

# Budget in Brief: Agency Overview

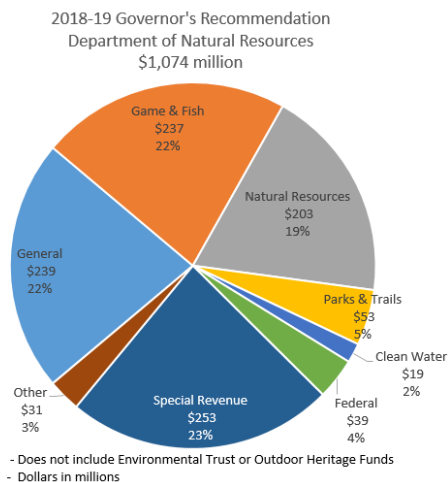
This budget maintains and improves Minnesota’s world-class natural resources and outdoor recreation opportunities. It provides total funding for the DNR of \$1.074 billion in FY2018-19. This increases funding by \$76 million (8%) and continues \$72 million funding from Legacy Funds. This is offset by \$40 million in revenues, which mostly relate to user fee increases.

While 100 percent of this request advances our mission and helps ensure that we are meeting the expectations of Minnesotans, 87 percent of the new requests restore lost program capacity and maintain our current level of services while 13 percent invest strategically in new initiatives. The significant need to restore and maintain reflects the real impacts of growing budget pressures the department has faced over the last few biennia. (See page two for additional detail.)

## EXPENDITURE & REVENUE TOTALS

dollars in millions

|                        | 2018-19    | 2020-21   |
|------------------------|------------|-----------|
| General Fund           | 40         | 31        |
| Game & Fish Fund       | 18         | 19        |
| Natural Resources Fund | 18         | 21        |
| Legacy                 | 72         | 0         |
|                        | <b>148</b> | <b>71</b> |
| Revenues               | 40         | 43        |



The Governor proposes \$40.6 million in General Fund dollars. These proposals focus on maintaining and restoring parks and enforcement services, makes critical investments in state forests and provides additional funds to minimize the impacts of known and anticipated operating and legal costs. The table below shows our proposals that impact the general fund.

## GENERAL FUND PROPOSALS

dollars in millions

|   | 2018-19     | 2020-21     |
|---|-------------|-------------|
| Operating Adjustment                                | 7.0         | 8.9         |
| Parks and Trails Operations and Maintenance         | 9.3         | 10.1        |
| Delivery of Natural Resources Law Enforcement       | 5.6         | 5.6         |
| Legal Support Costs                                 | 7.0         | -           |
| Reforestation of DNR-Administered Forest Lands      | 2.5         | 2.5         |
| DNR Sustainable Timber Harvest Analysis             | 0.5         | -           |
| Next Generation Core Forestry Data Systems          | 4.0         | 2.0         |
| Pineland Sands Forest Conversion Study              | 1.5         | -           |
| Mississippi River Corridor Area Rule Implementation | 0.8         | 0.3         |
| Web Modernization                                   | 2.1         | 1.9         |
| Conservation Easement Stewardship Staffing          | 0.3         | 0.3         |
| <b>Total</b>  | <b>40.6</b> | <b>31.6</b> |

Our budget package also includes modest fee increases to ensure continued or expanded services expected by Minnesotans. Many of these fees have not changed in over ten years and no longer fully fund the work they support.

## FEE PROPOSALS

dollars in millions

|   | 2018-19 | 2020-21 |
|---|---------|---------|
| Watercraft Surcharge for Aquatic Invasive Species (AIS) | 3.0     | 3.5     |
| Fishing and Hunting Licenses                            | 18.4    | 18.4    |
| Ginseng Harvest/Sale                                    | 0.1     | 0.1     |
| Hydropower Water Use                                    | 0.2     | 0.2     |
| Public Water Use  | 1.3     | 1.3     |
| State Park Permits                                      | 2.4     | 3.3     |
| Boat Registration                                       | 7.0     | 8.0     |
| Snowmobile Registrations                                | 4.0     | 4.0     |
| All-Terrian Vehicle Registrations                       | 2.0     | 2.6     |
| Cross Country Ski Pass                                  | 0.2     | 0.2     |

## For Further Information, Please Contact:

**Barb Juelich, Chief Financial Officer**

Minnesota Department of Natural Resources  
500 Lafayette Rd, St. Paul, MN 55155  
651-259-5561 [barb.juelich@state.mn.us](mailto:barb.juelich@state.mn.us)

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## Restore, Maintain, or Invest: An Overview of the Governor's Recommendations for the DNR

*Expenditures Only*

*Dollars in thousands*

|   | 2018-19        | 2020-21       | FTE (FY19) |
|---|----------------|---------------|------------|
| <b>Restore</b>  | <b>19,056</b>  | <b>19,546</b> | <b>40</b>  |
| <i>These proposals restore programmatic capacity that we had in the past but lost due to the rising costs of operations or previous budget reductions.</i>  |                |               |            |
| Parks and Trails Operations and Maintenance: Programmatic Capacity*   | 7,000          | 7,490         | 6          |
| Delivery of Natural Resources Law Enforcement   | 5,570          | 5,570         | 17         |
| Fish and Wildlife Program Support: Fish and Wildlife Programmatic Capacity*   | 4,030          | 4,030         | 8          |
| Public Waters Protection*   | 1,340          | 1,340         | 6          |
| Aquatic Invasive Species (AIS): DNR AIS Programs*   | 1,116          | 1,116         | 3          |
| <b>Maintain</b>   | <b>109,598</b> | <b>37,702</b> | <b>258</b> |
| <i>These proposals ensure that we can preserve our current service levels despite anticipated compensation increases and legally defending our decisions. Legacy funds are appropriated every two years; these requests extend our current efforts.</i> |                |               |            |
| Operating Adjustment*   | 22,137         | 28,622        | 96         |
| Legal Support Costs**   | 6,977          | -             | 2          |
| Parks and Trails Operations and Maintenance: Extend FY16/17 one-time funds*   | 6,900          | 6,900         | 34         |
| Conservation Management of Rare Resources: Programmatic Support   | 2,180          | 2,180         | 3          |
| Clean Water Funds: Legacy Fund  | 18,540         | -             | 78         |
| Parks and Trails Legacy Fund: DNR   | 34,531         | -             | 42         |
| Parks and Trails Legacy Fund: Greater MN  | 17,264         | -             | 2          |
| Parks and Trails Legacy Fund: Coordination  | 1,069          | -             | 1          |
| <b>Invest</b>   | <b>19,419</b>  | <b>14,100</b> | <b>17</b>  |
| <i>These proposals make strategic investments that advance our mission and help ensure that we are meeting the needs of the state and expectations of Minnesotans and our visitors.</i>   |                |               |            |
| Parks and Trails Operations and Maintenance: System Plan and Trail Investments*   | 2,029          | 2,496         | -          |
| Fish and Wildlife Program Support: Fishing Equipment, Deer Research and Management*   | 1,492          | 416           | -          |
| Reforestation of DNR-Administered Forest Lands  | 5,000          | 5,000         | 3          |
| DNR Sustainable Timber Harvest Analysis   | 500            | -             | -          |
| Next Generation Core Forestry Data Systems  | 4,000          | 2,000         | 2          |
| Aquatic Invasive Species: AIS Research at research institution*   | 1,000          | 1,000         | -          |
| Pineland Sands Forest Conversion Study  | 1,500          | -             | 1          |
| Conservation Management of Rare Resources: New Coordinators   | 620            | 620           | 4          |
| Mississippi River Corridor Area Rule Implementation   | 760            | 310           | 1          |
| Web Modernization   | 2,138          | 1,878         | 5          |
| Conservation Easement Stewardship: Staffing   | 250            | 250           | 1          |
| Funding Flexibility   | -              | -             | -          |
| Ginseng Regulation*   | 130            | 130           | -          |
| Technical Budget Changes  | -              | -             | -          |
| <b>Total</b>  | <b>148,073</b> | <b>71,348</b> | <b>315</b> |

\* New revenues offset these proposals in whole or in part

\*\* This proposal also supports the Minnesota Pollution Control Agency's legal costs

# Budget in Brief: Agency Overview

## Hunting and Fishing Proposed User Fee Increases

| License type   | Current        | Proposed | % Increase | Estimated New Revenue (in millions) |
|--|----------------|----------|------------|-------------------------------------|
| Resident angling   | \$22           | \$25     | 14%        | \$1.36                              |
| Resident combination angling                               | \$35           | \$40     | 14%        | \$0.95                              |
| Resident 24 hour angling license                           | \$10           | \$12     | 20%        | \$0.08                              |
| Resident 72 hour angling license                           | \$12           | \$14     | 17%        | \$0.03                              |
| Resident 3 year angling license                            | \$63           | \$71     | 13%        | \$0.01                              |
| Resident conservation angling                              | \$15           | \$17     | 13%        | \$0.04                              |
| Conservation combination angling                           | \$23           | \$26     | 13%        | \$0.02                              |
| Resident spearing  | \$5            | \$6      | 20%        | \$0.02                              |
| Non-resident individual angling                            | \$45           | \$51     | 13%        | \$0.37                              |
| Non-resident family angling                                | \$60           | \$68     | 13%        | \$0.23                              |
| Non-resident 24 hour angling                               | \$12           | \$14     | 17%        | \$0.10                              |
| Non-resident 7-day individual                              | \$38           | \$43     | 13%        | \$0.31                              |
| Non-resident 14-day family                                 | \$48           | \$54     | 13%        | \$0.13                              |
| Non-resident 72 hour                                       | \$32           | \$36     | 13%        | \$0.16                              |
| Non-resident spearing                                      | \$15           | \$17     | 13%        | \$0.00                              |
| Require shelter license for all wheel houses               | \$15           | \$15     | 0%         | \$1.00                              |
| <b>Subtotal: Fisheries-related new revenue</b>             |                |          |            | <b>\$4.80</b>                       |
| Camp Ripley deer hunt                                      | \$12           | \$14     | 17%        | \$0.01                              |
| Resident deer (ML, archery, firearm)                       | \$30           | \$34     | 13%        | \$2.05                              |
| Resident bonus deer  | \$15           | \$17     | 13%        | \$0.18                              |
| Non-resident deer (ML, archery, firearm)                   | \$165          | \$185    | 12%        | \$0.29                              |
| Non-resident bonus deer                                    | \$80           | \$90     | 13%        | \$0.01                              |
| Deer lottery application fee                               | N/A            | \$4      | 100%       | \$0.31                              |
| <b>Subtotal: Deer hunting-related new revenue</b>          |                |          |            | <b>\$2.84</b>                       |
| Resident Ind. Sports                                       | \$38           | \$45     | 18%        | \$0.61                              |
| Resident Super sports                                      | \$93           | \$108    | 16%        | \$0.02                              |
| Resident comb. Sports                                      | \$52           | \$61     | 17%        | \$0.66                              |
| Resident comb. Super sports                                | \$117          | \$136    | 16%        | \$0.01                              |
| <b>Subtotal: Other fishing/hunting-related new revenue</b> |                |          |            | <b>\$1.31</b>                       |
| w/o off-site weigh-in, 50 or less boats                    | \$60           | \$70     | 17%        | \$0.00                              |
| w/o off-site weigh-in, 50+ boats                           | \$200          | \$225    | 13%        | \$0.00                              |
| off-site weigh-in, 50 or less boats                        | \$250          | \$280    | 12%        | \$0.00                              |
| off-site weigh-in, 50+ boats                               | \$500          | \$560    | 12%        | \$0.00                              |
| Ice fishing 150+ participants                              | \$120          | \$135    | 13%        | \$0.00                              |
| <b>Subtotal: Fishing Tournaments</b>                       |                |          |            | <b>\$0.01</b>                       |
| <b>Lifetime License(s)*</b>                                | <b>Various</b> |          |            | <b>\$0.23</b>                       |
| <b>Total</b>   |                |          |            | <b>\$9.18</b>                       |

\* Affecting only license types resulting in a fee increase

## Budget in Brief: Agency Overview

Natural Resource Fund Proposed User Fee Increases

| NR Fund Account           | Fee Description  | Last Fee Increase & Previous Fee Amount |        | Current Fee Amount  | Proposed Fee (2017)  | Similar States* Comparison (or similar fee) | Number of Current Vehicles or Sales              | Estimated New Revenue/ Year           |
|---------------------------|--|---|--------|---------------------|----------------------|---|--|---------------------------------------|
|                           |  | Year                                    | Amount |                     |                      |   |  |                                       |
| Snowmobile Account        | 3-year Snowmobile Registration                         | 2005                                    | \$45   | \$75<br>(\$25/year) | \$105<br>(\$35/year) | \$25-\$55/year                              | 196,000<br>Registered<br>Snowmobiles             | \$2M                                  |
|                           | 3-year Trail Pass (Combined with Registration in 2011) | 2005                                    | \$30   |                     |                      |   |  |                                       |
|                           | 1-year Trail Pass (out of state)                       | 2012                                    | \$15   | \$35                | \$50                 | \$25-\$50/year                              | 5,000  |                                       |
| ATV Account               | 3-year ATV Registration                                | 2007                                    | \$30   | \$45<br>(\$15/year) | \$60<br>(\$20/year)  | \$10-\$36/year                              | 264,000<br>Registered ATVs                       | \$1.3M                                |
|                           | 1-year Trail Pass (out of state)                       |   |        | \$20                | \$30                 |   |  |                                       |
| Cross-Country Ski Account | Daily Ski Pass   | 2010                                    | \$4    | \$5                 | \$7                  | \$5-\$8                                     | 19,000 trail<br>passes sold in<br>good snow year | \$70K average<br>(up to<br>\$100,000) |
|                           | 1-year Ski Pass  | 2010                                    | \$14   | \$19                | \$24                 | \$19-\$65                                   |  |                                       |
|                           | 3-year Ski pass  | 2010                                    | \$39   | \$54                | \$69                 |   |  |                                       |
| State Park Account        | Daily Park Permit                                      | 2003                                    | \$7    | \$5                 | \$6                  |   | 252,432  | \$1.027M                              |
|                           | 1-year Park Permit                                     | 2003                                    | \$20   | \$25                | \$30                 | \$0-235                                     | 144,904  |                                       |
|                           | Subsequent 1 year permit                               | 2003                                    | \$18   | \$18                | \$22                 |   | 38,088   |                                       |
|                           | Group daily  | 2003                                    | \$3    | \$3                 | \$4                  |   | 6684   |                                       |
|                           | Motorcycle   | 2003                                    | \$20   | \$20                | \$25                 |   | 1095   |                                       |
| Water Recreation Account  | 3-year WC owned by a non-profit                        | 2006                                    | \$3    | \$4.50              | \$6.50               |   | 5,041  | \$2.5M<br><br>(\$4M -1.5M)            |
|                           | 3-year Rental/lease WC ≤ 19'                           | 2006                                    | \$6    | \$9                 | \$15                 |   | 12,361   |                                       |
|                           | 3-year Sailboats and Non-Motorized > 10' and ≤ 19'     | 2006                                    | \$7    | \$10.50             | \$17.50              | \$9-\$50                                    | 202,336  |                                       |
|                           | 3-year Personal WC (Jet Ski)                           | 2006                                    | \$25   | \$37.50             | \$60                 | \$37.50-\$150                               | 48,372   |                                       |
|                           | 3-year PC < 17'  | 2006                                    | \$12   | \$18                | \$30                 | \$17-\$111                                  | 291,256  |                                       |
|                           | 3-year PC 17' to < 19'                                 | 2006                                    | \$18   | \$27                | \$45                 | \$27-\$122                                  | 129,515  |                                       |
|                           | 3-year PC 19' to < 26'                                 | 2006                                    | \$30   | \$45                | \$75                 | \$37-\$135                                  | 115,584  |                                       |
|                           | 3-year PC 26' to < 40'                                 | 2006                                    | \$45   | \$67.50             | \$108                | \$45-\$249                                  | 7,506  |                                       |
|                           | 3-year PC ≥ 40'  | 2006                                    | \$60   | \$90                | \$150                | \$45-\$464                                  | 696  |                                       |
|                           | 3-year Dealer's Demo License                           | 2006                                    | \$45   | \$67.50             | \$108                |   | 226  |                                       |
|                           | 3-year WC >19' for hire                                | 2006                                    | \$50   | \$75                | \$120                |   | 115  |                                       |
|                           | Transfer and Duplicate                                 | 2006                                    |        | \$4.50              | \$6.50               |   | 3,000  |                                       |

\*Similar states surveyed include MI, ND, WY, WI, IA, CA, NE, WV, SD, HI, ME, MA, ID, NM, FL, OH, IL.

WC = Watercraft, PC = Pleasure Craft