donated their time and talents to the GFF oversight process.

Finally, Aldo Leopold wrote in the conclusion of his journal called "A Sand County Almanac" and his outlook on the land ethic concept he says in part: "Perhaps the most serious obstacle impeding the evolution of a land ethic is the fact that our educational and economic system is headed away from, rather than toward, an intense consciousness of the land." We have made great strides in our society since Leopold wrote this journal over 50 years ago but we still see examples everyday how our

general lack of education towards natural resource conservation needs to improve and we need to start making conservation decisions on good science (ethics) rather than economic limitations.

Sincerely,

Bradley H. Cobb
Chair, Game and Fish Fund Budgetary Oversight Committee

FISHERIES OPERATIONS SUBCOMMITTEE REPORT

SUBCOMMITTEE MEMBERS

CHAIR: Terry Peltier, Women Anglers of MN (Forest Lake, MN)
John Schneider, Ph. D. Biology Professor, Metropolitan University; Minnesota
Sportfishing Foundation (Roseville, MN)
Jeff Bergeron (Andover, MN)
Jeff Byrne, Cabin Fever Sports (Victoria, MN)
Betty Wilkens, Becoming an Outdoors Woman (Mora MN)

INTRODUCTION

The Subcommittee members met monthly and discussed and review the fisheries budget and policies. We met with Fisheries, Waters, and Trails & Waterways staff and reviewed policies and Game and Fish Fund (GFF) budget.

PREVIOUSLY REPORTED ISSUES

Fiscal Issues

Treaty Costs

Current Situation: The portion of Treaty management cost that the GFF pay are still rising unfairly. We had previously asked for Funding from General Fund dollars for fiscal year 07 & 08, which the Governor has proposed at \$258,000/year. Legislation has changed this back to funding from the Game and Fish Fund. The bill passed does not fund Treaty Costs out of the General Fund, which would have made \$516,000 in appropriations from the GFF available for other department priorities.

Proposed Solution: *The subcommittee still strongly urges the Legislatures to fund from General Funds all the cost directly related to negotiation on treaty issues with native tribes. The Subcommittee feels that 50% of all costs would be covered.*

Spending Inconsistency

Current Situation: As stated last year, Fisheries has been spending more than Wildlife.

Proposed Solution: *Even though it is inevitable that an increase in fishing licenses will accrue and may be over due, the committee feels this in only a quick fix; it does not solve the problem. The committee would like to see funding be more even with General Fund monies and dedicated accounts. At this time Wildlife receives \$1.5 million while Fisheries receives only \$500,000 of General fund money.*

According to a 2001 Federal study the economic value to the state from fishing is \$1.5 billion per year while hunting is \$600 million. With this in mind, the committee would like to see added monies from General Funds go to benefit the Fisheries Section. The committee members worry that an increase in License fees may result in a decrease in sales and therefore hinder, instead of help our revenue problem.

Fishing Tournament Cost

Current Situation: Cost of managing tournaments is subsidized by the Game and Fish Fund. The Governor proposed a change in Minnesota Statutes to create a tournament fee structure for small, medium and large tournaments.

Solution: *We support this measure and are looking that funds spent by the DNR for monitoring tournaments will be recovered. **Fishing Tournament Fees (22.29, 75.30)** \$216,000 provides the commissioner authority to set and collect contest permit fees; amended language establishes caps on fees for various classes of contests.*

Policy Issues

Biennial Cycle in reporting

Current situation: GFF reports are currently done annually to comply with state statutes. The BOC will come to a conclusion this year to keep this in effect or ask for a change in legislation to change to a biennial reporting which would match the budget cycles.

Proposed Solution: *Fisheries Subcommittee members support the plan to change. This would lead to reduction in cost for the Fisheries. The COC and BOC would still meet on off years and could focus on policy issues.*

Loss of Shoreline & Littoral Habitat

Current situation: Only a small percentage of counties (12 out of 87) are now utilizing all or part of the standards from the Alternate Shoreline Rules. Eight others are looking into it.

Proposed Solution: *We would like to see all counties by a certain date adopt all (not just a selections) of the alternative shoreland standards. We need a plan and goal to “not lose more emergent vegetation” The Committee would like to see a detailed plan from the DNR of how they will work internally and legislatively towards this goal.*

Aquatic Plant Management

Current situation: DNR fishing in the Neighborhood is a great program but the Fishing Piers are being choked by Aquatic vegetation by early summer. This makes them un-usable for fishing. DNR have agreed to monitor piers and will contact local Government if they find a problem. Local government will ask for volunteers to help clear areas.

Proposed Solution: *The subcommittee would like to see a proposal to find funding for the maintaining of keeping Piers fishable. The subcommittee members will conduct a survey of piers in late June-early July to make sure that there is an area to fish.*

Trails & Waterways report to committee on boat license dedicated to public water access

Current Situation: Fisheries Subcommittee members met and reviewed the \$71.1 million budget for FY06-07. We did not address the problems noted from last year and only had FY06 to review.

Proposed Solution: *The Fisheries Subcommittee urges the Commissioner to create a new COC subcommittee to be responsible to report, oversight the budget and offer solutions to the Trails & Waterways Division.*

NEW ISSUES

Recruitment & Enlisting

Current Situation: Social trends show declining interest in fishing, hunting and other nature type activities. An example is in the 1970s, 40 percent of Minnesotans age 16 and over went fishing; today that number is at only 29 percent.

Problem: If these trends keep at their current levels, there is a chance that by 2015 there will be 100,000 fewer anglers which will result in fewer licenses being sold and in turn may result in lost of U.S. Fish and Wildlife Service funds.

Proposed Solution: *The Subcommittee applauds the DNR for the plans they have implemented. With the new billboards, their efforts to contact lapsed anglers, the Commissioner's Anglers' Legacy pledge. We were able to review the fishing and aquatic education curriculum which adheres to the state's academic standards. We would like to see more marketing done. The Subcommittee would like to see a vision created with a plan that has marketing as a top budget item. Line Item budget on bill: **Hunter/Angler Recruitment and Retention** \$300,000 funding to accelerate, integrate and expand hunting and angling recruitment and retention efforts in light of demographic data that indicates declining participation rates in hunting and fishing.*

Non Profit Groups

Current Situation: Non-profit groups are requesting grants using funding from Game & Fish monies.

Problem: Even though these may be worthwhile organizations, their budgets and use of monies need to be reviewed before grants should be given out. The subcommittee is concerned that this money may be taken away from projects with known profit to the Fisheries Section.

Proposed Solution: The DNR needs to set-up a request form that would seek what the money would be used for. What their budget was and projected budgets are. What benefit their program would bring to the Fisheries. This would be reviewed and discussed before presented to the Legislators. **Let's Go Fishing (23.22) House and Senate initiative \$350,000 General Fund grants Let's Go Fishing of Minnesota funds to promote opportunities for fishing; funds are to be matched one to one; DNR requested rider requires work plan and report be submitted to the Budgetary Oversight Committee.**

TROUT & SALMON STAMP SUBCOMMITTEE REPORT

SUBCOMMITTEE MEMBERS

CHAIR: Dave Bennett, Lake Superior Steelhead Association (Burnsville, MN)
Karl Kaufman, Arrowhead Fly Fisheries (Cloquet, MN)
John Eaton, Independent Member (Two Harbors, M
Tom Helgeson, Midwest Fly Fishing (Minneapolis, MN)
Duke Hust, Trout Unlimited (Wayzata, MN)
Chuck Prokop, MN Trout Association (White Bear Lake, MN)
Sue Rousseau, Fly Fishing Women of Minnesota (Golden Valley, MN)

INTRODUCTION

The Trout and Salmon Stamp Committee wishes to thank the Minnesota Department of Natural Resources staff for providing their assistance to the committee in completing its charged duties. A special thanks to both Mark Ebbers and Linda Erickson-Eastwood for attending all of our meetings and providing the committee with requested information, documents and reports. A special thanks also to departing member John Connelly for his service on the committee, and to Scott Thorpe, for having attended and participated in many meetings over the past two years as a citizen.

PREVIOUSLY REPORTED ISSUES

Satisfactorily Addressed Issues

ATV Use of the North Shore Trail

The TSSC feels this issue has been satisfactorily addressed, however, pressures from ATV groups, especially on the legislature, may once again threaten this valuable resource. TSSC remains very strongly opposed to any use of the North Shore Trail by ATV's under any circumstances.

Lake Superior Endorsement

A proposed license endorsement that would replace the need for a Trout and Salmon Stamp to fish the waters and tributaries of Lake Superior and the St. Louis River was not pursued by necessary legislative action.

Ongoing Issues

Lake Superior Cormorant Control

Current Situation: The cormorant population on Knife Island has been identified as a potential threat to the rehabilitation of steelhead stocks in the *2006 Fisheries Management Plan* for the Minnesota waters of Lake Superior. Cormorants continue to decimate the vegetation on Knife Island and have been documented by USDA-WS to eat young steelhead in the vicinity of the Knife River mouth and lower pools. It is likely they have contributed to the water quality impacts that caused a Knife River beach closure during 2006. The DNR response to TSSC concern about cormorants is that, "Any control or culling efforts do require permission of the landowner on which the colony exists, and a case must be made to the Fish and Wildlife Service to remove more than 10% of a given colony. The department does not feel that the case is compelling enough on the Knife Island colony for the state to take the issue to the Fish and Wildlife Service."

Problem: The Knife River Citizens Group (KRCG) and the Lake Superior Steelhead Association (LSSA) obtained Lake County Board of Commissioners permission for cormorant control on Knife Island.. A proposal was drafted by USDA/aphis/Wildlife Services for cormorant control in 2007 that addresses LSSA and KRCG concerns. The proposal included lethal control, nest and egg destruction, and other control methodologies. The LSSA agreed to fully fund the \$7,500 cost of the proposal. Before the control plan could be initiated, final approval by the Minnesota Cormorant Coordination Group was withheld and a new proposal was developed for harassment only during a period immediately following steelhead smolt stocking. It was explained that limitations placed on cormorant managers regarding disturbance of colonial-nesting water birds at Great Lakes sites during spring of 2007 related to the Great Lakes Colonial Water Bird Survey would not allow for all the actions of the initial proposal.

Proposed Situation: *The harassment option, in the opinion of the LSSA, does not adequately protect the Knife River fishery, nor does it address vegetation loss on Knife Island and fecal contamination of the surrounding waters. Hopefully with the efforts of the KRCG and the LSSA, and the cooperation of the Minnesota Cormorant Coordination Group, 2008 will allow for a more comprehensive cormorant control program similar to that originally proposed by USDA-WS for 2007.*

Minntac Discharge to the Dark River and St. Louis River Watersheds

Current Situation: The TSSC is concerned about the possible discharge by U.S. Steel Minntac of 7.2 million gallons per day of contaminated tailings basin water into 3 area watersheds near Mt. Iron, Minnesota, including those of the Dark and St.Louis Rivers. Despite preparation of an EIS and the presentation of information at 2 public meetings, the TSSC would like to know more specifically how the PCA and DNR might be working together to insure that the trout and other aquatic life in the Dark River will be protected from the contaminants emanating from the Minntac tailings pond.

Problem: With very few trout streams in the area, the Dark River is a particularly valuable resource. The DNR spent \$15,000 of TSS funds on materials for habitat improvement there in '06, and actual in-stream restoration work costing substantially more will be done in '07. TSS funds have also been spent for beaver control in the Dark River. How will this PCA-DNR cooperation be reflected in the water quality standards or other requirements being developed to protect surface waters as part of the Minntac tailings pond discharge permit? Is the effect of warming that might accompany any changes of flow rate due to tailings basin discharges being adequately considered? Will sufficient monitoring of any outflow or seepage into the river be required to determine whether or not the expected water quality conditions are being sustained over the short and long haul?

The TSSC is also concerned about tailings discharges into the St. Louis River watershed and therefore the possibility of some toxic contaminants, including mercury, ultimately reaching Lake Superior. Over 10 percent of all TSS monies are spent each year on projects benefiting the trout and salmon resources of Lake Superior. How will the St. Louis River and Lake Superior be protected from mercury and other contaminants resulting from tailings discharges into the watershed?

Proposed Situation: *Minntac should not be allowed to discharge tailings water to the Dark River or St. Louis River watersheds until the preceding questions about possible impacts have been answered with a high degree of certainty and indicate that these aquatic resources will not be harmed or contaminated.*

NEW ISSUES

FY06 Game and Fish Fund Report

The Trout and Salmon Stamp Subcommittee has reviewed the following accounts and expenditures of the FY06 Trout and Salmon Stamp Fund:

Habitat Improvement.....	\$312,178
Fish Culture and Stocking	432,426
Easement Acquisition and Identification.....	82,333
Lake Superior Research and Special Projects	126,556
Carried forward to FY07	76,507
Total	\$1,030,000

The Trout and Salmon Stamp Committee has found the expenditures to be compliant with the legislative intent of Minn. Stat. Sec. 97A.075, subd. 3.

Fiscal Issues

The FY06 Game and Fish Report was acceptable to the Trout and Salmon Stamp Committee.

Biennial Game and Fish Fund Reporting

Current Situation: The Game and Fish Fund Expenditure Report is prepared annually.

Problem: The annual cost of preparing the GFF report is estimated at \$16,000, and \$750-900 in printing costs, and other unallocated costs.

Proposed Situation: Prepare the GFF report so it is due on December 15th of odd-numbered years. The TSSC would continue to meet annually to review expenditures and policy.

Policy Issues

VHS and other Exotics

Current Situation: The TSSC is concerned about the effects of exotic organisms and pathogens such as spiny water fleas, New Zealand mud snails, zebra mussels and viral hemorrhagic septicemia (VHS) on trout and salmon populations, or the ecosystems themselves, of Lake Superior and its tributaries.

Problem: While detrimental effects on specific aquatic populations have been difficult to observe, invasions of exotics have contributed to a general decline in the pristine quality and integrity of these systems, and it's very possible (probable?) that one of these organisms such as VHS or a 'new' one will eventually have catastrophic effects on native populations of salmonids in the lake.

Proposed Situation: *Since this problem has been recognized as a serious threat for a many years, and several remedies (e.g. chlorination of ballast water) have been proposed or even tested and found effective, the committee urges the DNR to redouble its efforts to find solutions (technical, political, or other) to the problem of the transport of exotic species and pathogens into lake Superior as a result of foreign and domestic shipping activities. A significant proportion of the state's trout and salmon angling opportunities and DNR management activities supporting them absolutely hang in the balance.*

Hunting & Fishing Revenue/Expenditure Disparity

Current Situation: Fishing expenditures exceed fishing revenues and hunting revenues exceed hunting expenditures.

Problem: Legislative law permits the DNR to utilize license revenues (non-dedicated funds) as the agency sees fit.

Proposed Situation: *Measurement of the fishing related economic benefits to the State the Minnesota is reported to be nearly twice that of hunting. The DNR must continue to have the flexibility to budget expenditures within a broad framework in order to balance the needs of the environment and various stakeholders. This issue of leveling out any disparity is divisive and will pit angler against hunter, and if taken to the next level, deer hunter against grouse hunter. Good aquatic resource management, including water quality and habitat quality, benefits both game and fish alike. Thus, the TSSC does not recommend that the DNR precisely balance fishing revenues and hunting revenues with their respective expenditures. That said, the TSSC supports raising license fees for fishing in order to increase fishing revenues in order too help balance the disparity. We do not recommend reducing fishing expenditures, which would jeopardize the nearly \$1.5 billion economic benefit that fishing brings to the state.*

Special Note: It is recommended any increase in fishing license fees first be used to balance the revenue/expenditure disparity rather than as an offset to eliminating other fees, i.e., portable fish house license elimination.

MEASURABLE OBJECTIVES

- Long Term Goal – The TSSC suggests that the DNR develop an on-going mechanism through which impending water, energy and climate issues affecting the well-being of the streams, rivers and lakes are identified and solutions where there are solutions can be considered. The DNR needs to become a leader in these areas, ahead of the major changes we can expect in protection of our natural world.
 - Short Term Goal – Begin an evaluation of climate changes and their possible effects
 - Short Term Goal – Begin an evaluation of farm practices (corn-based ethanol and row crop expansion) that lead to impaired waters
 - Short Term Goal – Re-evaluate the need for special regulations
 - Short Term Goal – Understand how this country’s need for water will affect the Great Lakes
 - Short Term Goal – Consider the increasing evidences of invasive species in our waters
 - Short Term Goal – Communicate the knowledge gained in all this to anglers through forums and the Internet.

- Long Term Goal – The DNR needs to articulate an over-all philosophy and management plan that regulates growing ATV use and protects this state’s water resources
 - Short Term Goal – Determine damage already done to water resources, understanding the use of ATVs is growing daily.
 - Short Term Goal – Educate ATV operators in regard to the damage they can bring to a watershed. Enlist their help with positive and inclusive communications.
 - Short Term Goal – Carefully identify how far the state is willing to go in accommodating ATVs — in other words, set limits.

- Long Term Goal – The DNR needs to better understand its present and future constituency to shape relevant and meaningful management and protection goals.
 - o Short Term Goal – The demographics of the angling world, always dynamic and in flux, should be looked at closely.
 - o Short Term Goal – The “old attractions” of angling belong to generations that are disappearing. New models need to be created. Fishing needs to be seen as an adventurous hobby that has to do as much with honing a more satisfying lifestyle and a connection with conserving our natural world as it does with a stringer of fish.
 - o Short Term Goal – Better ways of communicating with anglers, especially with young anglers, need to be found and utilized. The future in this regard will involve creative use of the Internet and more “intimate” and interactive ways of telling our stories.

Special Note: The \$300,000 funding to accelerate, integrate and expand hunting and angling recruitment and the \$350,000 from the General Fund for funds to support Let's Go Fishing of Minnesota are positive measures towards accomplishing this goal.

CONCLUDING REMARKS

The TSSC urges the Legislature to support Dedicated Funding for Conservation.

WILDLIFE OPERATIONS SUBCOMMITTEE REPORT

SUBCOMMITTEE MEMBERS

COCHAIR: Terry Johnson (New Brighton, MN)
COCHAIR: Dennis Neilson (Long Lake, MN)
Michael Hunziker (Lakeville, MN)
Rob Theobald (Waseca, MN)

INTRODUCTION

The Wildlife Operations Subcommittee reviewed the FY 2006 Game and Fish Fund Report and the appropriations, budgets and expenditures for the Wildlife Operations and Maintenance, Wild Rice Management, Small Game License Surcharge and Heritage Enhancement Accounts. We also reviewed the Game and Fish Fund expenditures of the Forestry and Land and Minerals Divisions.

PREVIOUSLY REPORTED ISSUES

Fishing Overspending and Wildlife Underspending

Current Situation: Based on the Governor's budget for the 2008-2009 biennium the ten year estimate of total Fishing overspending from the Game and Fish Fund is \$21.0 million; Wildlife underspending over the same period was \$25.9 million. Fishing overspending is rapidly escalating with a total of \$18.0 million of overspending anticipated in the 2006-2007 and 2008-2009 bienniums.

Problem: Assurances from the DNR that the situation is taken seriously have not been matched by any significant actions as Fishing spending continues to grow without any increase in fishing license revenues. Reducing the overspending by \$441,000 per biennium (as in the Governor's 2008-2009 budget) is not meaningful progress against a \$21.0 million problem. Accounting adjustments proposed by the DNR may improve metrics but will do nothing to fund any additional Wildlife spending.

Proposed Solution: *Take ownership of the problem and its solution; explain the situation to the Legislature and the sporting public and obtain an immediate fishing license fee increase.*

Heritage Enhancement Reporting

Current Situation: In 2005, 2006, and again this year we recommend treating Heritage Enhancement receipts as a transfer from the General Fund. The DNR reply has been that Heritage Enhancement receipts are reported pursuant to MS 2974.94; since this statute is silent on accounting treatment and financial reporting we have yet to receive a meaningful response to our recommendation.

Proposed Solution: *We again recommend that the DNR treat Heritage Enhancement receipts as a transfer from the General Fund consistent with (1) treatment in the State's audited financial statements and (2) the Game and Fish Fund treatment accorded to supplemental conservation officer pension payments received from the General Fund.*

Wildlife Management Areas

Current Situation: In 2006, we recommended the Game and Fish Report incorporate a "progress report" on the DNR adoption of a 2002 citizen recommendation to acquire 210,000

acres of new WMA land by 2012. The DNR response was that report will be provided to the BOC, but separate from the GFF Report.

Proposed Solution: *That this progress report be a biennial report, provided to the BOC by October 1, so that the data can be reviewed with the annual GFF Report. Additionally, include the biennial report in the GFF report. We also recommend that the 10 year (2002-2012) goal be restated in the Land Acquisition portion of the GFF Report, and the biennial progress report be referenced along with at least a general goal progress statement.*

Development Funds for Wildlife Management Areas

Current Situation: We are concerned about the DNR's capabilities to monitor and fund deteriorating conditions on the 1300+ existing WMAs, as well as future sites. There is a need to identify and fund revitalization of degraded WMAs to ensure quality habitat and sporting experiences, beyond the initial development.

Proposed Solution: *With the goal of maintaining quality WMAs, and, considering the staff requirements and logistical issues involved with monitoring WMA conditions, we recommend the DNR implement an interactive DNR website link that will allow real time user input on WMA conditions and timely DNR response. This would permit a DNR reply directly back to the customer and promptly advise the appropriate field staff of the report.*

Land and Minerals Division

Current Situation: The Land and Minerals Division spent \$843,000 in FY 2006 and \$938,000 in FY 2005 from direct appropriations LAM received from the Game and Fish Fund. LAM received these direct appropriations to cover the cost of recurring services provided to the Division of Fish and Wildlife (primarily land work on behalf of the Wildlife Section).

Problem: The Wildlife Section receives no specifics about uses of the direct appropriation because LAM does not separately account for time charged to recurring Division of Fish and Wildlife activities.

Proposed Solution: *Improve accountability and transparency by requiring LAM to bill the Division of Fish and Wildlife for all professional services. Reduce the direct appropriation to the amount necessary for LAM support staff functions only. The Subcommittee believes that the cost of the additional billing administration would be dwarfed by the amount of Game and Fish Fund savings.*

NEW ISSUES

Need for Legislative Auditor Program Evaluation

Current Situation: The DNR has poor accounting controls and inconsistent financial reporting. Symptoms include the following:

Fishing Overspending and Wildlife Underspending (see comment above)—No attempt was made by the DNR to separately measure Fisheries and Wildlife revenues and expenditures from the GFF prior to our Committee's involvement in 2005.

Heritage Enhancement Reporting (see comment above)—Reporting of these revenues is inconsistent with both generally accepted accounting principles and the reporting of other General Fund transfers to the GFF.

Land and Minerals Division (see comment above)—This Division receives a direct appropriation from the GFF despite failing to provide an appropriate accounting of the uses of the funds.

PILT Expenditures on DNR Lands—Payment-in-lieu-of-tax (PILT) expenditures on DNR lands amount to approximately \$20 million per year. These payments appear to be accounted for in the Land and Minerals Division with no attempt made to charge them to the benefiting DNR divisions.

General Problem: The DNR receives funding from over 20 discrete state funds; the Wildlife Section alone receives appropriations from 9 of these funds. These diverse funding sources make fund integrity a key issue yet nothing in the current system provides clarity.

GFF Problem: The current accounting system reports expenditures from the GFF from an organizational perspective rather than from a functional (Fisheries and Wildlife) perspective. This reporting makes it very cumbersome and confusing to determine how GFF revenues flow into GFF expenditures.

Proposed Solutions: *To address the general problem we recommend a program evaluation by the Minnesota Legislative Auditor to obtain an outside professional view of the current situation. To address the GFF problem we recommend that the funding model for the GFF be changed to provide that all GFF appropriations be made to the Fisheries and Wildlife Sections and that the Section Chiefs be responsible for contracting services from the other DNR divisions.*

Truth in Advertising and Sources of Heritage Enhancement Funds

Current Situation: Advertising for the State Lottery is a “Deceptive Trade Practice”. This practice is not the result of any actions by the DNR but rather from other agencies.

Problem: Advertising for the State Lottery is deceptive. It suggests that the biggest benefactor of the State Lottery is the environment or nature. This is wrong. Over 50% of the “profits” of the State Lottery flow into the General Fund. There are two problems here. First of all, this is misleading advertisement and it should not be allowed. Secondly, this could harm other funding efforts for the DNR. With a strong movement for “no new taxes” or only increases for core areas, additional funding for DNR efforts might be hard to sell since it appears that they receive so many benefits already from the lottery.

Proposed Solution: *The State of Minnesota should be held to the highest standard concerning deceptive trade practices. Advertisements for the State Lottery should openly and truthfully convey onto the public information on who benefits and to what degree from the sales of lottery tickets.*

BIG GAME SUBCOMMITTEE REPORT

SUBCOMMITTEE MEMBERS

CHAIR: Scott Nagel, Minnesota Deer Hunter Association (Little Falls, MN)
Doug Strecker, Pope and Young (Hackensack, MN)
Chris Kolbert, Bluffland Whitetails Association (St. Charles, MN)
Darwin Viker, Minnesota Deer Hunter Association (Austin, MN)
Carrie Mellesmoen, North American Bear Foundation (Minnestrista, MN)

INTRODUCTION

We thank Lou Cornicelli and Kathy DonCarlos of the Minnesota Department of Natural Resources for their expert technical assistance during our review of the 2006 expenditures.

Several issues that are important for wild cervid health have arisen in the last few years. Because dedicated funds are often used to pay for diagnostic tests and other efforts, we feel that these concerns are worth noting in this report.

For the first time in over 30 years, bovine tuberculosis has been detected in the state's wild cervid population. Bovine TB and another emerging infectious disease, chronic wasting disease, threaten not only wildlife, but also domestic animals and Minnesota's agricultural economy as a whole.

Big game shooting preserves are now allowed, through a legal loophole that was not applicable when game farm oversight was under the jurisdiction of the Department of Natural Resources. This is significant because transmission of both CWD and bovine TB is thought to be facilitated by interstate transfer of domestic livestock.

These matters are of concern to all stakeholders, including outdoorsmen and women, conservationists, farmers, and animal health officials. We feel that strict measures must be taken to avoid new outbreaks as well as the spread of existing disease cases.

The alarming decline of Minnesota's moose population is also cause for concern and we hope that measures can be taken in the near future to understand the etiology of this condition.

PREVIOUSLY REPORTED ISSUES

Satisfactorily Addressed Issues.

In 2004, we requested that the Minnesota Department of Natural Resources determine and maintain goals for big game population densities by permit area.

Over the last two years, the Department of Natural Resources has conducted meetings across the state to determine whitetail deer population goals by permit area. Within each zone, DNR representatives recruited stakeholders, including hunters, landowners, loggers, and conservationists to participate in meetings that address deer populations and their effect on various human activities. Dubbed "Population Goal Setting Teams," these stakeholder groups used both scientific data and local opinion to set goals for deer numbers in each permit area.

As of this writing, teams statewide have completed their work. We look forward to seeing the final report on this endeavor.

Ongoing Issues:

The DNR should be encouraged to continue their efforts to:

1. Increase acquisition of land for Wildlife Management Areas (WMAs).
2. Improve access and increase maintenance activities on existing WMAs.
3. Determine assumptions and objectives for big game harvest and sex ratios, as well as age structure of cervidae herds.
4. Expand hunter opportunities by exploring the possibility of a spring bear season in undersubscribed hunting zones.

We would also like to renew our 2005 request for the DNR to fund CWD and TB efforts from sources other than hunter dollars. Currently, a significant portion of the funds necessary for testing wild cervids for CWD and TB are paid for by hunter dollars from the Game and Fish Fund or Dedicated Funds. Given current research that suggests a link between disease outbreak and transfer of captive animals, we believe that the Department of Natural Resources, through deer hunter dollars, should not be required to finance the solution to this problem without having regulatory authority.

NEW ISSUES

FY06 Game and Fish Fund Report

The Big Game Subcommittee reviewed appropriations and expenditures documented in the FY2006 Game and Fish Fund Report as well as those of the following dedicated accounts:

- Deer/Bear Management (231)
- Deer Management Account (232)
- Emergency deer feeding/Wild cervid health management

In addition to our evaluation of the current expenditures, we viewed the dedicated accounts from an historical perspective (Figures 1 and 2). The purpose of this endeavor was to identify potential trends as well as areas that required additional funding. Although we feel that this information is useful, new accounting practices enacted in 2005 by the Minnesota Department of Natural Resource made a direct annual comparison challenging.

After review of the FY06 expenditures, we find that all funds appropriated for dedicated accounts encompassing deer management, deer and bear management, and emergency deer feeding/wild cervid health management have been used for their intended purposes.

Fiscal Issues

Use of Hunter License Dollars for Other Purposes

Current Situation: Recently added hunting opportunities have increased significantly the amount of money allocated the Game and Fish Fund.

Problem: The additional funds have not been allocated to wildlife-related programs. Instead, spending by DNR Fisheries has exceeded the income from fishing licenses, leading to a discrepancy of approximately \$11.8 million.

Proposed Solution: *We propose that a greater percentage of hunter license dollars be spent on wildlife programs, including venison donation and Wildlife Management Area acquisition and*

maintenance. As stated in the Citizen Oversight Report on Game and Fish Fund Expenditures, Fiscal Year 2005, we believe that discretionary flexibility in GFF expenditures is acceptable. However, we expect that within the next fiscal year, the level of inequity that has been demonstrated in recent years can be decreased.

Figures provided courtesy of Kathy DonCarlos, DNR Division of Fish and Wildlife:

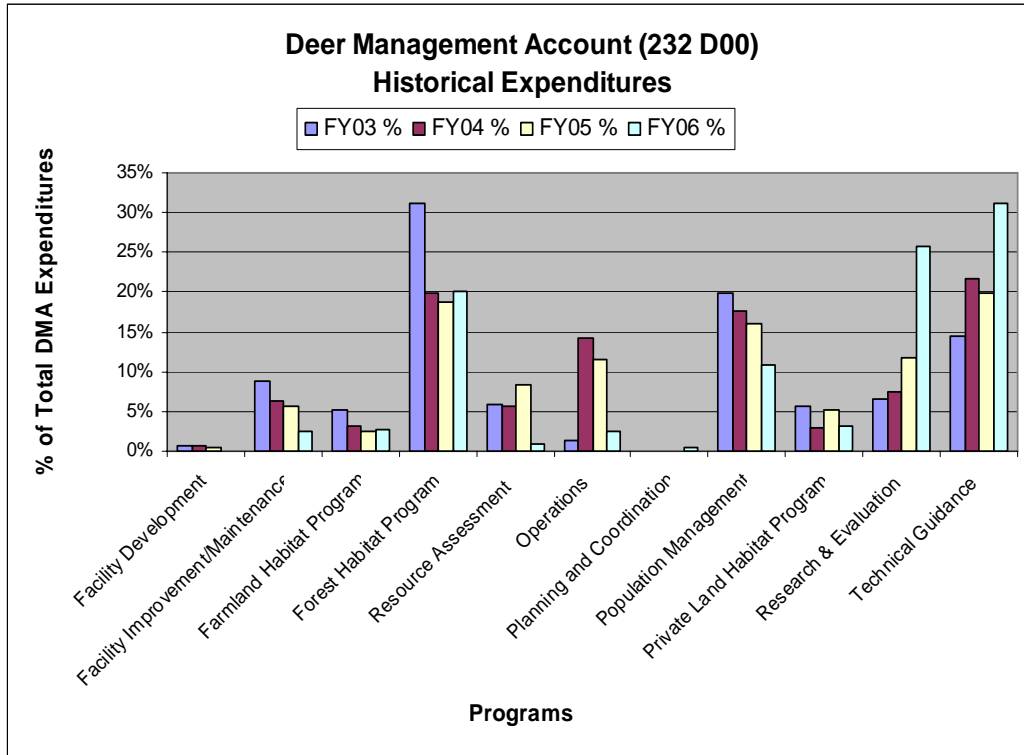


Figure 1. Annual expenditures for the Deer Management Account itemized by program.

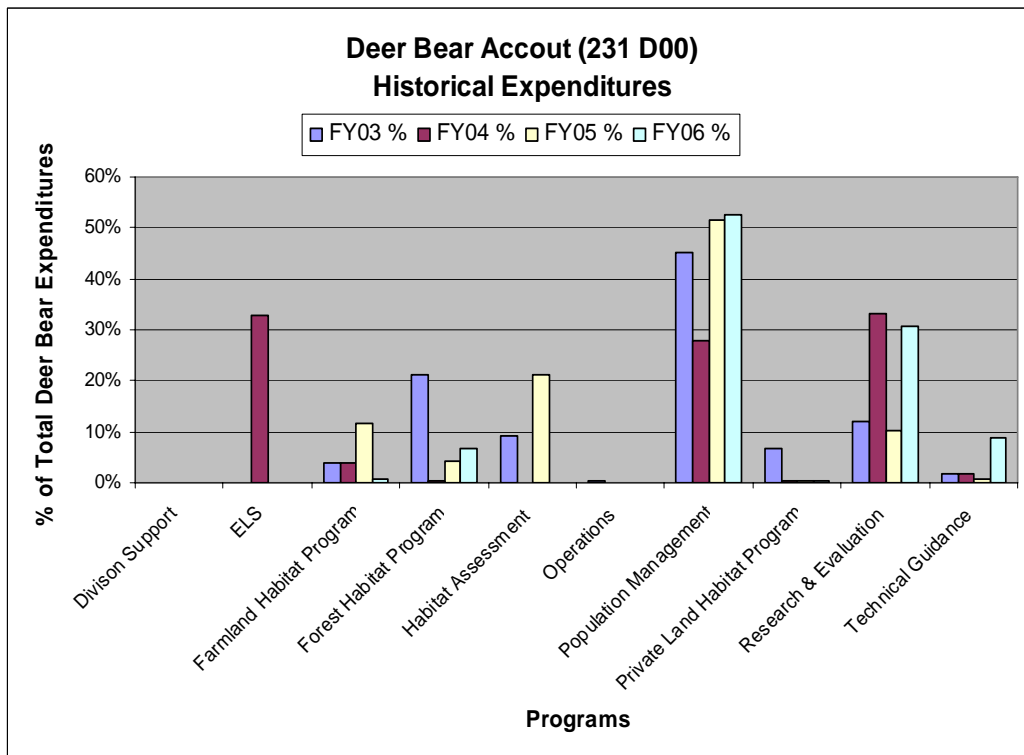


Figure 2. Annual expenditures for the Deer/Bear Management Account itemized by program.

Policy Issues

Hunter Recruitment and Retention Programs

Current Situation: Over the last several years, the Department of Natural Resources, through its Hunter Recruitment and Retention Program, has shown a stellar performance record in improving opportunities for first-time hunters. Through the addition of several youth hunts, hundreds of budding hunters have been given the opportunity to participate in quality hunts. **Problem:** However, one of the topics that we feel has been overlooked is that access to hunting land is also crucial to the retention of new hunters. With access continuing to dwindle, particularly in urban areas, it is important that resources are available for hunters to find land that will provide a quality hunt.

Proposed Solution: We recommend that additional measures be taken to increase land access, either through hunter education courses which teach land ethics, stewardship, and hunter/landowner relations, or landowner incentive programs, which provide reasonable encouragement for landowners to open their property to hunters.

Unexplained Mortality in Northern Moose Population

Current Situation: In recent years, the moose population in northern Minnesota has seen a significant increase in the mortality of otherwise healthy animals.

Problem: In 2005, DNR officials noted a 17% combined bull and cow mortality in radio-collared moose. In 2006, this number rose to 34%. These figures do not include moose harvested during the hunting season.

Proposed Solution: Given the obligation of this subcommittee to oversee funds that are dedicated to wild cervid health and to make recommendations on cervid health-related issues, we feel that additional studies should be designed and implemented with expediency in order to determine the etiology of this problem.

CONCLUDING REMARKS

Since the outbreaks of CWD (domestic animals) and Bovine TB (domestic and wild animals), the Minnesota DNR has done an exemplary job of testing and attempting to control the dissemination of active disease. However, wild cervid diseases are best managed in a proactive manner and additional measures are needed to minimize the chance of new outbreaks. Increased communication with the Board of Animal Health, which currently oversees game farms in the state, and severely limiting domestic cervid enclosures may play an important role in future cervid health management plans.

We congratulate the Minnesota DNR for their professionalism in managing the dedicated accounts and ask that policy changes be made which will resolve the perceived financial inequity of the Game and Fish Fund.

PHEASANT STAMP SUBCOMMITTEE REPORT

SUBCOMMITTEE MEMBERS

CHAIR: Kyle Thompson, Owner & CEO Prairie Land Management (Glenwood MN)
Eran Sandquist, Pheasants Forever Regional Biologist (South Haven MN)
Brian Smith, President, Private Capital Management, Inc. (Eagan, MN)

INTRODUCTION

In 2006-07 the Pheasant Stamp Oversight Subcommittee (PSOSC) lost two members: Brad Cobb (previous chair) and Mark Matuska. The PSOSC wants to recognize departing Committee Chair Brad Cobb and Mark Matuska. Brad Cobb was appointed the new chair of the BOC. He was a great leader in his previous chair position and offered the PSOSC committee great direction and organization as well as accountability. We just cannot say enough about Brad's contributions. He is greatly missed but his new role as chair of the BOC will offer the same dedication and commitment to all committees. Mark Matuska accepted a new position with the DNR. Mark brought both a dedication and commitment to the cause as well as a political presence as District Director for US Congressman Mark Kennedy. Mark's attention to detail and willingness to challenge the issues was always a tremendous benefit to the committee and we are sure that his talents will be used to the fullest with his new position.

The Minnesota pheasant season harvest totals were favorable this year in comparison with recent history. Most of the increase in harvest numbers is attributable to mild winters, favorable nesting conditions, and increased grassland and woody habitats. Pheasant stamp sales reflected improved harvest potential with 129,291 licenses sold during the season.

NEW ISSUES

FY06 Game and Fish Report

The FY 2006 Pheasant Habitat Stamp Improvement Program (PHIP) report to the PSOSC was reviewed in January & March 2007. The PSOSC has reviewed the FY 2006 expenditures for the PHIP account and found them to be compliant with the language in Minn. Stat. Sec. 97A.075 Subd.4.

The PSOSC expresses disappointment with the response it received from the DNR concerning the 2006 Report. Although the DNR acknowledged its intention to develop "activity guidance" to Area Wildlife Managers to help achieve the goals set forth in the Long Range Pheasant Plan, to the best of the Committee's knowledge none of this work had been done for the current fiscal year (2007). It is also a disappointment that there was no feedback from the DNR concerning the tactics and strategies identified by the PSOSC. Therefore, many of the same suggestions are present in this year's report.

Fiscal Issues

Current Situation: The PSOSC again noted that the PHIP account had a substantial carry-over balance from current and prior fiscal years. Bill Penning has periodically informed the PSOSC that future budgets will draw down larger portions of the carry-over balance over the course of the next 4 years. It is difficult for us to understand why carry-over balances are not used when resources are in such short supply. The PSOSC will continue to monitor this draw-down process.

Proposed Solution: *The PSOSC recommends that the DNR meet with the members of the*

PSOSC to discuss how the PHIP carry over funds are going to be spent.

Proposed Solution: *The PSOSC strongly recommends some portion of the current account balance should be made available for habitat projects. These funds would be applied for and weighed in to achieve the greatest benefit for the investment (i.e. “block” grant for CREP II Initiative, other group efforts as well as individual efforts).*

Policy Issues

Long-Range Pheasant Plan Implementation

Current Situation: The PSOSC believes that the creation of additional pheasant habitat is the key to accomplishing the Long-Range Pheasant Plan’s strategic vision: “a Minnesota pheasant harvest averaging 750,000 roosters per season.”

Proposed Solution: *The PHIP account budget should be aligned to support those tactics and strategies that have the greatest impact on the success of the long-range pheasant plan. The PSOSC is recommending that the DNR submit a comprehensive review of the PHIP’s account to ensure monies are spent on “best practices” according to the long-range plan by all area/regional DNR managers.*

Proposed Solution: *The PSOSC strongly recommends that the DNR develop short and intermediate term tactics and strategies that ensure progress toward achieving the Long-Range Pheasant Plan’s strategic vision.*

Pheasant Stamp Fee Increase

Current Situation: The PSOSC continues to believe that pheasant hunters are a significant and willing potential source of additional revenue. The PSOSC also recognizes that the possibility of “dedicated funding for conservation” and how this may or may not affect the need for additional stamp fee increases.

Proposed Solution: *The PSOSC recommends that the DNR continue to study the idea of another license fee increase and further develop the process of educating the public on the need for additional funds to achieve the goals of the long-range pheasant plan through the use of the DNR Hunters Handbook.*

Promotion of Farm Habitat Programs

Current Situation: The 2007 Farm Bill is a key opportunity to increasing winter cover and nesting habitat in the Minnesota pheasant range.

Proposed Solution: *The PSOSC strongly recommends using an appropriate amount of PHIP funds for lobbying efforts and grass roots tools to influence a positive outcome of the 2007 Farm Bill. The PSOSC recommends to increase (as a one time request) our federal farm program lobbying and promotion efforts from the current \$12,500 (used by PF) annual budget to a more appropriate figure annually for the next 2 years or until the new farm bill is signed - beginning now. We should also look at supporting other group’s lobbying efforts.*

Current Situation: There are numerous opportunities available to landowners now that can be taken advantage of to increase the amount of pheasant habitat across Minnesota.

Proposed Solution: *The PSOSC strongly recommends public awareness, marketing and conservation consultants be available to work with landowners to utilize currently available programs (more or new programs might focus too much energy away from current programs).*

Application Process for Use of PHIP monies

Recommendation: The PSOSC strongly recommends there be an application process for use of PHIP's monies (private groups/individuals/Block Grants / WMA acquisitions / etc.) that would score applicants based on best practices and greatest return on the investment. Dollar allocation would be prioritized to the pheasant region and most productive in meeting the goals of the Pheasant Plan. An emphasis should also be made on making the application and review process as simple as possible. Applications should be reviewed and scored by an independent group (PSOSC possibly with DNR final approval) and applicants notified as quickly as possible to facilitate greater habitat development and enhancement. The PSOSC recognizes that surplus PHIP monies could be used to support technical assistance to assist landowners with application and enrollment into Federal Farm Programs that would return potentially return 10 dollars for every dollar spent.

Pheasant Habitat Designs

Recommendation: The PSOSC strongly recommends identifying and promoting habitat designs that will increase more pheasants per acre of habitat and identify those "negative habitats" which should be discouraged. We need to "plan for the worst and hope for the best" when it comes to habitat designs. The PSOSC recognizes that winter habitats associated with food source and nesting habitats are vital to pheasant success. We need to address management practices to improve pheasant habitat both on public and private lands.

Roadside Habitat Management Best Practices

Recommendation: The PSOSC recommends a continued study on the data on roadside wildlife management and improvements and determine best practices. It has been reported that there are ½ million acres of roadsides in the Minnesota pheasant range. Continue or increase funding of roadside habitat management and increase public relations efforts through media and signs. Make available to roadside managers specific data on roadside ownership and easements. The PSOSC also wants to showcase several roadside projects because in some areas of Minnesota pheasant range the only habitat structures are those that are found in the roadsides. Identify outcomes the DNR wishes to obtain from the roadside wildlife management program.

Pheasant Stamp Anniversary Recognition

Recommendation: WMA acquisitions should always be a priority and an appropriate amount of the surplus could be applied for acquisitions. We encourage the DNR to acquire a WMA and formally dedicate it to identify the significant role the Minnesota Pheasant Habitat Stamp funds have played since 1983 – the first year of the stamp. This public relations WMA dedication in 2008, the 25th Anniversary of the Pheasant Stamp will be a part of our educational efforts for continued support of the pheasant stamp fee, in addition to a public showcase to market how these funds are used.

Food Plots Guidance

Recommendation: The PSOSC notes that a meaningful portion of PHIP proceeds is used by the DNR to fund food plots. The PSOSC recommends that these food plot programs be given direction and guidance for best location and size to assure that they are providing the best benefit and not actually a detriment.

MEASURABLE OBJECTIVES

Short Term Goals

- Increasing the number of acres of Winter Habitat and Associated Food Sources and Nesting/ Brooding cover in the State of Minnesota in Fiscal Years 2007-08 with the goal of reducing hen mortality and increasing brood success and/or density.
- Continue to monitor the suitability of the established Pheasant Stamp Fee and make the appropriate increases at the first opportunity based on the objectives of the Long Range Pheasant Plan.
- Developing a list of short and intermediate term tactics for the Long Range Pheasant Plan that can be effectively monitored to ensure success. The PSOSC would like to see this list of tactics by December of 2007.
- Align the annual PHIP budget with tactics and strategies of the long-range Pheasant Plan.
- Develop an application process for PHIP monies to be available to all individuals and organizations with a ranking system to assure the best habitat development for the investment is being achieved as well as PHIP monies are being used and spent down.

CONCLUDING REMARKS

The DNR on March 8, 2005, approved the “Long Range Plan for the Ring-neck Pheasant in Minnesota.” The vision of the Plan is to have an annual harvest of 750,000 roosters by the year 2025. To accomplish this vision, there must be a sufficient habitat base to support an average fall population of 3 million birds. To achieve the habitat base to support such populations we need an additional 1.56 million acres of habitat in the 63 counties of the Minnesota pheasant range. It’s assumed that a majority of these additional acres will need to come from federal land conservation programs like the “Conservation Reserve Program.”

The PSOSC approves of the long-range plan and asks the DNR to use this document to develop tactics, strategies, and recommendations on how to best use the dedicated pheasant stamp account to meet the objectives of the long-range plan. Certain programs currently funded by the PHIP’s account (like food plots) may have to change as well as other procedures added (like the application process) to best utilize the PHIP funds to meet the objectives of the long-range plan.

The PSOSC also recognizes that 1.1 million acres currently enrolled in CRP in Minnesota are due to expire by the year 2007. The threat of habitat loss is also being impacted by relatively high prices for corn being driven by marginal demand created by ethanol production. The 2007 Federal Farm Program and associated conservation programs like the Conservation Reserve Program (CRP) are scheduled to be reviewed and implemented. The PSOSC believes that it is in the best interest of the Minnesota pheasant hunters to aggressively promote and lobby for significant increases in the total number of acres accepted in the Minnesota pheasant range under the 2007 Federal Farm Program.

TURKEY STAMP SUBCOMMITTEE REPORT

SUBCOMMITTEE MEMBERS

CHAIR: Tom Glines, National Wild Turkey Federation (Coon Rapids, MN)
Tom Kalahar, Renville SWCD (Olivia, MN)
Dave Mahlke, National Wild Turkey Federation (Winona, MN)
David Maier (Royalton, MN)
Dennis Fuchs, Stearns Co. Soil and Water Conservation District (St. Cloud, MN)

INTRODUCTION

We wish to thank Bill Penning, DNR Farmland Wildlife Program Leader, for his assistance with our review of spending in this account.

The Department of Natural Resources has done a great job of taking our previous recommendations and considering them in regards to the wild turkey resource and its management.

Highlights:

- This winter, January–March 2006, the DNR continued to trap and relocate 202 turkeys (with an additional \$10,000 from the National Wild Turkey Federation). And wild turkeys were released into northwestern Minnesota for the second time in this same time period.
- There is a focused effort to acquire important turkey tracts of land in the southeast – of which this year we saw the purchase of Ferndale Ridge WMA with Turkey Stamp Funds
- For the spring season of 2006, there was a 3% (1120) increase in permits available

PREVIOUSLY REPORTED ISSUES

Satisfactorily Addressed Issues

- The DNR has released turkeys in northwestern Minnesota in January-March of 2007 and is continuing with the study of bird movements and survival.
- The DNR has approved the Long Range Turkey Management Plan and it has been approved by the Division Management Team (DMT)
- The DNR, under the guidance of Ryan Bronson – Hunter Recruitment/Retention Director has increased the youth turkey hunt opportunities through Mentored Hunts in spring of 2007. And higher numbers of tags available for these hunts expected for 2008
- Physically Challenged hunts continue to increase as demand increases.

Ongoing Issues

The Turkey Stamp Subcommittee would like to recommend the following changes to the policies governing the Turkey Stamp Account

Trap & Transplant Program

Current Situation: Complete Trap & Transplant Program

Problem: Continue to develop the criteria to determine what IS turkey habitat and develop a plan to stock it with sufficient releases. The goal here is to completely stock the remaining habitat. The goal *is not* to stop trap and transplant program.

Proposed Solution: *Using DNR GIS mapping of land cover, snow fall depths and data bases of information the priority range of wild turkeys has been evaluated. Look at what the unstocked area is, and determine how many releases it will take to stock. Trap at least 200 birds a year until the unfilled area is stocked.*

Turkey Habitat Increase

Current Situation: Little effort to increase turkey habitat in South Central, Southwestern, and West Central Minnesota on public and private lands.

Problem: During the last several years DNR has primarily focused on grassland and wetland habitat work. The TSOC would like to see some shift in emphasis to raise the level of commitment to forest habitat work through the turkey range.

Proposed Solution: *A cooperative partnership with the DNR and the NWTf for a wild turkey biologist.*

Proposed Solution: *Promote hardwood restoration & management on private, state, and federal lands along river/stream corridors, riparian areas, and historically wooded areas to compliment grassland and wetland management to provide additional turkey habitat. Possibly leveraging the DNR and BWSR Farm Bill Assistance Grant for additional staff activity to promote wild turkey habitat.*

Proposed Solution: *Promote Conservation Easements (habitat protection) on private lands. Key concern is protection of Oak Savannah and Big Woods habitats that existed in pre-settlement times.*

Information & Education About Wild Turkey Management

Current Situation: There is increasing need to inform and educate the general public, land owners, and hunters about the management of wild turkeys, especially in the new areas of the State where turkeys are being released.

Problem: A major success story of wild turkey management and habitat improvement needs to be told.

Proposed Solution: *Increase the number of landowner workshops/land owner appreciation days. Continue to hold hunter education classes and provide wild turkey information to press and other media aimed at the general public. Update on wild turkey related brochures.*

Turkey Habitat Acquisition

Current Situation: More turkey hunters take up the sport – over 50,000 apply for Spring 2007

Problem: Lack of public lands in which to turkey hunt

Solution: *Continue to seek out and acquire public lands that have turkey habitat.*

NEW ISSUES

FY06 Game and Fish Fund Report

The Turkey Stamp Subcommittee has reviewed FY06 expenditures from the Turkey Stamp Fund and found them to be compliant with the language of Minn Stat. Sec. 97A.055 Subd. 4b (9).

Fiscal Issues

The \$121,000 appropriated for FY05 was the same as FY04. There was an additional \$81,731.35 that was rolled forward from FY04. However, \$30,000 was cancelled back to the account.

Note: The committee came to find during the course of the meetings, that turkey stamp funds could be affected by the current situation at ELS terminals that hunters purchasing turkey licenses may not have purchased turkey stamps. This may need to be changed to a mandatory inclusion with turkey licenses.

Policy Issues

Public Lands Inaccessible for Public Recreation

Current Situation: The State owns land (Forestry) in many areas of Minnesota that are landlocked by private lands and unavailable to public recreation

Problem: Desirable public hunting lands are inaccessible to hunters and others.

Proposed Solution: Develop a program to purchase "walk in" access easements to the landlocked public parcels to provide turkey hunters and others access to many landlocked public Forestry lands.

MEASUREABLE OBJECTIVES

- **Long Term Goal** – 50,000 Turkey Hunter Opportunities for Spring Hunting (for now)
 - **Short Term Goal** – continue to tweak permit levels and model for increase in tags, we were at 32,856 regular tags and 2200 archery tags in spring of 2006, that increased to 33,976 regular tags. Archery tag totals will be known after the season is closed.
 - **Short Term Goal** – look at allowing unlimited tags for the last two weeks for gun or bow, if that is their choice by the application deadline
- **Long Term Goal** – More WMAs that have turkeys on them
 - **Short Term Goal** – purchase lands that have turkey habitat (mature forest stands)
 - **Short Team Goal** – continue to use turkey stamp monies to improve and create hardwood stands on existing WMAs that can support turkey habitat
- **Long Term Goal** – Private lands management program
 - **Short Term Goal** – help facilitate Landowner workshops that work with private landowners to instruct them on how to enhance their properties for wild turkeys, which includes government programs of cost sharing. In FY05 we had 2 landowner workshops and it is estimated it impacted roughly 200 landowners. We would like to see this effort expanded in the future to at least 10 throughout the turkey range.
 - **Short Term Goal** – more technicians to work in the field for help in enrolling in more of these programs. Leverage the DNR BWSR Farm Bill Assistance Grant to

increase technical assistance to landowners. This would provide landowners additional education and information about USDA Farm Bill programs to promote turkey habitat.

- o **Short Term Goal** – Cost Share Biologist with the NWTf
- **Long Term Goal** – Raise more funds to continue and expand important turkey management and habitat work
 - o **Short Term Goal** – increase the Turkey Stamp to \$10

CONCLUDING REMARKS

We believe the wild turkey stamp is an important resource to continue to grow the sport of wild turkey hunting in Minnesota. Much more can be done to increase the recreational opportunities into the future.

Expanding the range has been the easiest and quickest way to continue that growth, but the day is coming that turkeys will have been stocked in all easily identifiable habitat areas.

Two areas that will be critical in the future are enhancing the land to hold more turkeys and providing places for Minnesota's sportsmen and women to hunt and recreate. Public and private lands need to be managed for turkey habitat which includes mature roost trees, fruit and nut bearing trees and shrubs for natural food sources, sufficient nesting cover, and brood rearing habitat. The agency, along with its conservation partners, needs to continue to purchase lands that hold turkeys for WMAs, as well as foster a positive attitude with private landowners to allow access to their lands for the turkey hunters

WATERFOWL STAMP SUBCOMMITTEE REPORT

SUBCOMMITTEE MEMBERS

CHAIR: Ryan Heiniger (Lakeville, MN)
Brad Nylin (Plymouth, MN)
Tom Kowal (Saint Cloud, MN)

INTRODUCTION

The Chair of the Waterfowl Stamp Subcommittee (WSS) would like to recognize the efforts of Mr. Phil Zins and Mr. Tom Cooper for their past work on this committee and contributions to waterfowl conservation in Minnesota. The Chair would also like to welcome Mr. Brad Nylin and Mr. Tom Kowal to the committee.

The WSS would also like to recognize and thank Mr. Ray Norrgard, Wetland Wildlife Consultant, with the Department of Natural Resources for his contribution of time and technical assistance to the Subcommittee in the preparation of this report.

The WSS has reviewed the GFF Report for FY2006 and the following are the WSS findings and recommendations based on that review.

PREVIOUSLY REPORTED ISSUES

Satisfactorily Addressed Issues

In recent years, the WSS has made recommendations that at least 60 percent of the Waterfowl Stamp funds be allocated to wetland habitat management purposes. In FY 2005, 73 percent of these funds were spent on these purposes. In FY 2006, only 49 percent were spent on similar activities. However, lake assessments represented an additional 20 percent and are a critical component that provides DNR managers with sound information to make informed decisions about wetland habitat management projects.

The WSS recommends that waterfowl stamp funds continue to be spent with an emphasis (60%) on wetland habitat management activities that are consistent with the DNR's long-range duck recovery plan.

Ongoing Issues

The federal farm bill will be re-authorized by Congress in 2007. The Conservation Reserve and Wetland Reserve Programs are both at stake and the success of the DNR duck plan will be greatly determined by the future of these programs. In the WSS FY2005 report, the WSS recommended that "an appropriate amount should be used to encourage well-designed and adequately funded provisions of the federal farm program.

The WSS applauds the DNR's commitment to provide cost-share to help hire 36 "farm bill assistants" that play an integral role in helping promote and deliver farm bill programs. However, an additional investment is also warranted to ensure these programs are re-authorized in the new farm bill. Additionally, Minnesota is uniquely positioned to shape this discussion because Congressman Collin Peterson is the chair of the House Agriculture Committee. The WSS urges the DNR to work to

identify new opportunities in addition to its current commitment to shape the farm bill in a way that benefits waterfowl habitat.

In past WSS reports, several requests have been made to obtain accomplishment reports for projects completed with Waterfowl Stamp funds. The WSS understands that due to accounting procedures, it is difficult to track these expenditures and accomplishments. However, the WSS still contends that there is significant value in DNR staff compiling a brief report on accomplishments as it relates to the DNR duck recovery plan and publicizing that to the 100,000 waterfowl hunters in the state. The WSS is not advocating for an exhaustive list/accounting of each project, but rather a summary that can be communicated in various media including the web and other DNR reports. The intent of this request is simply to help build constituent confidence in the DNR as progress is made on the duck plan.

NEW ISSUES

FY05 Game and Fish Fund Report

The WSS has reviewed the GFF Report for FY 2006 and found that the expenditures from the Waterfowl Habitat Improvement Account 233 are compliant with the governing Minn. Stat. Sec. 97A.075.

The one FY 2006 expenditure found by the WSS to not be in compliance is a \$349.10 charge to Inter/Intra Agency Technical Guidance. It is our understanding based on discussions with Mr. Norrgard that this expense resulted from an inaccurate reporting of a cellular phone bill for a DNR employee.

30th Anniversary of Minnesota Waterfowl Stamp

Current Situation: 2007 represents the 30th Anniversary of the creation of the Minnesota Waterfowl Stamp. This was the first stamp program in Minnesota and in the last three decades, has raised millions of dollars for habitat conservation and research to improve the future of waterfowl. In cooperation with the DNR, the WSS is planning to recognize this anniversary with a project dedication in conjunction with the youth waterfowl opener in September. Fittingly, the artwork for the 30th anniversary stamp is pair of lesser scaup – an icon in Minnesota – flying over a classic northern lake.

Recommendation: *The WSS urges the DNR to publicize this important milestone in the waterfowl regulations book and in other related communication materials.*

Implementation of DNR Duck Recovery Plan

Current Situation: In 2006, the DNR's Duck Recovery Plan was finalized and called for the addition of two million acres of wetlands and grasslands and the enhancement and management of 1,800 shallow lakes. The proposed timeline for the plan to be implemented is 50 years.

Problem: During the development of the Plan, the DNR organized a partnership team and a technical team to share ideas and assist with the plan goals. Since the Plan has been finalized, the teams have disbanded and the WSS believes it is in the best interest of the Plan to keep momentum going forward.

Proposed Solution: *The WSS suggests the DNR assemble an implementation team that includes wildlife staff from each DNR region, representatives from other state and federal agency partners, non-governmental organizations and members of the legislature with an interest in waterfowl conservation. The purpose of this team would be to identify barriers to the Plan's success and work together to ensure a positive outcome.*

Fiscal Issues

None.

Policy Issues

Electronic Licensing and concerns over disappearance of waterfowl stamp

Current Situation: As required in Minnesota statute 97B.801, waterfowl hunters were required to have a validated Minnesota migratory waterfowl stamp in possession even though the electronic license confirms the purchase of said stamp. The WSS understands the DNR desires to eliminate the requirement that waterfowl hunters had to have the stamp in their possession while hunting waterfowl.

Problem: The WSS is concerned if this change is approved by the Legislature, the precedent will be set to eventually eliminate the waterfowl stamp entirely. The concern is in regards to the distribution of the stamp and how that fulfillment is paid for. While the WSS recognizes the need to keep up with advances in technology, we are very concerned about the potential impact on the waterfowl stamp and associated artwork contest as it relates to the time-honored traditions of hunting waterfowl.

Proposed Solution: *The WSS is fully supportive of eliminating the requirement to sign the stamps and have them in possession. The WSS supports making the hard copy stamp available to those who request it (at the time of purchasing) for no additional charge. Our understanding is that since the time of electronic licensing, the processing fees have been "subsidized" by the revenue generated from the stamp sales, and we see this alternative as a continuation of that previous decision. We feel that by making the stamp available for no charge, a majority of stamp purchasers will choose to receive a copy and thus continue the tradition of stamp collecting.*

MEASURABLE OBJECTIVES

- **Long Term Goal** – Enhance 1,800 shallow lakes for waterfowl migration habitat
 - **Short Term Goal #1**– Annually enhance 36 shallow lakes by installing/replacing water control structures and adding fish barriers.
 - **Short Term Goal #2** – Designate two shallow lakes per year for wildlife management purposes
- **Long Term Goal** – Restore and protect 2 million acres of wetland and grassland complexes
 - **Short Term Goal #3** – Restore and protect 40,000 acres of wetlands and prairies through a combination of WMA acquisitions, RIM easements, farm bill programs and other conservation measures in areas of highest importance to breeding waterfowl.
- **Long Term Goal** – Maintain a breeding duck population of 1 million birds and achieve a recruitment rate of 0.6
 - **Short Term Goal #4** – Prevent loss of existing natural habitats and lands currently enrolled in federal farm programs.
- **Long Term Goal** – Retain an average of 140,000 waterfowl hunters

CONCLUDING REMARKS

The WSS acknowledges that waterfowl stamp proceeds represent less than four percent of the total investment made by the DNR on habitat restoration, enhancement, management and protection. We applaud the DNR for making a significant contribution to waterfowl habitat with other funds that are available to the Department. With this in mind, it should reinforce that waterfowl stamp funds should be strategically used to make the largest incremental gains in waterfowl habitat conservation. The WSS understand that waterfowl stamp proceeds also play an important role in providing funding for other programs/projects that do not have outside funding such as research and population management.

The WSS believes the initial years of the DNR duck plan will be extremely critical to establish some a positive track record and build support from the state's waterfowl hunters. Communication of these accomplishments will be key and the DNR should look for every opportunity to do this.

We applaud the DNR for taking a bold position to restore and protect important waterfowl habitat and we stand ready to assist in this effort.

ECOLOGICAL SERVICES SUBCOMMITTEE REPORT

SUBCOMMITTEE MEMBERS

CHAIR: John Hunt (Big Lake, MN)
Paula West (Brainerd, MN)
Erik Wrede (Minneapolis, MN)
Mark Peterson (St. Paul, MN)

INTRODUCTION

The subcommittee wishes to thank the Minnesota Department of Natural Resources (DNR) staff, Lee Pfannmuller and Steve Hirsch, for their assistance in arranging meetings and providing background data and information as the committee prepared its FY06 expenditures report.

The subcommittee would also like to thank departing subcommittee members John Curry and Char Brooker for their participation in 2006.

PREVIOUSLY REPORTED ISSUES

Satisfactorily Addressed Issues

Project Wild Funding

Project Wild is a wildlife education program for K-12 teachers that includes information on hunting and trapping. In the past, funding for this program has come from the Nongame Wildlife Fund. In response to previous comments by this subcommittee, the DNR is now recommending that this program be partially supported by the Game and Fish Fund as part of the fiscal year 2008-2009 biennial budget.

Ongoing Issues

None have been identified.

NEW ISSUES

FY06 Game and Fish Fund Report

The format for the Game and Fish Fund report for the Division of Ecological Services was acceptable.

Fiscal Issues

The Ecological Services Subcommittee has reviewed the Division's FY06 Game and Fish Fund expenditures and has found the expenditures to be compliant with legislative intent (M.S. 97A.057, subd. 2). Specifically, the dollars have been appropriately spent on activities that support game and fish activities.

The Subcommittee has included several figures and a table to illustrate the Division's expenditures of license revenues:

- 1) Ecological Services' Game and Fish fund expenditures represent only 2.6% of the total expenditures made from the Game and Fish Operations Account during the fiscal year. The Game and Fish Fund provided 9.9% (\$1,792,132) of the total expenditures (\$18,090,070) for the Division of Ecological Services in FY06 (Figure 1).
- 2) The Division spent an additional \$1,225,375 from the Heritage Enhancement Account in FY06. This expenditure represents 7% of the Division's FY06 total expenditures and approximately 14% of the total expenditures made from the Heritage Enhancement Account.
- 3) Figure 2 depicts how both the Game and Fish Operating dollars and the Heritage Enhancement dollars were expended within the Division by major program area.
- 4) Table 1 illustrates the FY06 expenditures by program from the Game and Fish operating and Heritage Enhancement dollars and the percent supported by the Game and Fish Fund Operating dollars.

Policy Issues

Comments on policy issues have been organized by the four key resource areas of the Division and then prioritized within each resource area.

Lakes and Rivers

Identifying Sensitive Shoreland Areas

Current Situation: Sensitive shoreland areas provide critical fish and wildlife habitat, but are increasingly threatened by development.

Problem: The DNR does not have a standard definition or systematic program to identify and protect sensitive shoreland areas.

Proposed Solution: *The DNR Division of Ecological Services is currently funding this effort with federal dollars through the FY 2008-2009 biennium. This program would allow local governments to establish sensitive shoreline districts that would provide additional habitat protection from the impacts of shoreland development. If this program is expanded after the next biennium, Game and Fish Fund dollars should be used to support it.*

Ecosystem Health

Terrestrial Invasive Species Management

Current Situation: Terrestrial invasive species are a growing problem on DNR-managed lands. The Division of Ecological Services' role is to help other divisions within the DNR inventory and manage terrestrial invasive species on DNR-managed lands.

Problem: The DNR recommended increased funding for terrestrial invasive species management for the next biennium, but the amount is still not adequate to address the issue on DNR lands and does not begin to address the issue on non-DNR lands.

Proposed Solution: Ongoing funding is needed for an emergency response fund and for cooperative projects with local land managers.

Aquatic Invasive Species (AIS) Management

Current Situation: Thirty-five (35) percent of Minnesota's primary recreational lakes (general development and recreational development lakes) contain at least one AIS, and the number of infested lakes continues to grow each year.

Problem: AIS displace native aquatic plants, disrupt fish and wildlife habitat, compete for food sources, and interrupt the food chain, leading to shifts in both forage and game fish populations. Even if additional monies are appropriated by the 2007 Legislature for AIS management, there is still inadequate funding to aggressively manage AIS or enforce current laws, and no funding at all to address rapid response for early infestations or local prevention efforts.

Proposed Solution: *Additional sources of ongoing funding for management, prevention, enforcement, and rapid response to AIS must be secured through such means as increased boat license surcharges, access fees, out-of-state angling license surcharges, or other sources. Because of the impacts of AIS on fish and wildlife habitat, Game and Fish Funds should be considered to be a legitimate partial funding source for AIS prevention, management, and rapid response.*

Integrated Conservation Information

No policy recommendations at this time

Nongame and Rare Resources

Biofuel opportunities and challenges

Current Situation: Renewable energy sources are receiving increased attention and interest, including biomass for fuel production.

Problem: Technology currently exists to convert corn into ethanol and soybeans into biodiesel, although both require great amounts of water to produce. With high corn prices, many farmers will be tempted to take marginal crop land out of CRP and/or CREP to produce row crops for fuel and food. This will have a negative impact on wildlife habitat and water quality within watersheds. Technology to convert perennial grasses and other biomass into biofuel will likely be developed and available in the coming years.

Proposed Solution: *The DNR should encourage the plantings of mixed perennial native prairie grasses that can be harvested for biofuel production. As data becomes available, the DNR should educate the public about why mixed perennial native prairie grasses are more beneficial for both wildlife habitat and biofuel production. Further, the DNR should educate the public about why monoculture plantings of row crops and/or perennials are less beneficial for both wildlife habitat and biofuel production. The Division of Ecological Services should participate in a legislative technical committee (likely to be formed during the summer of 2007) to study how to best advance ecologically sound biofuel production policies and funding.*

Scientific and Natural Areas (SNAs)

Current Situation: The SNA program needs to have broader public support and recognition.

Problem: SNAs are misperceived as being overly restrictive with limited recreational opportunities. In reality, 88% of the acreage in the SNA system is open to some form of hunting and most SNAs are open to a variety of recreational activities.

Proposed Solution: *DNR needs to market SNAs to a broader segment of the public and look for opportunities to increase recreational activities on SNAs without diminishing the ecological values that SNAs were purchased and established to protect.*

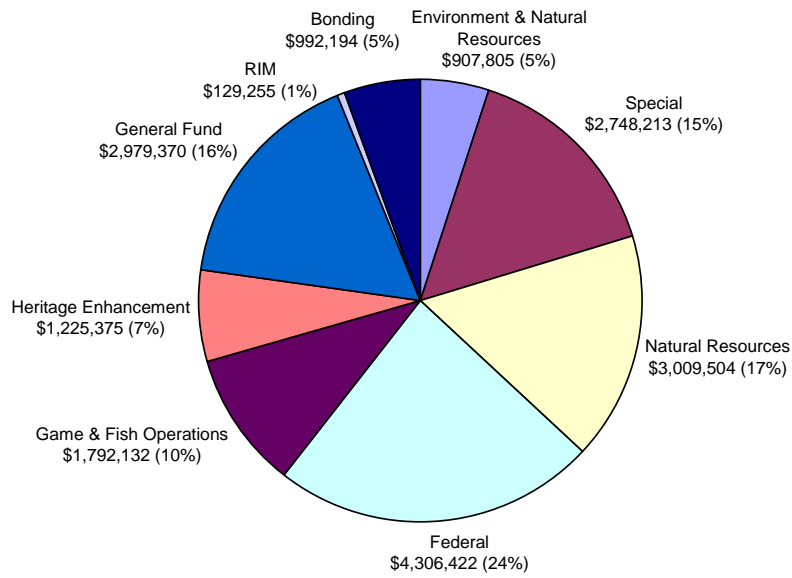
MEASURABLE OBJECTIVES

The Subcommittee continues to work with Division staff to better understand the measurable objectives the Division has established for each of the four key resource areas (Lakes & Rivers, Ecosystem Health, Integrated Conservation Information, and Nongame & Rare Resources) and to provide feedback to the Division on those objectives within the context of fiscal and policy recommendations.

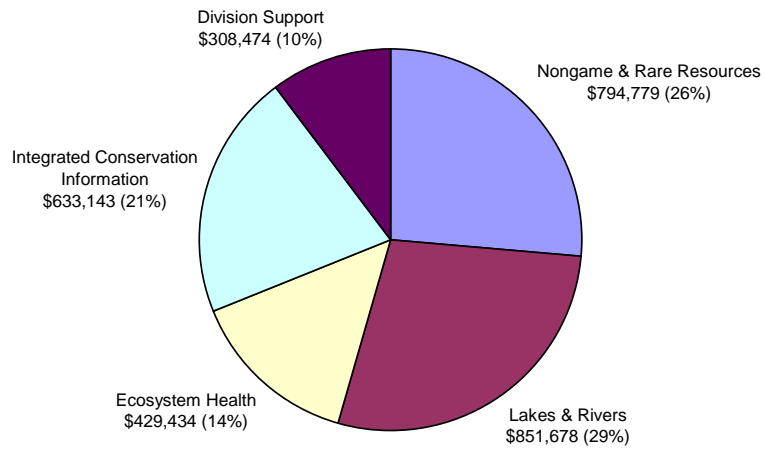
CONCLUDING REMARKS

The Ecological Services Subcommittee has found the FY06 Game and Fish Fund expenditures in the Division of Ecological Services appropriate and justified within the context of the Game and Fish Fund.

**Figure 1. Ecological Services
FY06 Expenditures by Fund
\$18,090,270**



**Figure 2. Ecological Services
FY06 Expenditure of Game & Fish Fund Dollars
(Includes Game & Fish and Heritage Enhancement)
\$3,017,508**



**Table 1. Division of Ecological Services
FY06 Game & Fish Fund Operations and Heritage Enhancement Expenditures by Program
Percentage of Total Program Expenditures attributable to Game & Fish Operating Funds.**

Resource Area and Program	Program Expenditure of Game & Fish Operating Funds	Program Expenditure of Heritage Enhancement	Percent of Program funded by Game & Fish Operating Funds
Lakes & Rivers			
Aquatic Plants	78,083	25,212	25%
Nongame Fish	0	323	0%
Lake Assessments	23,500	0	23%
Aquatic Invertebrates	28,716	0	34%
Stream Protection	545,016	47,367	68%
Mississippi River Mgmt	87,667	0	18%
Lake Habitat Protection	15,795	0	10%
Resource Area Subtotal	778,777	72,902	37%
Ecosystem Health			
Fish Contaminants	8	0	0%
Pathology Lab	282,510	0	100%
Natural Resource Damages	47,291	0	4%
Invasive Species	0	99,625	0%
Resource Area Subtotal	329,809	99,625	9%
Integrated Conservation Information			
Education & Info Delivery	0	6,915	0%
Environmental Review	323,861	139,874	11%
Planning & Coordination	19,749	1,179	7%
Information Systems (non-program)	42,652	98,914	20%
Resource Area Subtotal	386,262	246,882	11%
Nongame & Rare Resources			
Natural Heritage	0	1,718	0%
Nongame Wildlife	0	146,133	0%
Scientific & Natural Areas	0	94,403	0%
County Biological Survey	0	552,524	0%
Resource Area Subtotal	0	794,778	0%
Division Support	297,286	11,188	38%
Grand Total	1,792,134	1,225,375	10%

ENFORCEMENT, SUPPORT SERVICES, AND ADMINISTRATION SUBCOMMITTEE REPORT

SUBCOMMITTEE MEMBERS

CHAIR: Fredric Boethin (Coon Rapids, MN)
Lee Borash (Minneapolis, MN)
Sven Lindquist (Spring Lake Park, MN)
Tom Neustrom (Grand Rapids, MN)
Dan Ross (Deer River, MN)

INTRODUCTION

The subcommittee wishes to thank the assistance of Denise Anderson, DNR Management and Budget Services; Col. Michael R. Hamm, DNR Enforcement; and Beth Carlson, DNR Management and Budget Services, for their assistance in meeting arrangements and providing information for our analysis and report writing.

PREVIOUSLY REPORTED ISSUES

Satisfactorily Addressed Issues

Allocation of operations support costs to programs

For the 2006 fiscal year, the DNR received legislative authority to allocate the direct appropriations of its Management Resources and Human Resources bureaus from operations support to the individual divisions. Our committee requested the allocation method and associated costs applied to the other divisions under this new authority. We received this information and it was discussed in the FY 2006 Game and Fish Fund Report.. We accept this disclosure of the allocation method and associated fees.

Ongoing Issues

Statewide Indirect Costs

Current Situation: The “indirect costs” associated with federal dollars received by the State are recoverable through guidelines identified in “OMB Circular A-87 Revised.” This cost allocation plan prepared by the State is audited by the federal government for compliance with OMB requirements.

Problem: The cost allocation is not reviewed by the DNR to assure the plan provides the best reimbursement for the indirect costs association to the DNR.

Proposed Solution: *This subcommittee recommends the DNR review the State “indirect cost plan” to assure it meets the specific needs associated with the Game and Fish Fund maximizing federal reimbursement.*

NEW ISSUES

FY05 Game and Fish Fund Report

Fiscal Issues

This subcommittee has reviewed the FY06 expenditures for enforcement, support services, and administration associated with the Game and Fish Fund and found them to be compliant and associated fiscal requirements.