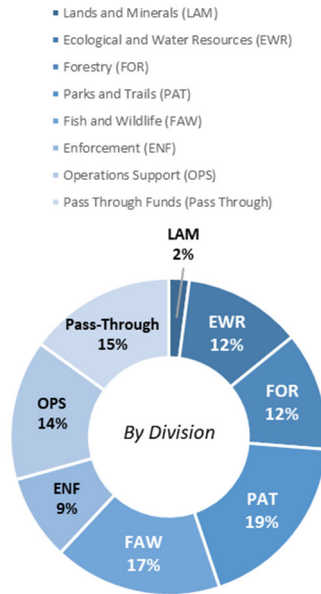


Department of Natural Resources Budget Overview FY 2022-23

Expenditures by Division

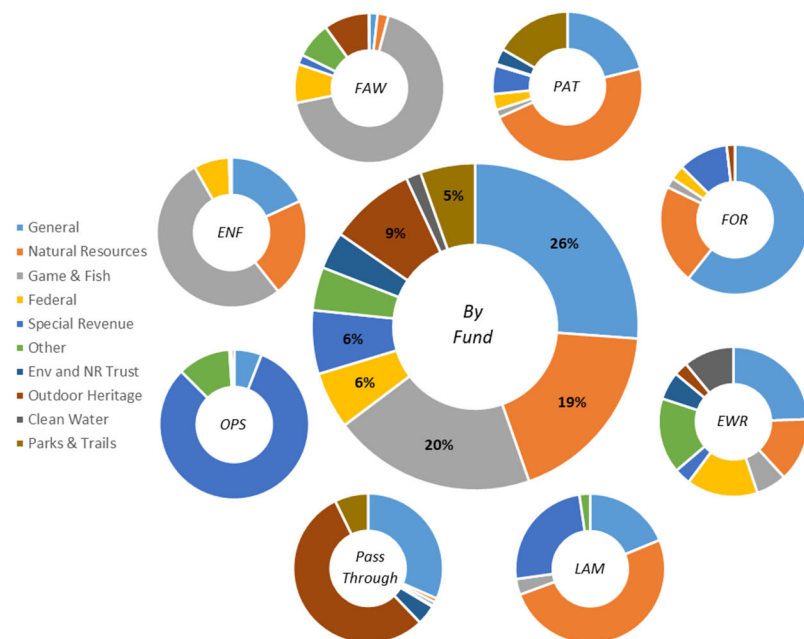
Our mission is to conserve and manage natural resources, provide outdoor recreation opportunities and provide for commercial uses of resources that creates a sustainable quality of life.

Every dollar in our budget contributes to this mission. Our biennial budget is \$1.3 billion, which comes from a mixture of dedicated and direct appropriations. Spending is divided across our seven divisions and dollars that are passed through to non-state entities. Our largest division is Parks and Trails, which accounts for 19% of our total spending, while Lands and Minerals, our smallest division, constitutes 2%. Our budget includes roughly \$215 million of internal billing, which pays for various administrative and other services.



Expenditures by Fund

We manage our budget across 50 funds. About 65% of our budget comes from the General Fund, the Game and Fish Fund, and the Natural Resources Fund. About 19% of our FY2022-23 budget comes from one-time appropriations from Legacy Funds and the Environment and Natural Resources Trust Fund.



Expenditures by Spending Category

The largest portion of our budget is spent on compensation. We employed 3,900 people across the state over the course of FY 2020. These employees worked over 5.5 million hours, which translates into over 2,500 full time equivalents (FTEs).

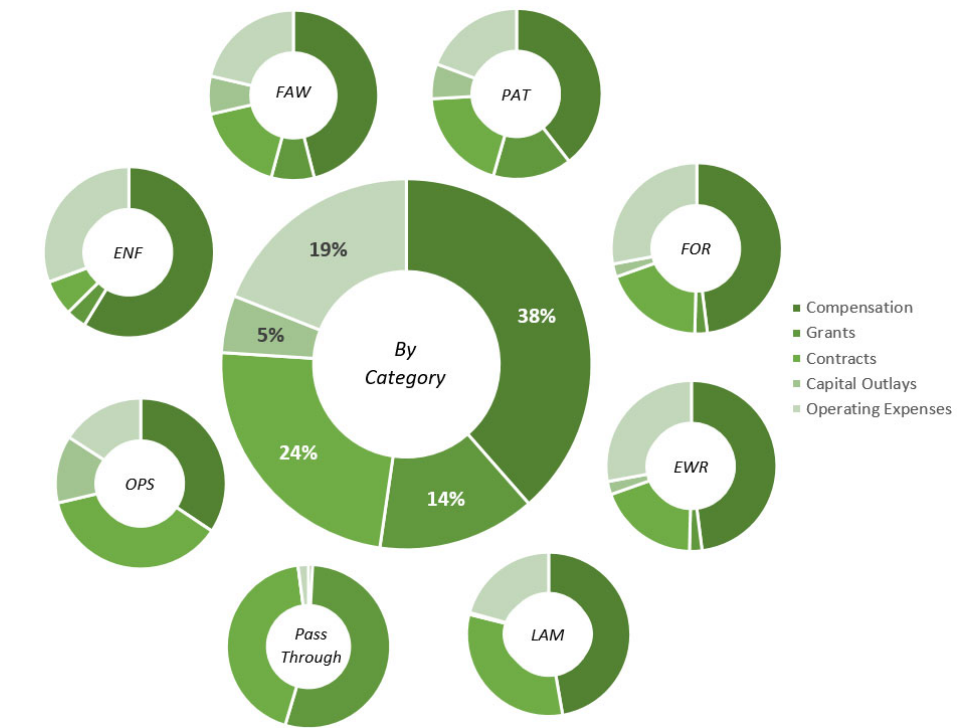
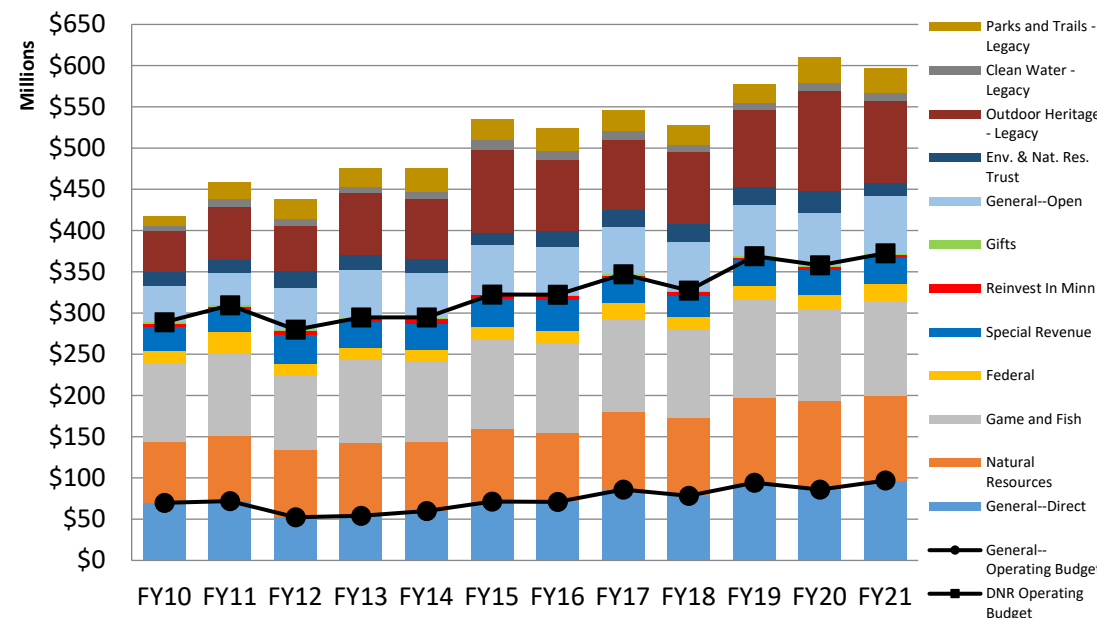
Program	2013	2014	2015	2016	2017	2018	2019	2020	2021
LAM	94	92	87	89	82	83	82	83	83
EWR	371	393	406	414	413	409	395	388	385
FOR	470	423	451	463	462	467	462	458	473
PAT	604	587	578	571	560	571	578	529	511
FAW	585	602	617	629	615	584	582	566	540
ENF	249	237	240	243	238	233	245	250	247
OPS	372	381	387	385	291	290	296	309	296
Total	2,745	2,715	2,766	2,794	2,661	2,637	2,640	2,583	2,535

Our next largest spending categories are operating expenses and contracts. Examples of operating expenses include supplies, equipment, rent, vehicles, and mileage. We contract for services when we need skills or services we do not provide or when our internal staffing is insufficient.

Additionally, we send nearly \$222.2 million out the door to local governments and non-governmental organizations to help fulfill our mission. This accounts for 15% of our budget.

Expenditures by Fund Since FY 2010

Our budget has changed over the past decade. Most notably, new revenues generated through the Clean Water, Land and Legacy Amendment has provided us the opportunity to focus on special projects outside of our regular base spending. The top line tracks our operating budget, which has seen a slight increase over time (averaging 2% annually). The bottom line shows our General Fund budget over the same period.



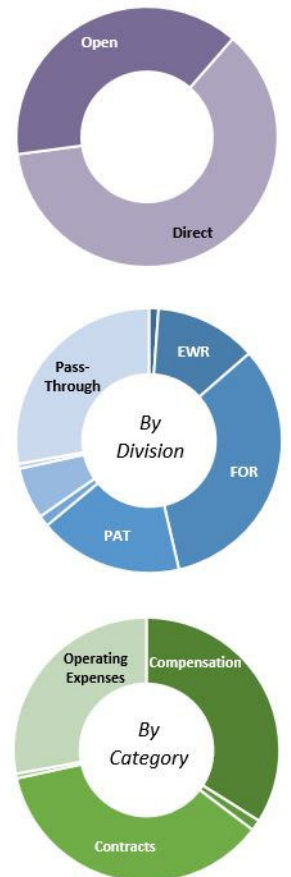
Information by Fund

General Fund

Our General Fund budget is \$331.0 million for the FY2022-23 Biennium. Sixty-one percent of this are direct appropriations to fulfill our mission. The other 39% are "open" appropriations, which means they are available to us "as needed." We use these funds to manage forest fires and make payments to tribes and counties based on treaties and statute. This includes the Payment-in-Lieu of Taxes (PILT) payment we make to counties, which is \$36 million dollars each year.

Direct appropriations from the General Fund play an important role in our budget because they are our most flexible funding source. They allow us to meet the needs in the field, including responding to emergencies and urgent, unexpected needs.

Find more fund-specific information on page 2

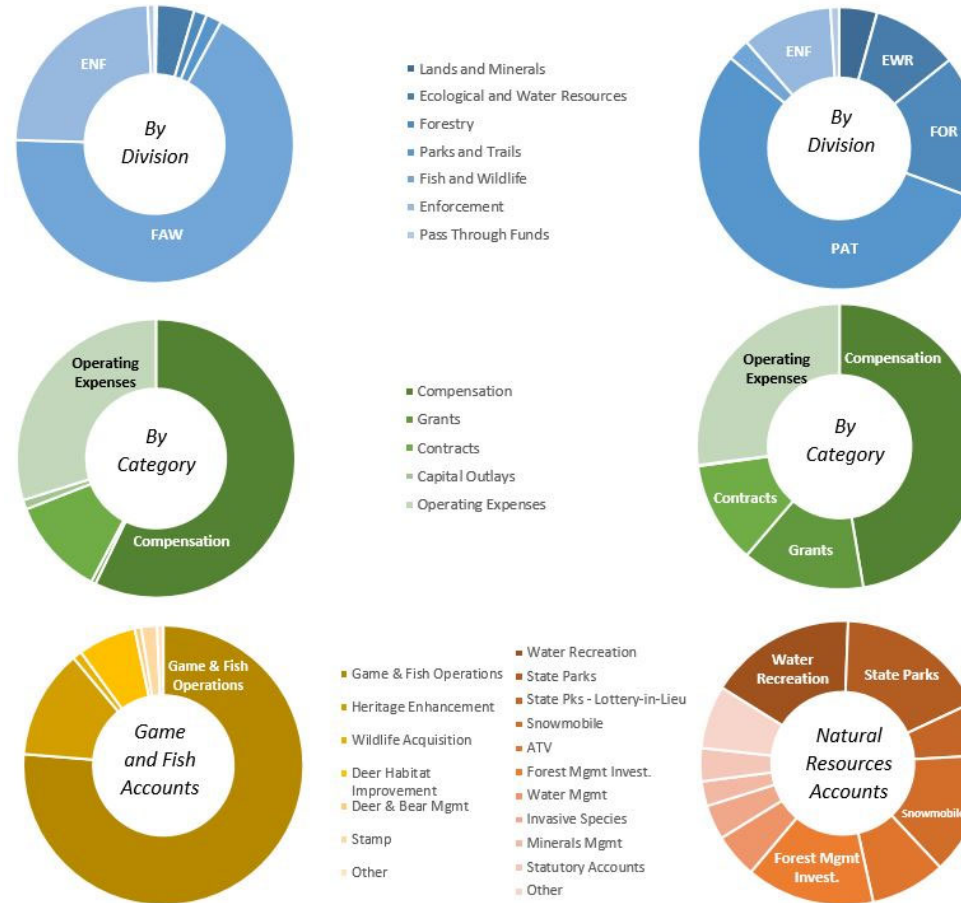


Department of Natural Resources Budget Overview FY 2022-23

Game and Fish Fund

The Game and Fish Fund (GFF) supports management, monitoring, and protection of fish and wildlife resources as well as the enforcement of game and fish laws. Our Fish and Wildlife Division accounts for 68% of our GFF expenditures, over half of which we spend on compensation. The fund is sourced by a variety of revenues that directly relate to the programs they support. Sales of hunting and fishing licenses contributed 52% of GFF total revenue in FY 2021, while federal dollars for hunting and fishing contribute 32%. A citizen oversight group plays an important role in making recommendations for improvements in management and use of money in the fund. GFF spending is 20% of our total budget.

Game and Fish Fund Revenue					
	\$ in 000s				
	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Actual	Budgeted
Hunting Licenses	\$ 21,542	\$ 23,778	\$ 23,540	\$ 26,009	\$ 23,611
Fishing Licenses	29,667	29,873	33,940	30,368	29,789
Other Licenses	14,348	13,853	14,693	12,700	12,401
Federal Grant Wildlife (Pittman-Robertson)	25,269	21,478	22,643	21,271	20,981
Federal Grant Fisheries (Dingell-Johnson)	12,384	12,326	13,270	14,000	13,000
Other Non-License Revenue	17,489	18,777	18,703	19,877	17,170
Total Revenue	\$ 120,698	\$ 120,084	\$ 126,789	\$ 124,225	\$ 116,952



Natural Resources Fund

The Natural Resources Fund (NR) supports the development and maintenance of Minnesota's natural resources and the enforcement of natural resource laws. Our Parks and Trails Division accounts for 55% of our NR fund spending, over half of which is spent on compensation. The two largest revenue sources include the state tax revenue and license and registration fees—together these contribute 38% of the fund's resources in FY 2021. NR expenditures make up 19% of our total budget.

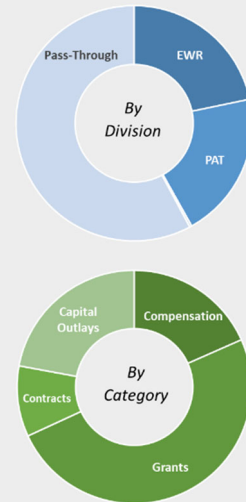
Natural Resources Fund Revenue					
	\$ in 000s				
	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Actual	Budgeted
Tax Revenues (Lottery & Unrefunded Gasoline)	\$ 36,031	\$ 37,176	\$ 37,306	\$ 38,288	\$ 36,139
State Park Fees	19,301	18,222	18,185	24,954	19,498
Timber and Iron Ore Related Revenues	8,556	10,007	9,970	12,107	8,134
Boat Registrations & Titling	8,468	8,391	10,200	11,102	10,054
Snowmobile Registrations & Trail Passes	5,634	7,839	8,053	6,470	7,377
ORV Registrations & Trail Passes	6,433	6,702	6,916	8,072	6,654
Water Use Fees	5,288	5,312	4,700	5,195	5,144
Other Revenue	21,421	21,104	27,202	24,683	24,159
Total Revenue	\$ 111,130	\$ 114,752	\$ 122,532	\$ 130,872	\$ 117,159

These funds are unique, because some of our spending authority comes from direct appropriations that are sourced by revenues we generate. When the direct appropriations exceed revenues, we manage to the receipts to ensure the funds stay healthy. This can limit our ability to maintain services at a base level and makes managing our budget difficult at times.

One-Time Appropriations

Environment and Natural Resources Trust

The purpose of these dollars is to conserve and enhance Minnesota's natural resources including air, water, fish, and wildlife. They are governed by the Legislative-Citizen Commission on Minnesota Resources (LCCMR), which makes funding recommendations to the Governor and the Legislature. We received \$46.6 million from this fund in FY 2022, which accounts for 4% of our overall biennial budget.



Outdoor Heritage

The purpose of these dollars is to restore, protect and enhance land and water for fish, game and wildlife. They are governed by the Lessard-Sams Outdoor Heritage Council (LSOHC), which makes funding recommendations to the Legislature. We received \$107.7 million from this fund in FY 2022, which accounts for 54% of our Legacy Funds and 9% of our overall biennial budget.



Clean Water

We use these dollars to protect, enhance, and restore water quality in bodies of water and groundwater. The Clean Water Council makes funding recommendations to the Governor along with an interagency team of state agencies. We received \$18.7 million from this fund for FY 2022-23, which accounts for 8% of our Legacy Funds and 1% of our overall biennial budget.



Parks and Trails

We use these legacy dollars to support parks and trails of statewide significance. Our Parks and Trails Division spends roughly two-thirds of these dollars while the rest are grants to non-state entities. We received \$68.7 million from this fund for FY2022-23, which accounts for 28% of our Legacy Funds and 5% of our overall budget.

