
Natural Resources Fund

Fiscal Year 2019 Annual Report

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Introduction

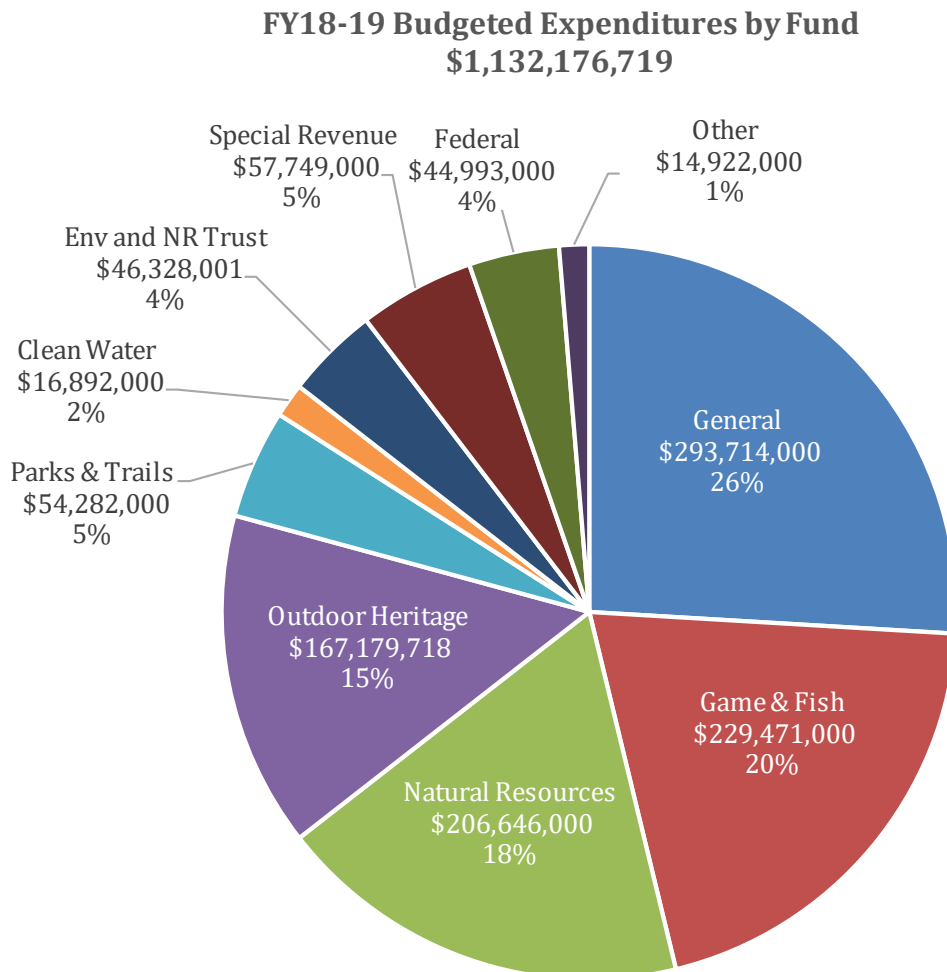
This report outlines general information about the Natural Resource Fund including its history, funding structure, and overview of revenues and expenditures. It concludes with detailed information about each of the accounts including brief overviews, sources and uses of the funds, account forecast analysis, FY2019 accomplishments, and links to additional resources.

Creation and Purpose of the Fund

The Legislature created the Natural Resources Fund (NR) in the state treasury in 1989 as a Special Revenue Fund for deposit of certain receipts from fees and services associated with natural resource management by the state. (M.S. 16A.53, subd. 2) Special Revenue Funds are dedicated to a variety of purposes specified in the legislation. The Department of Natural Resources (DNR) is the primary user of the fund. In general, fees collected for certain activities are used for operations of our programs, maintenance and development of our statewide natural resources and recreations systems. Revenues also support the enforcement of the state's natural resource laws related to the activities funded through the NR fund.

Natural Resources Fund within the DNR's Funding Structure

The DNR's total budget for FY2018-2019 was \$1.1 billion, of which the Natural Resources Fund represented 18 percent (\$206.6 million).



Accounts in the Natural Resources Fund

The Natural Resources Fund is made up of accounts dedicated for a specific purpose. These accounts are broken down separately in this report and also briefly described on the next two pages along with other activities or programs that are supported by multiple accounts within the fund (Electronic Licensing System and Conservation Corps Minnesota):

Sources and Uses of the Natural Resources Fund Accounts

Account Name	Sources and Uses of the Account Funding
All-Terrain Vehicle Account (ATV)	<ul style="list-style-type: none"> Revenues include fees from registration of all-terrain vehicles, non-resident state trail passes, unrefunded gasoline taxes, and ATV safety training fees. Funds pay for acquisition, maintenance, and development of ATV trails and enforcement activities. (M.S. 84.927).
Off-Highway Motorcycle Account (OHM)	<ul style="list-style-type: none"> Revenues include fees for registration of off-highway motorcycles and unrefunded gasoline tax attributable to off-highway motorcycle use. Funds pay for administration, enforcement, and acquisition, maintenance and development of off-highway motorcycle trails. (M.S. 84.794).
Off-Road Vehicle Account (ORV)	<ul style="list-style-type: none"> Revenues include fees for the registration of off-road vehicles, non-resident state trail passes and the unrefunded gasoline tax attributable to off-road vehicles use. Funds pay for administration, enforcement, and acquisition, maintenance and development of off-road vehicle trails. (M.S. 84.803).
Cross-Country Ski Account	<ul style="list-style-type: none"> Revenues include fees from cross-country ski passes. Funds pay for grants-in-aid for cross-country ski trails sponsored by local units of government and special park districts. (M.S. 85.43)
Forest Management Investment Account (FMIA)	<ul style="list-style-type: none"> Revenues include timber sales from consolidated conservation area lands and state forest lands. Funds pay for reforestation and timber stand improvement including forest pest management, timber sales administration and costs, and state forest road maintenance. (M.S. 89.039, 89.035)
Invasive Species Account	<ul style="list-style-type: none"> Revenues include surcharges on watercraft licenses, non-resident fishing licenses, and civil penalties for violations, and service provider permits. Funds pay for management of invasive species programs including control, public awareness, law enforcement, assessment, monitoring, management planning, and research. (M.S. 84D.15)
Land Acquisition Account	<ul style="list-style-type: none"> Revenues include easements on DNR lands, sale of land, sale of standing timber, leases on wild rice farming and interest. Account is used for the acquisition of natural resource lands within the outdoor recreation system. (M.S. 94.165)
State Land and Water Conservation (LAWCON) Account	<ul style="list-style-type: none"> Federal grant reimbursement funds that are received under the Land and Water Conservation Fund Act. Half is distributed for projects of local units of government and half is distributed to the state for land acquisition and development of the state outdoor recreation system and for administrative expenses necessary to maintain the state's eligibility for the program. (M. S. 84.0264)
Lottery in Lieu (State Parks and Trails Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for state parks and trails. (M. S. 297A.65, 297A.94 (e) (2))
Lottery in Lieu (Local Trails Grants Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for local trail grants. (M.S. 297A.65, 297A.94 (e)(4))

Account Name	Sources and Uses of the Account Funding
Lottery in Lieu (Metro Parks and Trails Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for metropolitan park and trail grants. (M.S. 297A.65, 297A.94(e)(3))
Lottery in Lieu (Zoos Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used by the Minnesota Zoological Garden, Como Zoo and Conservatory, and Duluth Zoo. (M.S. 297A.65, 297A.94 (e) (5))
Minerals Management Account	<ul style="list-style-type: none"> Revenues include mineral lease income related to management of the state's mineral assets. Funds are spent for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities. (M.S. 93.2236, 93.22)
Mining Administration Account	<ul style="list-style-type: none"> Revenues consist of mining administrative fees charged to owners, operators, or managers of mines. Funds pay for costs of providing and monitoring permits to mine. (M.S. 93.481, subd 7)
Natural Resources Misc. Statutory Account (Dedicated Receipts Account)	<ul style="list-style-type: none"> Account includes various dedicated revenues within the Natural Resource Fund for which the appropriations are statutory – burning permits account, forest bough account, forest resource assessment products and services account, and land management account. Sources and uses of the funds are specified in the individual statutes for the component accounts. (M.S. 88.17, 88.6435, 89.421, 92.685, 103G.301)
Nongame Wildlife Management Account	<ul style="list-style-type: none"> Revenues are from the check-off on income tax and property tax refund claim forms. Funds pay for non-game wildlife programs. (M. S. 290.431)
Snowmobile Trails and Enforcement Account	<ul style="list-style-type: none"> Revenues include fees for registration of snowmobiles, issuance of snowmobile state trail stickers, unrefunded gasoline tax, and training fees. Funds pay for snowmobile programs and acquisition, maintenance and development of trails, training, and enforcement. (M. S. 84.83)
State Parks Account	<ul style="list-style-type: none"> Revenues include fees for camping, state park permits, and facility rentals. Funds pay for operation and maintenance of the state park system. (M. S. 85.055)
Water Management Account	<ul style="list-style-type: none"> Revenues include fees from permit application fees, water use fees, field inspection fees, penalties, and other receipts according to sections 103G.271 and 103G.301. Funds in the water management account may be spent only for the costs associated with administering (M.S. 103G.27).
Water Recreation Account	<ul style="list-style-type: none"> Revenues include fees for titling and licensing watercraft, mooring, and sale of marine gas at state-operated small craft harbors and mooring facilities, unrefunded gasoline tax attributable to boating, fees for permits to control or harvest aquatic plants. Funds pay for water recreation programs such as acquisition, development and maintenance of public water access and boating facilities on public waters, lake and river improvements; maintenance, operation, replacement, and expansion of small craft harbors and mooring facilities, water safety programs, management of aquatic invasive species and aquatic plants. (M.S. 86B.706)

Electronic Licensing System (ELS)

DNR maintains an Electronic Licensing System (ELS). Issuing fees charged on the sales of licenses, permits, and registrations support licensing activities and maintain the system.

DNR deposits the money in the Natural Resource Miscellaneous Statutory Account. The total ELS expenditures for FY2019 from the Natural Resources Fund account were \$756,919 and the total revenues were \$968,440.

Conservation Corps Minnesota

The DNR has worked with Conservation Corps Minnesota (formerly Minnesota Conservation Corps) for over 25 years to preserve and improve Minnesota's natural resources. This organization, which began in 1981, restores natural resources, conserves energy, responds to emergencies, and offers programs for youth and young adults.

In FY2019, Conservation Corps Minnesota received \$490,000 in funds from various Natural Resources Fund accounts to support the following DNR activities and engaged 580 youth and young adults in natural resource and energy conservation projects across Minnesota in the following ways.

- Water Recreation Account, \$50,000 – 2,281 hours developing and maintaining public access and boating facilities on public waters, lake and river improvements, watercraft safety, and exotic species inspections and control.
- ATV Account, \$50,000 – 1,997 hours developing, constructing and maintaining state trail, education and technical skills training.
- State Parks Account, \$150,000 – 7,798 hours developing water access sites within state parks, exotic and invasive species management, and non-motorized trail improvement and maintenance.
- Snowmobile Account, \$75,000 – 2,108 hours designing, constructing, maintaining, training and grooming state trails.
- State Park/Trails Lottery In Lieu Account, \$25,000 – 1,719 hours maintaining and operating state parks and trails.
- Aquatic Invasive Species Account, \$25,000 – 782 hours for the management of invasive species.
- FMIA Account, \$50,000 – 1,729 hours in forest management activities.
- OHM Account, \$10,000 - 392 hours spent on acquisition, maintenance and development of off highway motorcycle trails and use areas.
- ORV Account, \$30,000 - 394 hours spent on acquisition, maintenance and development of off-road vehicle trails and use areas.
- Cross Country Ski Account, \$15,000 – 1,072 hours spent on development and maintenance of state cross-country ski trails.
- Parks and Trails Horse Trails (Natural Resources Misc. Statutory Account), \$10,000 – 812 hours spent on acquisition, maintenance and development of horse trails and use areas.

Unrefunded Gas Tax Revenue

With the broader goal that the unrefunded gasoline proceeds should support programs related to non-highway gasoline use, the DNR receives a portion of the unrefunded gasoline tax. Since 1961, these proceeds have supported the state's recreational motorized vehicle activities.

The Minnesota Department of Transportation (MnDOT) transfers to the DNR, twice annually, the estimated portion of the unrefunded gasoline tax that was used by boaters, snowmobiles, and all-terrain vehicles. The amounts are transferred to several accounts in the Natural Resources Fund based on a formula written in statute (296A.18). As the table shows, approximately 2.98 percent of unrefunded gasoline tax revenues – the portion attributed to use by boaters, snowmobile, and ATVs – are transferred into natural resources accounts and are appropriated annually for the purposes described in law.

Distribution of Unrefunded Gas Tax Revenues

Account	Portion of unrefunded gasoline tax transferred to the account	To be used for
Water Recreation	1.50%	Acquisition, development, maintenance, and rehabilitation of sites for public access and boating facilities on public waters; lake and river improvement; and boat and water safety
Snowmobile	1.00%	To fund snowmobile programs and the maintenance and development of snowmobile trails
All-Terrain Vehicle	0.27%	Maintenance and development of ATV trails
Off-Highway Motorcycle	0.046%	Maintenance and development of OHM trails
Off-Road Vehicle	0.164%	Maintenance and development of ORV trails
Total of Unrefunded Gas Tax Revenues	2.98%	

Police State Aid Revenue

The DNR receives police state aid to apply to the employer’s contribution to law enforcement (conservation officers) pensions. Tax receipts from a surcharge on auto insurance gross premiums determine the amount of the aid.

In FY2019, the Natural Resource Fund received \$325,378. This amount was apportioned to the Water Recreation, Snowmobile, All-Terrain Vehicle, Off-Highway Motorcycle, Off-Road Vehicle and State Park accounts based on the amount of Conservation Officers’ salaries paid from each account.

Interest Earnings (M.S. 16A.72)

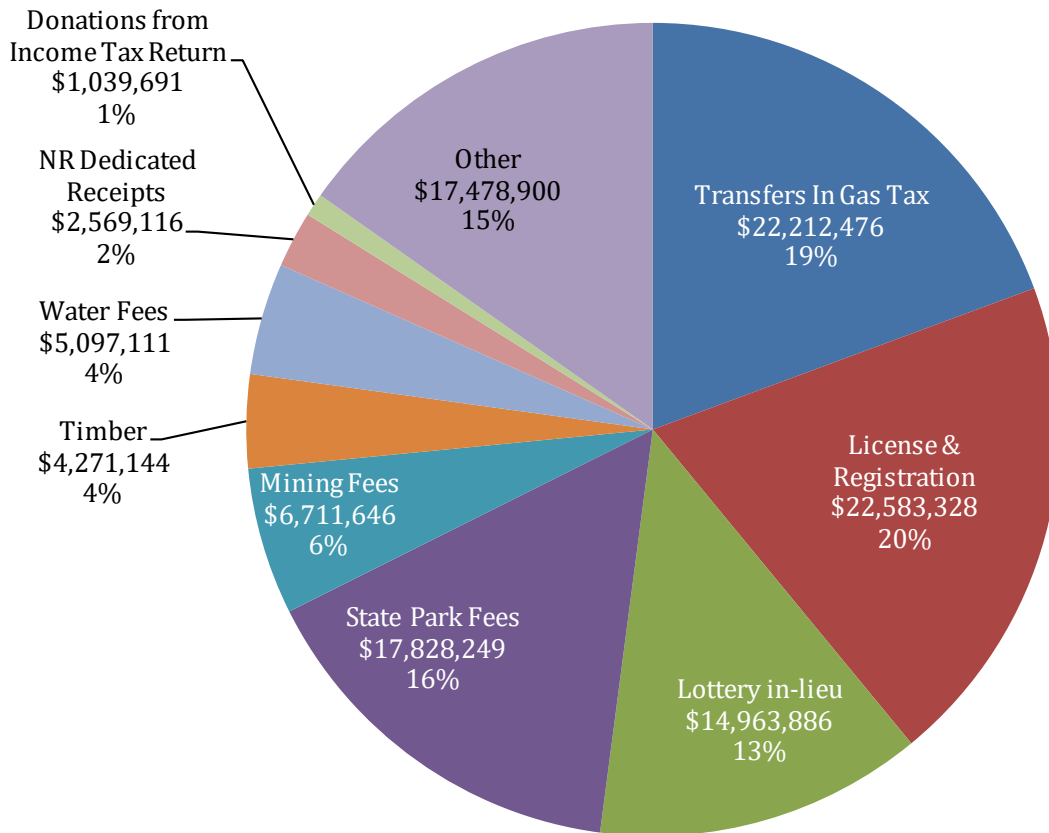
Minnesota statutes allow interest earnings to be earned on balances in several DNR funds and accounts. Interest is credited to the fund or account and available for appropriation for the purpose for which it was received. The Natural Resources Fund earns interest on donations, gifts, snowmobile receipts, and receipts deposited in the minerals management account, mining administration account, and forest management investment account. The interest earned for 2019 was \$560,639.

Natural Resource Fund Revenues for Fiscal Year 2019

In FY2019, the DNR collected \$114,755,546 in total revenue in the Natural Resource Fund.

The largest sources of revenues are gas and lottery taxes, licenses and registrations, state park fees, mining fees, and water fees. Unrefunded gasoline tax revenues attributable to certain types of vehicles used in recreation activities comprise the largest amount of Other Receipts (transfers in). For details, see individual funds.

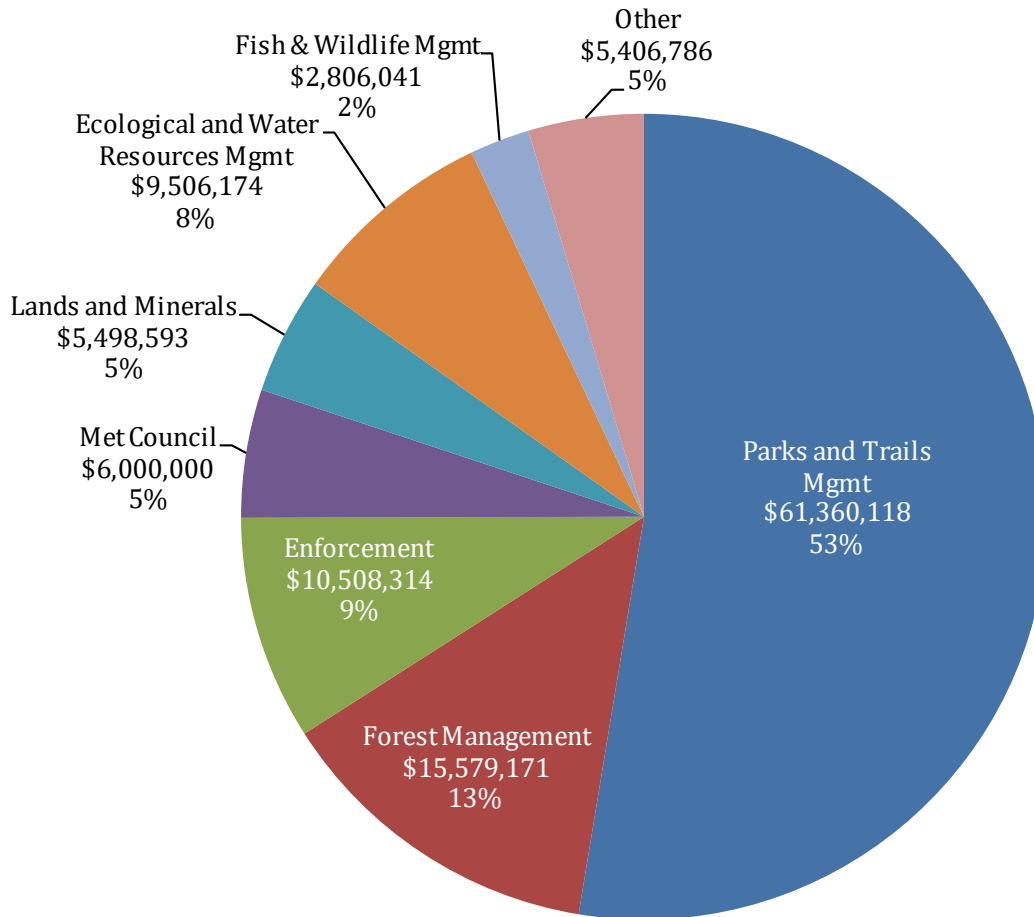
FY2019 Receipts and Transfers In \$114,755,546



Natural Resource Fund Expenditures for Fiscal Year 2019

In FY2019, the DNR spent \$116,665,197 in total expenditures and transfers out of the Natural Resource Fund. The Division of Parks and Trails spent the majority of these funds.

FY 2019 Uses \$116,665,197



Contacts

For additional information about the Natural Resources Fund, contact the DNR:

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Location:

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St. Paul, MN 55155-4040

All-Terrain Vehicle Account (ATV)

Brief Overview

- Governing statutes: M.S. 84.773 to 84.781
- Year established: 1984
- Registered all-terrain vehicles in MN: 300,000
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

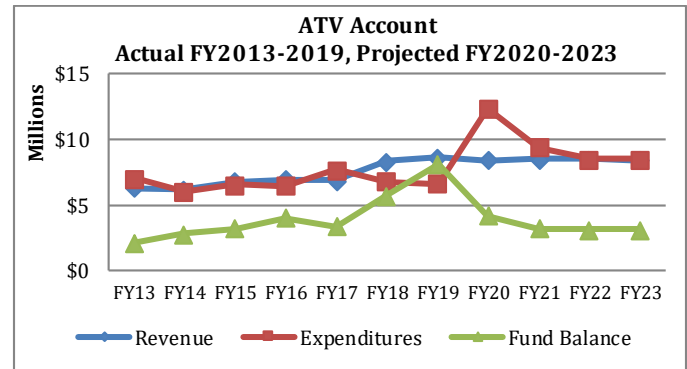
Fees from the registration of all-terrain vehicles and non-resident state trails passes, the unrefunded gasoline tax attributable to ATV use, and the net proceeds from the sale of ATVs forfeited for certain violations of statutes under M.S.84.927 and M.S. 169A.63 are the main sources of funding in the ATV account. Funds in the ATV Account may be used, within guidelines of the Statewide Comprehensive Outdoor Recreation Plan, only for:

- Acquisition, maintenance, and development of trails and use areas;
- Administration, enforcement, and implementation of applicable statutes;
- Grant-in-aid programs to counties and municipalities to construct and maintain ATV trails and use areas, and grants to local safety programs;
- Education and training program;
- Enforcement and public education grants to local law enforcement agencies; and
- Maintenance of certain forest roads that are part of a designated trail system.

FY19 Financial Summary	
Beginning fund balance	\$5,687,974
Prior year adjustments	\$395,112
Revenues	
ATV Registration	\$6,429,654
Misc Receipts	83,882
Unrefunded gasoline tax & police state aid	<u>2,111,033</u>
Total Revenues	\$8,624,568
Expenditures	
Parks and Trails Mgmt	\$3,342,884
Enforcement	3,026,571
Fish and Wildlife	131,176
Conservations Corps Minnesota	50,000
Statewide Indirect	<u>69,789</u>
Total Expenditures	\$6,620,419
Ending fund balance	<u>\$8,087,235</u>
Net change	\$2,399,261

Forecast

ATV registrations account for 75 percent of the revenues. Unrefunded gasoline taxes was 23 percent of the revenues. The fund balance declines from a high in FY19 due to one-time expenditures in FY20.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

- The Division of Enforcement provided approximately 17,512 hours of enforcement, education, and safety training activities.
- Enforcement's Safety Training Section recruited and trained additional volunteers for the ATV Safety and Trail Ambassador programs, bringing the total number of ATV instructors to 933 and trail ambassadors to 194. The ATV Safety training program certified 4,476 students. There were 128 new ATV instructors in FY19.
- The Division of Parks and Trails developed, monitored, and maintained approximately 385 miles of ATV trails in state forests, other state trails and the Iron Range OHV State Recreation Area. The grant-in-aid system contributed approximately another 2,370 miles on a mix of DNR, other public, and private lands.
- The DNR completed trail improvements on forest trails in Aitkin, Cass, Cook, Lake, Meeker, Mille Lacs, St. Louis, and Wabasha counties.
- Grants-in-aid was awarded to 61 trail projects through approximately 30 local government sponsors. These grants support local clubs for maintenance, development, and acquisition of approximately 2,084 miles of public, locally controlled ATV trails.

Additional Resources

[Grants Outcomes website](#)

[ATV Safety Training](#)

Off-Highway Motorcycle Account (OHM)

Brief Overview

- Governing statute: M.S. 84.773 to 84.781
- Year established: 1993
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

The sources of funding for the account include registration fees for OHMs and the unrefunded gasoline taxes attributable to OHM use. Money in the account may only be spent for:

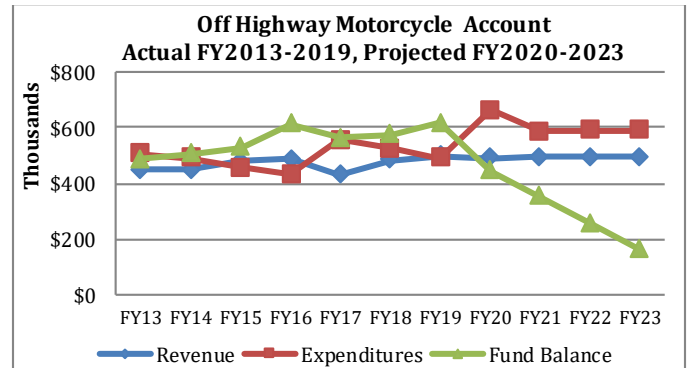
- Administration, enforcement, and implementation of OHM sections of statutes (M.S. 84.787 to 84.795);
- Acquisition, maintenance, and development of OHM trails and use areas; and
- Grants-in-aid to counties and municipalities to construct and maintain OHM trails and use areas. Grants must be guided by the Statewide Comprehensive Outdoor Recreation Plan.

FY19 Financial Summary	
Beginning fund balance	\$574,172
Prior year adjustments	\$37,434
Revenues	
OHM Registration	\$141,838
Misc Receipts	8,879
Unrefunded gasoline tax & police state aid	<u>346,092</u>
Total Revenues	\$496,809
Expenditures	
Parks and Trails Mgmt	\$343,683
Enforcement	108,784
Fish and Wildlife	11,839
Conservations Corps Minnesota	10,000
Statewide Indirect	<u>16,077</u>
Total Expenditures	\$490,382
Ending fund balance	<u>\$618,034</u>
Net change	\$43,861

Forecast

OHM registrations account for 28 percent of the revenues in this account. Unrefunded gasoline tax revenue was 69 percent of the revenues. The fund balance has been declining and will be managed by reducing expenditures. The fund balance is expected

to continue to decline due to appropriations exceeding revenue.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

- Developed, monitored, and maintained about 240 miles of OHM unit trails in state forests, state trails and the Iron Range OHV State Recreation Area. Approximately 150 single-track OHM miles are open for public use on state forest lands.
- Nine grants to counties, cities, and townships, working with local clubs for the maintenance, development, and acquisition on approximately 200 miles of public, locally controlled OHM trails.
- DNR staff spent approximately 712 hours on OHM law enforcement and safety training activities.
- Issued 57 grants to local law enforcement agencies to provide for enforcement and education activities relating to OHM use around the state.

Additional Resources

[OHM safety training](#)

[OHM grants-in-aid](#)

Off-Road Vehicle Account (ORV)

Brief Overview

- Governing statute: M.S. 84.773 to 84.781
- Year established: 1993
- OHV Trails: 2,700 miles
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

Fees from the registration of off-road vehicles and revenues from unrefunded gasoline tax attributable to off-road vehicle use are the principal revenue sources. Money in the ORV Account may only be spent for:

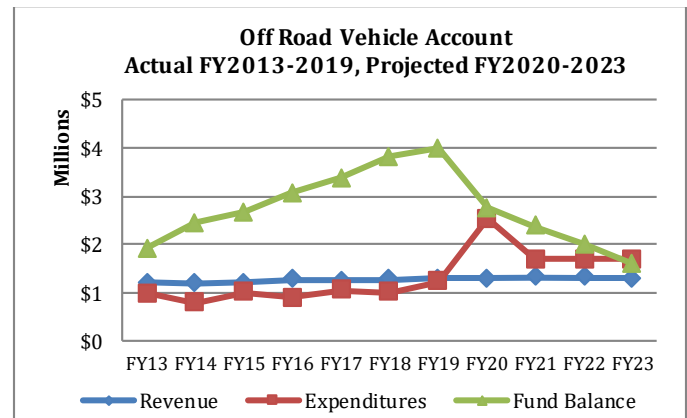
- Administration, enforcement, and implementation of M.S. 84.773 to 84.805;
- Acquisition, maintenance, and development of off-road vehicle trails and use areas;
- Grant-in-aid programs to counties and municipalities to construct and maintain off-road vehicle trails and use areas;
- Grants-in-aid to local safety programs; and
- Enforcement and public education grants to local law enforcement agencies.

FY19 Financial Summary	
Beginning fund balance	\$3,816,345
Prior year adjustments	\$97,962
Revenues	
ORV Registration	\$62,429
Misc Receipts	11,340
Unrefunded gasoline tax & police state aid	<u>1,226,892</u>
Total Revenues	\$1,300,660
Expenditures	
Parks and Trails Mgmt	\$914,247
Enforcement	253,735
Fish and Wildlife	7,267
Conservations Corps Minnesota	30,000
Statewide Indirect	<u>16,842</u>
Total Expenditures	\$1,222,091
Ending fund balance	<u>\$3,992,877</u>
Net change	\$176,532

Forecast

ORV registrations account for 5 percent of the revenue in this account. Revenues from unrefunded gasoline taxes was 94 percent. The fund balance

peaked in FY19 and will start to decline due to appropriations exceeding revenues.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

- Staff spent approximately 1,066 hours on ORV law enforcement and safety training.
- Issued 57 grants to local law enforcement agencies to provide law enforcement and education activities relating to ORV use around the state.
- Developed, monitored, administered and maintained about 100 miles of ORV recreational trails and 24 miles at the Iron Range OHV Recreation Area. Nearing completion of planning an adventure touring route from border to border across the northern half of the state for highway licensed high clearance vehicles capable of being ORV registered.
- Provided \$373,000 in grants to counties and cities for the maintenance, development, and acquisition of public, locally controlled ORV trails and areas.
- Regional Parks and Trails Acquisition and Development staff continued to work on new projects with the clubs and local government sponsors.

Additional Resources

[Grants Outcomes](#)

[ORV safety training](#)

[ORV grants-in-aid](#)

Cross-Country Ski Account

Brief Overview

- Governing statute: M.S. 85.43
- Year established: 2004 (program established in 1983)
- Ski trails: 1,100 miles
- Primary division: Parks and Trails

Sources and Uses of the Funds

Receipts from cross-country ski trail passes are deposited into this account and used for maintenance and grooming of cross country ski trails.

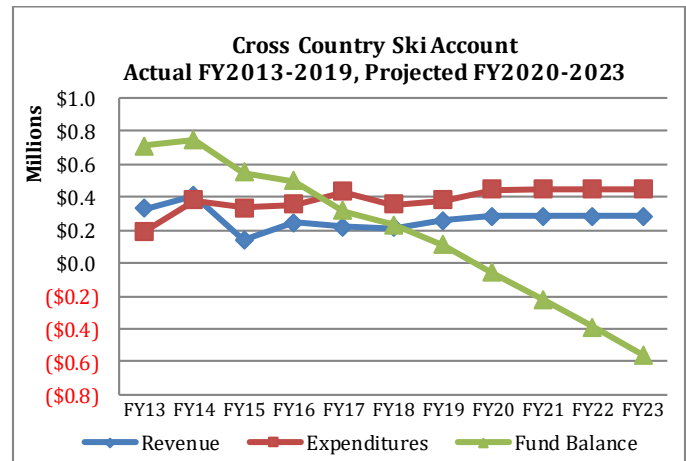
Money deposited in the Cross-Country Ski Account is for grants-in-aid (GIA) for cross-country ski trails sponsored by local units of government and special park districts.

The DNR administers 1,100 miles of state-operated and grant-in-aid cross-country ski trails statewide. By purchasing a ski pass, cross-country skiers support the maintenance and grooming of these cross-country ski trails. Most grant-in-aid cross-country ski trails are maintained by local ski club volunteers.

FY19 Financial Summary	
Beginning fund balance	\$233,096
Prior year adjustments	\$500
Revenues	
Cross Country Ski Permit	\$252,976
Misc Receipts	<u>2,187</u>
Total Revenues	\$255,163
Expenditures	
Parks and Trails Mgmt	\$366,878
Conservations Corps Minnesota	<u>15,000</u>
Total Expenditures	\$381,878
Ending fund balance	\$106,881
Net change	(\$126,215)

Forecast

Revenues and expenditures vary considerably from year to year due to snow fall. Revenues decreased by 17 percent this year. The fund balance is showing a decline due to appropriations exceeding projected revenues.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023. The department will manage levels of spending to ensure the account does not go negative as shown above

FY2019 Accomplishments

- Awarded 40 cross-country ski grants-in-aid (GIA) to local units of government, many partnering with local ski clubs. The grants helped provide 735 miles of GIA ski trails statewide.
- The department allocated \$75,000 toward the grooming of 378 miles of cross-country ski trails maintained by the DNR in state parks, state forests, and on state trails.

Additional Resources

[Minnesota DNR Cross-Country Ski](#)

[Purchase a cross-country ski pass online](#)

[Cross Country Ski Trail Grants-in-Aid \(GIA\)](#)



Forest Management Investment Account

Brief Overview

- Governing statute: M.S. 89.039
- Year established: 2004
- State forests in MN: 59
- Forest roads: 2,360 miles
- Primary division: Forestry

Sources and Uses of Funds

The Forest Management Investment Account (FMIA) was established to create a direct connection between state timber program revenues and expenditures. Primary sources of funding to the FMIA are revenues earned from state land timber sales and related activities. On average, 30,000 acres of timberland are regeneration harvested and 10,000 acres are thinned or selectively harvested each year supplying the state's forest industry with quality wood fiber used for the manufacture of paper, lumber, structural panels, and specialty products.

FMIA dollars can be spent, subject to appropriation by the Legislature, in accordance with the forest management policy and plan, for these purposes:

- State timber sales planning, layout, and administration, contract marking of commercial thinning sales, forest inventory, and cultural resource reviews; and
- State land reforestation and timber stand improvement, including forest pest management.

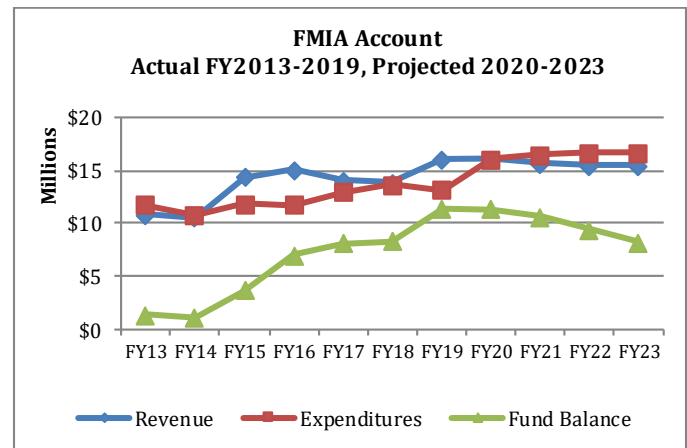
FY19 Financial Summary	
Beginning fund balance	\$8,371,691
Prior year adjustments	\$90,633
Revenues	
Timber sales, interest & penalty	\$4,138,333
Misc Receipts	241,315
Con Con, Univ, School Trust, etc	<u>11,702,478</u>
Total Revenues	\$16,082,126
Expenditures	
Forest Management	\$12,666,429
Lands and Minerals	344,000
Conservations Corps Minnesota	50,000
Statewide Indirect	<u>87,871</u>
Total Expenditures	\$13,148,300
Ending fund balance	<u>\$11,396,149</u>

FY19 Financial Summary

Net change \$3,024,458

Forecast

The fund balance is projected to decline following a peak in FY19 because to projected revenues are less than appropriations.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

- Offered for sale a total of 1,189,194 cord equivalents, including 905,162 "new" cord equivalents (cords and thousand board feet units only). Timber sold totaled 765,361 cord equivalents and timber harvested totaled 821,294 cord equivalents.
- Acres totaling 2,464 acres received site preparation for reforestation, 3,205 acres were planted, 4,927 acres were direct seeded, and 1,459 acres were released from competition. 1,503 acres underwent timber stand improvement.
- Regeneration surveys were completed on 24,275 acres. Some 7,174 acres were protected from animal browse damage by bud capping or repellents. About 6,237 miles of state forest system roads were graded at least once. Right-of-way maintenance was completed on 996 miles and 35.8 miles were graveled. Forest inventory was updated by area staff on 71,497 acres.

Additional Resources

[DNR M.S. 16A.125 Trust Cost Certification Report - Legislative Reports by Fiscal Year](#)

[DNR Biennial Operating Budget](#)

[Division of Forestry Website](#)

Invasive Species Account

Brief Overview

- Governing statute: M.S. 84D.15
- Year established: 2007 (program established in 1991)
- Primary Division: Ecological and Water Resources

Sources and Uses of the Funds

A surcharge on watercraft licenses under M.S. 86B.415, subd. 7, and civil penalties for violations of the law related to prohibited invasive species under M.S. 84D.13 are deposited into the account. Receipts from an annual \$5 surcharge on nonresident fishing licenses under M.S. 97A.475, subd. 7 are transferred each year from the Game & Fish Fund to the Invasive Species Account. The watercraft surcharge accounts for 42 percent of total revenues while the non-resident fishing surcharge accounts for 35 percent.

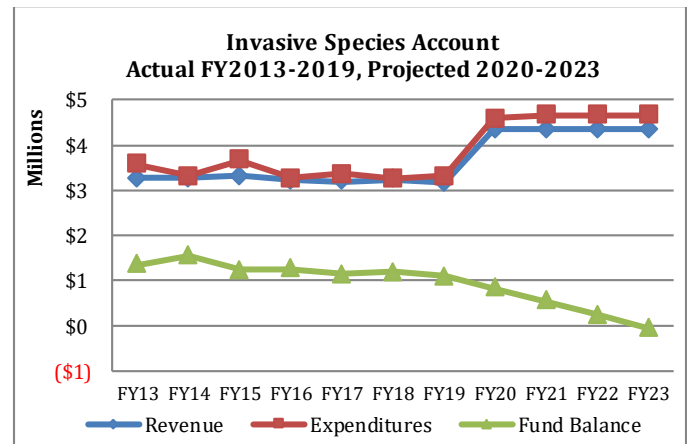
Funds from the Invasive Species Account are used for management of invasive species and implementation of Chapter 84D. Major activities include control of invasive species, watercraft inspection, public awareness, law enforcement, assessment and monitoring, management planning, and research.

FY19 Financial Summary	
Beginning fund balance	\$1,195,939
Prior year adjustments	\$18,588
Revenues	
Watercraft Surcharge	\$1,322,685
Misc Receipts	(3,898)
Non Res Fishing Lic Surcharge, Water Rec Account	<u>1,844,551</u>
Total Revenues	\$3,163,338
Expenditures	
Ecological and Water Resources Mgmt	\$2,937,137
Enforcement	320,365
Conservations Corps Minnesota	25,000
Statewide Indirect	<u>14,981</u>
Total Expenditures	\$3,297,483
Ending fund balance	<u>\$1,080,382</u>
Net change	(115,557)

Forecast

A fee increase raising the three-year aquatic invasive species surcharge from \$5 to \$10.60 went into effect July 1, 2019. Appropriations were increased more than the new fee raised, resulting in a declining fund

balance. Each year DNR ensures a positive balance by reducing expenditures.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2019 Accomplishments

- Partnered with University of Minnesota and the Minnesota Aquatic Invasive Species Research Center to finalize an assessment to support a strategic coordinated response to invasive phragmites and to implement recommendations across the state.
- Completed year three of a Starry Stonewort hand removal project on Grand Lake in Stearns County. So far, these efforts have been successful at preventing spread and thinning in already impacted areas.
- In June 2019, DNR met with partners to discuss the scientific, legal, and public participation aspects of genetic biocontrol technologies for invasive species.
- Provided watercraft inspection training to over 900 local government units.
- Along with partners, DNR hosted three public events to hear from Minnesotans on important natural resource issues. Over 180 people attended.

Additional Resources

[Invasive species program](#)

[Aquatic invasive species grants and partnerships](#)

[Invasive Species of Aquatic Plants and Wild Animals in Minnesota, Annual Report 2012](#)

[Summary Report](#)

Land Acquisition Account

Brief Overview

- Governing statute: M.S. 94.16 and 94.165
- Year established: 1984
- Land leases: 2,405
- Primary divisions: Forestry, Fish and Wildlife, Parks and Trails

Sources and Uses of the Funds

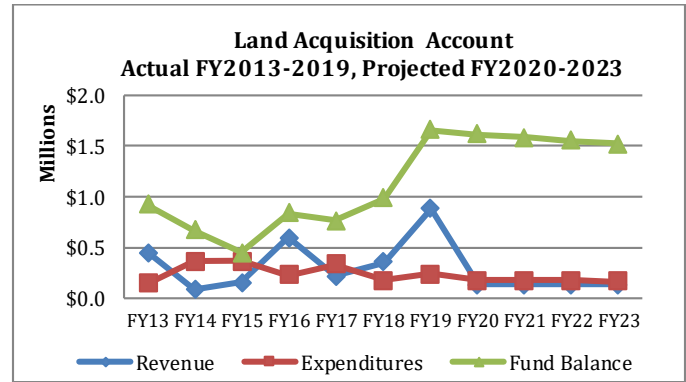
Receipts from the sale of acquired state natural resource land administered by the DNR are credited to the Land Acquisition Account to provide funding to acquire additional state natural resource land in the Outdoor Recreation System and to cover the costs of sale of surplus state land. These funds help the DNR reach the following goals:

- Consolidating state forest land into large contiguous blocks to increase forest management efficiencies and protect critical forest habitat;
- Acquiring privately-owned “in-holdings” within state parks; and
- Acquiring recreation access; and lands with significant natural resource characteristics.

FY19 Financial Summary	
Beginning fund balance	\$987,350
Prior year adjustments	\$20,000
Revenues	
Sale of Land	\$670,910
Misc Receipts	<u>210,379</u>
Total Revenues	\$881,289
Expenditures	
Forest Management	\$115,179
Parks and Trails Mgmt	40,317
Fish and Wildlife	<u>78,445</u>
Total Expenditures	\$233,941
Ending fund balance	<u>\$1,654,698</u>
Net change	\$667,348

Forecast

The balance of the fund dropped in FY2014 due to increased land acquisition costs. While the amount of the fund balance decreased again in FY2015, an increase in lands sold in FY2015 and FY2016 and recent land sales exceeding estimates helped to stem that decline. The fund balance is projected to slightly decrease through FY2023 from the high point in FY19.



Expenditure projections are based on spending authorized in law for the current biennium and base appropriations carried out through 2023.

FY2019 Accomplishments

- Used to support land sale costs, which generated over \$147,000 in revenue back to the fund in a fall 2019 sale of four parcels. Funds also supported the acquisition of two parcels of land: 112 acres in Fillmore County and 0.09 acre access to state land in Lake of the Woods County.
- Division of Parks and Trails completed acquisitions at Itasca State Park, Maplewood State Park, Blufflands State Trail, Goodhue Pioneer State Trail, Mill Towns State Trail, Mahnomon Public Water Access and Minnesota Water Trail totaling 122 acres; and completed sales at Glacial Lakes State Trail, Gateway State Trail and Mille Lacs State Park totaling 6 acres.
- Division of Fish and Wildlife used this account to support transaction costs for 14 sales and seven exchanges. They also completed six land sales in FY19, which generated additional revenue into this account.

Additional Resources

[Division of Lands and Minerals](#)

State Land & Water Conservation (LAWCON) Account

Brief Overview

- Governing statute: M.S. 84.0264 (previously 116P.14)
- Year established: 2001
- Primary Division: Parks and Trails

Sources and Uses of the Funds

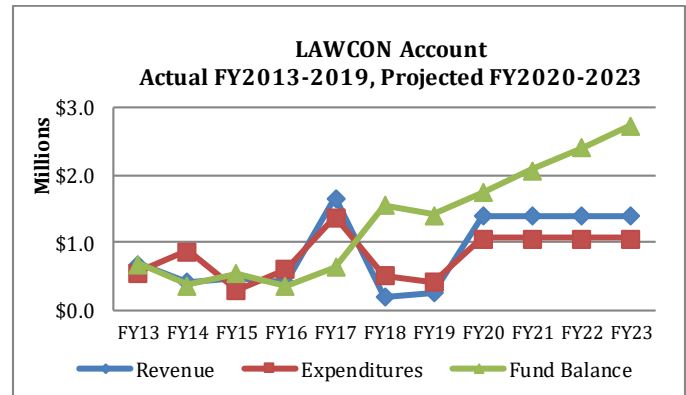
From 1965 to 2015, Minnesota has received over \$74 million from the federal Land & Water Conservation Fund. M.S. 84.0624 distributes 50 percent of each annual apportionment to projects developed, acquired, or maintained by local units of government. The State distributes these funds through the Outdoor Recreation, Regional Park, and Natural and Scenic Areas grant programs. The other 50 percent is allocated to state acquisition and development projects of the state outdoor recreation system as defined in M.S. 86A, and for administrative expenses necessary to maintain the state’s eligibility for the federal Land & Water Conservation Fund grant program.

Each year, the State identifies the specific acquisition and development projects to which it will obligate its annual federal LAWCON apportionment. The State receives the federal reimbursement when the projects are complete. Reimbursements for local projects go to the project sponsor (typically a local unit of government) while the State deposits reimbursements for DNR projects into the LAWCON account for future projects.

FY19 Financial Summary	
Beginning fund balance	\$1,554,952
Prior year adjustments	\$1,544,353
Revenues	
Federal Reimbursement	\$0
LAWCON Local Reimbursement	264,888
Misc Receipts	54
Total Revenues	\$264,942
Expenditures	
Parks and Trails Mgmt	\$3,888,939
Statewide Indirect	\$734
Total Expenditures	<u>\$3,889,673</u>
Ending fund balance	(\$525,425)
Net change	(\$2,080,378)

Forecast

This account is a reimbursement program and can fluctuate depending upon the timing of the expenditures and revenues. The fund balance is projected to increase.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

- Developing the North campground with eight camper cabins, 0.5-mile paved road, restroom shower building, 700ft walkways, with utilities including water, sewer, signs, parking, electricity at Lake Vermillion-Soudan Underground Mine State Park.
- Completed grants to the cities of Spicer, Hendricks, and Bemidji to expand close to home recreation opportunities. Awarded ten new federal grant.
- Administered the grant program to continue the State’s eligibility to receive future LAWCON apportionments from the National Park Service. Completed the draft State Comprehensive Outdoor Recreation Plan (SCORP) for submission to the National Park Service.

Additional Resources

[Land and Water Conservation Fund \(LAWCON\)](#)

[National Park Service, Land & Water Conservation Fund](#)

[Statewide Comprehensive Outdoor Recreation Plan \(SCORP\)](#)

[Parks and Natural Areas Funded by the Land & Water Conservation Fund \(LAWCON\)](#)

Lottery in Lieu Accounts: State Parks & Trails Account

Brief Overview

- Governing statute: M.S.297A.94
- Year established: 2000
- Primary division: Parks and Trails

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

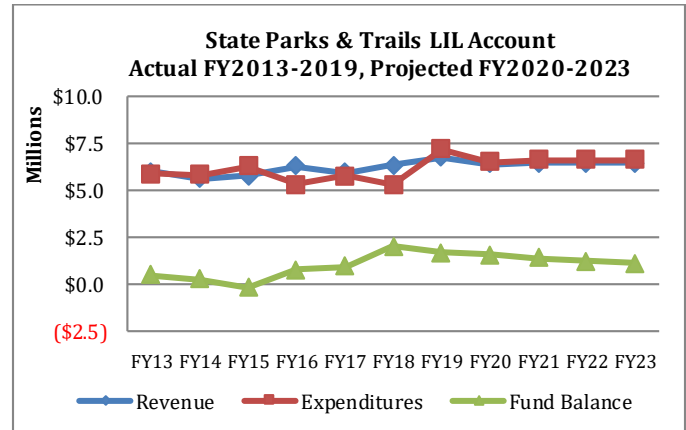
Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The State Parks and Trails Account must be used only for state parks and trails.

The State Parks & Trails LIL account provides funds to maintain and operate state parks and trails.

FY19 Financial Summary	
Beginning fund balance	\$2,032,482
Prior year adjustments	\$47,887
Revenues	
State Parks and Trails - Lottery in lieu	\$6,733,748
Misc Receipts	<u>794</u>
Total Revenues	\$6,734,542
Expenditures	
Parks and Trails Mgmt	\$7,083,015
Enforcement	6,385
Conservations Corps Minnesota	25,000
Statewide Indirect	<u>46,724</u>
Total Expenditures	\$7,161,125
Ending fund balance	<u>\$1,653,787</u>
Net change	(\$378,695)

Forecast

The fund balance is projected to slightly decline.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

Total expenditures from this account are used to manage state parks and trails by:

- Maintained the buildings and grounds for day and overnight use;
- Maintained state non-motorized trails;
- Provided a safe environment for visitors, orientation, and visitor services;
- Provided environmental education, resource management, interpretive services; and
- Performed emergency maintenance when needed (i.e., broken water and sewer lines, power failures, downed trees, etc.)

Additional Resources

[State Comprehensive Outdoor Recreation Plan](#)

[DNR reports](#)

[Strategic Conservation Agenda](#)

[Minnesota State Parks Strategic Plan](#)

[Long range conservation plans and strategies](#)

[DNR publications](#)

[Recreation Grants](#)

[Parks & Trails](#)

Lottery in Lieu Accounts: Local Trails Grants Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary division: Parks and Trails

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

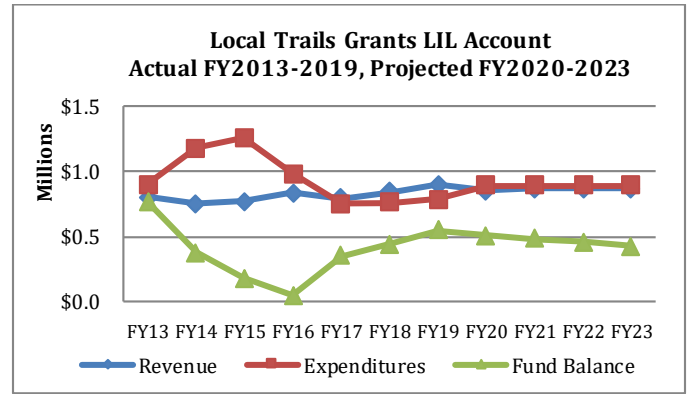
Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The Local Trails Grants Account must be spent on grants for local trails.

This LIL grant funding is made through the Local Trail Connections Program and the Regional Trail Grant Program, established in MN Statutes 85.019. Funded grant projects include acquisition and betterment of public land and improvements needed for trails. Counties, cities, and towns are eligible for the grants.

FY19 Financial Summary	
Beginning fund balance	\$435,795
Prior year adjustments	\$0
Revenues	
Local Trails Grants- Lottery in lieu	\$897,833
Expenditures	
Parks and Trails Mgmt	\$786,582
Ending fund balance	\$547,046
Net change	\$111,251

Forecast

Revenues remain steady through FY23. The fund balance is projected to slightly decrease due to appropriations exceeding revenues starting in FY20.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2019 Accomplishments

There were ten grants funded to local communities in FY 2019 for Local Trail Connections, Regional Trails and Local Parks. These ten statewide recipients include nine cities and one county. These grants help to acquire and develop local recreation park facilities and trails to connect citizens with the outdoors.

Additional Resources

[Local Grants and Pass through Appropriations](#)

Lottery in Lieu Accounts: Metro Parks & Trails Grants Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary entity: Metropolitan Council

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

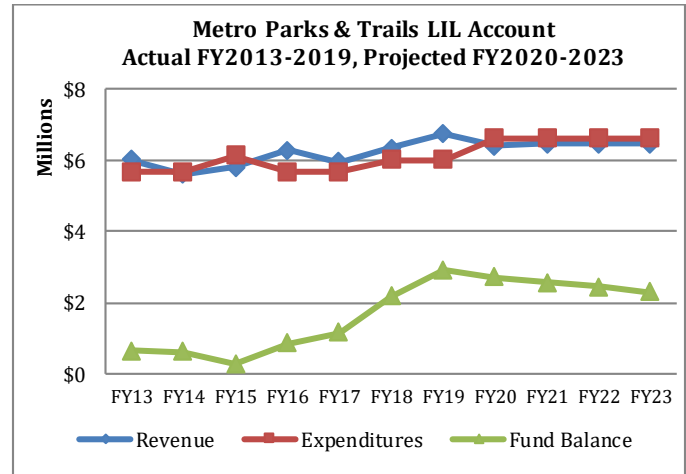
Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The Metro Parks and Trails Account must be used for grants to metro parks and trails.

The Metropolitan Council allocates the Metro Parks & Trails funds to the metro region park boards. Recipients include the counties of Anoka, Washington, Ramsey, Scott, Carver, and Dakota; cities of St. Paul and Bloomington; the Minneapolis Park and Recreation Board; and the Three Rivers Park District.

FY19 Financial Summary	
Beginning fund balance	\$2,181,479
Prior year adjustments	\$0
Revenues	
Metro Parks and Trails - Lottery in lieu	\$6,733,748
Expenditures	
Metropolitan Council	\$6,000,000
Ending fund balance	<u>\$2,915,227</u>
Net change	\$733,748

Forecast

The fund balance is declining due to increased appropriations in FY20 through FY23.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

The Metropolitan Regional Parks System’s LIL funds are used by the Metropolitan Council to support the work of the ten regional park implementing agencies across the seven-county Metropolitan Region. This parks system includes 44 regional parks, 12 park reserves and 8 special recreation features totaling about 55,000 acres open for public use. The system also has 49 regional trails with almost 400 miles of opportunities. The funding pays for operations and maintenance costs on a cost reimbursement basis.

Additional Resources

[Metropolitan Council](#)

Lottery in Lieu Accounts: Zoos Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary entities: Minnesota Zoo, Como Zoo & Duluth Zoo

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

Under statute 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The Zoo Account funds a portion of the operations for the following zoos:

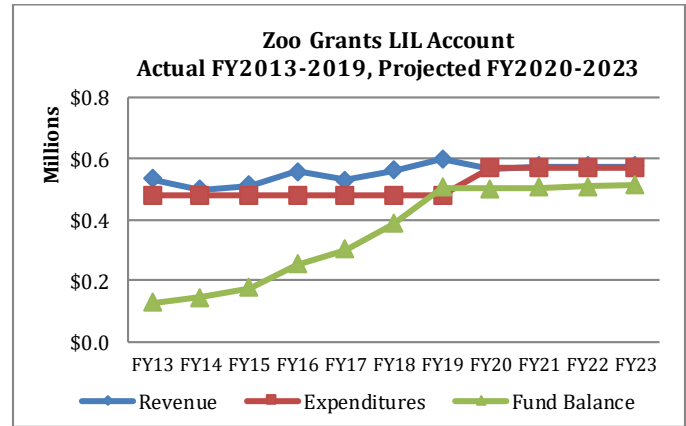
- Minnesota Zoological Garden;
- Como Zoo and Conservatory; and
- Duluth Zoo.

These three zoos (named in the legislation) each receive \$160,000 annually.

FY19 Financial Summary	
Beginning fund balance	\$385,081
Prior year adjustments	\$0
Revenues	
Minnesota Zoos - Lottery in lieu	\$598,555
Expenditures	
Operations Support-Como & Duluth Zoos	\$320,000
Minnesota Zoo	160,000
Total Expenditures	\$480,000
Ending fund balance	\$503,636
Net change	\$118,555

Forecast

The fund balance has increased through FY19 due to revenues exceeding appropriations. Revenues and expenditures remain steady through FY2023.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

Additional Resources

[Minnesota Zoo](#)

Minerals Management Account

Brief Overview

- Governing statute: M.S. 93.2236
- Year established: 2005
- DNR administers mineral rights: 12 million acres
- Primary division: Lands and Minerals

Sources and Uses of Funds

Mineral management responsibilities include state mineral evaluation and promotion, issuing leases for exploration and mining, negotiating royalty rates and rentals, and managing revenue transactions related to mining and exploration. The program also provides technical assistance to local governments on mineral resources and mining issues.

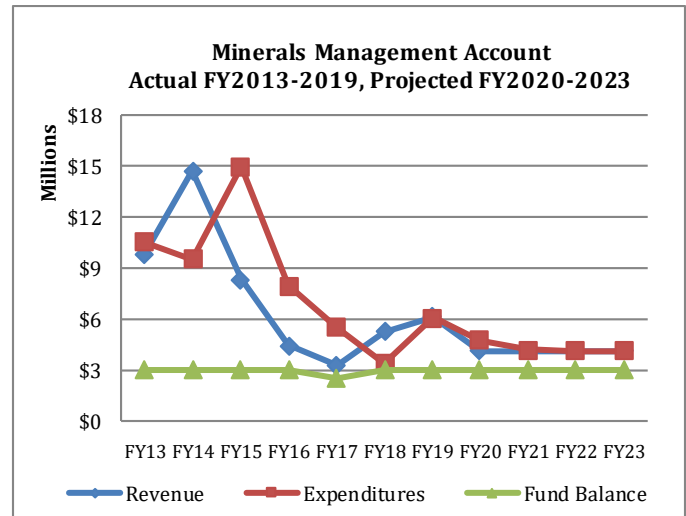
Revenues from state mineral leases are collected from mining companies and distributed in accordance with state law to benefit schools, the university, and local taxing districts. The Minerals Management program objective is to maximize mineral lease revenues for the Permanent School Fund, the Permanent University Fund, and local units of government.

The funds and accounts that directly benefit from mineral income pay for a portion of the costs of state minerals lease and ownership activities. Twenty percent of the payments made under all state mineral leases are credited to this account to pay the costs associated with the administration and management of the state’s mineral resources. Money in the account is appropriated by the legislature to the commissioner for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities.

FY19 Financial Summary	
Beginning fund balance	\$4,395,743
Prior year adjustments	\$1,080
Revenues	
Iron Ore Rents & Royalties	\$6,022,862
Misc Receipts	<u>135,190</u>
Total Revenues	\$6,158,052
Expenditures	
Lands and Minerals	\$3,324,461
Univ., School Trust, Taxing Districts	2,716,349
Statewide Indirect	\$16,629
Total Expenditures	\$6,057,438
Ending fund balance	<u>\$4,497,437</u>
Net change	\$101,694

Forecast

Revenues and expenditures around \$4 million are projected each year.



Note – At the end of each quarter of the fiscal year (March 31, June 30, September 30, and December 31), the amount of the balance in excess of \$3 million is distributed to the School, University and Taxing Districts according to the proportions of revenue sourced from those lands.

FY2019 Accomplishments

- FY19 mineral receipts were \$30.9 million, which was up 17% from FY18. Better iron ore economies, yielding higher royalty rates, more than compensated for a slight decrease in metallic mineral rentals and iron residue receipts that nearly disappeared in FY19 due to company bankruptcies.
- Provided mineral expertise to the leasing of the Tioga Mine area parcels to the City of Cohasset toward development of a destination mountain bike trail system. Valuable stockpile material, and associated heavy equipment access, was excluded from the lease, maintaining the ability for aggregate sales into the local construction industry.
- Due to newer leases for peat and dimension stone, 2019 receipts were at their highest mark in the last ten fiscal years. Peat receipts were \$247,000 and dimension stone receipts were \$156,000. Dimension stone is rock quarried for a dimensional purpose such as granite counter tops, head stones, landscaping edges, floor tile, etc. Rock recently quarried by Cold Spring at the Echo Lake Quarry is being used at an outdoor public park in Grand Rapids, Michigan.

- Tested a new optical scanning technology on 5,000 feet of drill core in five focus areas that include gold, titanium, vanadium, iron, and manganese mineral potential. The new technology reflects light and captures a hyperspectral image that is unique to the minerals present in the drill core. The DNR partnered with the Department of Iron Range Resources and Rehabilitation to fund this test and promote Minnesota's drill core library and mineral potential.
- Worked with MNIT to develop an application to conduct streamlined inventories of historical exploration. Efforts will result in better public access of historical exploration data.

Additional Resources

[Lands and Minerals Publications](#)

Mining Administration Account

Brief Overview

- Governing statute: M.S. 93.481
- Year established: 2008
- Primary division: Lands and Minerals

Sources and Uses of the Funds

The 2008 law provided that ferrous mining (taconite and iron ore) administrative fees would be charged to owners, operators, or managers of mines and the revenues deposited to the new account. The revenues were appropriated to the DNR to cover the costs of administering and monitoring permits to mine ferrous metals.

In the last months of FY2009, the law was amended to provide that deposits to the account would include all fees charged to owners, operators, or managers of mines under M.S. 93.481 and a new section, M.S. 93.482 (Reclamation Fees). The mining administrative fee was extended to include ferrous, nonferrous, peat, and scam mining.

Each year, the annual permits to mine fees are collected based on the number of companies holding permits in the previous calendar year, whether or not there was production at the facilities.

The funds are used for mineland reclamation activities that control adverse environmental impacts of mining, preserve natural resources, and encourage future land utilization planning. These activities also promote the orderly development of mining, encourage good mining practices, and recognize the beneficial aspects of mining. Supported activities within mineland reclamation include:

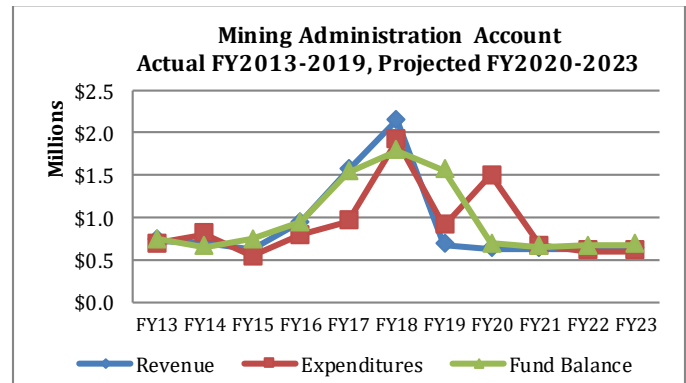
- Mine permitting & site inspections;
- Wetland impact avoidance, minimization, and mitigation;
- Annual report and operating plan review;
- Research toward reclamation practice improvement; and
- Environmental review.

FY19 Financial Summary	
Beginning fund balance	\$1,787,682
Prior year adjustments	\$0
Revenues	
Mineland Reclamation Fees	\$654,150
Misc Receipts	<u>28,806</u>
Total Revenues	\$682,956

FY19 Financial Summary	
Expenditures	
Lands and Minerals	\$903,942
Ending fund balance	<u>\$1,566,696</u>
Net change	(\$220,985)

Forecast

The fund balance is estimated to remain flat through FY23 following one-time increased spending in FY20.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

Administered, monitored, and amended:

- Six taconite permits for active operations;
- One non-ferrous permit;
- Three closure status taconite permits, with two in idle status;
- Four scam mining permits in idle status; and
- Ten peat mining permits.

Additional Resources

[Mining and Mineral Resources of Minnesota](#)

[Lands and Mineral publications](#)

[Establishment of a Permit to Mine Administration and Application Fee Schedule \(report to legislative committees, published Jan. 2009\)](#)

[Reclamation section publications](#)

[Reclamation: Minnesota DNR](#)

Natural Resources Misc. Statutory Account (Dedicated Receipts Account)

Brief Overview

- Governing statute (year established):
 - M.S. 89.421 (2007), Forest Resource Assessment Products
 - M.S. 85.46 (2007), Horse Pass Account
 - M.S. 89.21 (2012), Forest Campgrounds
 - M.S. 97A.485 (1986), License Issuing Fee
- Primary divisions: Forestry, Parks and Trails, Fish and Wildlife

Sources and Uses of Funds

The Natural Resources Dedicated Receipts Account is the repository for the statutorily-appropriated dedicated accounts in the Natural Resources Fund.

Money deposited in the Natural Resources Misc. Statutory Account comes from these sources:

- Sales of forest resource assessment products and services;
- Horse pass and forest campground fees;
- Minimum \$50 donation for the State Parks and Trails Special Plates for passenger automobile, recreational vehicle, one ton pickup trucks, and motorcycles; and
- Fees collected on licenses sold.

Money in the Natural Resources Misc. Statutory Account can be used for these purposes:

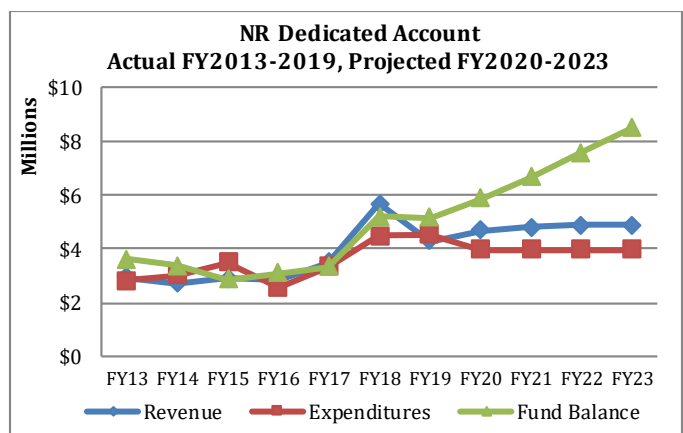
- Maintain staff and facilities producing the aerial photography, forest inventory, remote sensing, and satellite imagery products and services;
- Trail acquisition, trail and facility development, and maintenance, enforcement, and rehabilitation of horse trails or trails authorized for horse use;
- Costs associated with the use of forest campgrounds;
- Operation of the electronic licensing system; and
- Operations and maintenance costs for state parks and trails.

FY19 Financial Summary	
Beginning fund balance	\$5,194,320
Prior year adjustments	\$156,445
Revenues	

FY19 Financial Summary	
Easement, water & land crossing licenses, water fees	\$347,873
Water fees, inspection & gas storage fees	321,580
Fire burn & Decorative bough permits, misc. forestry fees	1,628,943
Horse Trail Pass, Forest Campground Fees, SP Special Plate fee, misc park fees	1,029,551
License Issuing Fees	<u>968,440</u>
Total Revenues	\$4,296,387
Expenditures	
Forest Management	\$2,797,565
Lands and Minerals	565,561
Parks and Trails Mgmt	294,606
Ecological and Water Resources Mgmt	97,804
Fish and Wildlife	<u>756,919</u>
Total Expenditures	\$4,512,455
Ending fund balance	<u>\$5,134,697</u>
Net change	(\$59,623)

Forecast

Approximately 36 percent of the total receipts in the Dedicated Receipts Account were from the Forestry Resource Assessment Products and Services Account. Horse Trail pass, forest campgrounds and State Park (SP) Special Plate fee contributed 24 percent of the revenue. The fund balance decreased by 7 percent this year. The fund balance is expected to increase due to revenues exceeding expenditures.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

- Developed a computer program to automate reporting for the National Wetland Inventory (NWI) work; completed quality assessment on 3,420 quarter quads in the central and south NWI areas; and digitized 4,191 watercourse

pathways illustrating where water flows on the landscape.

- 800,000 acres of photos were acquired and interpreted for wetland change for the wetland monitoring project.
- 11 million acres of aerial forest health survey;
- 209 aerial photos acquired over ~7,961 acres of aspen, black spruce, and tamarack harvest sites to identify regeneration;
- 8,676 acres of Terrestrial Invasive Species (TIS) surveyed on state forest stands;
- Approximately 50 field sheets entered into the Firewise Data Entry program.
- All indexes for the historical photos have been completed.
- Seven state forest maps completed: Blackduck/Buena Vista, Mississippi Headwaters, Land O' Lakes/Emily, Bowstring/Battleground/Welsh Lake, White Earth, Remer/Golden Anniversary, and Bear Island/Burntside State Forests.

- Issued 34,092 burning permits through a mix of paper and online permits.
- Lands and Minerals issued 29 permits: three new public waters work permits, 14 amended water appropriation permits, 12 new water appropriation permits, and one water appropriation termination.
- Parks and Trails manages: 1,100 campsites in 47 state forest campgrounds and 1,000 miles of horse trails and 500 horse campsites.

Additional Resources

[Horseback Riding](#)

[Frequently asked questions about the horse trail pass](#)

[Horse Trail Pass at Work \(list of funded projects\)](#)

[State Forest Horse Campgrounds and Trails](#)

[Purchase horse trail passes \(electronic licensing center\)](#)



Nongame Wildlife Management Account

Brief Overview

- Governing statute: M.S. 290.431
- Year established: 1980 (program established in 1977)
- Loon abundance: 2.63 loons per 100 acres in Aitkin/Crow Wing index area
- Primary division: Ecological and Water Resources

Sources and Uses of Funds

The principal objectives are the conservation of nongame wildlife species and management and conservation of their habitats.

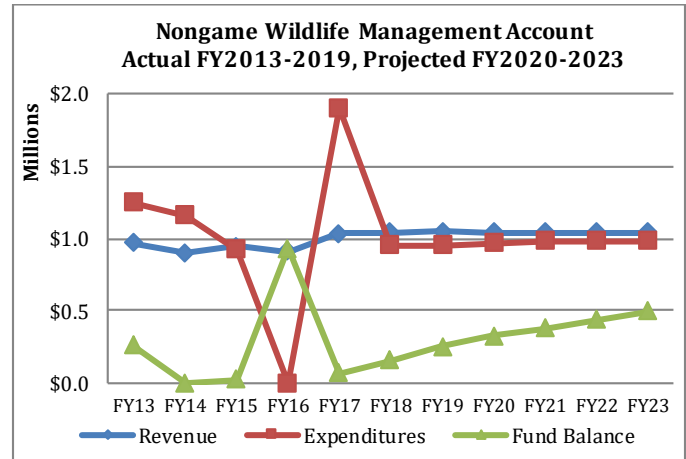
The program works to protect over 800 species of nongame wildlife.

The principal source of funding for this program is contributions by taxpayers on their state income tax and property tax forms, sometimes referred to as the “Chickadee Checkoff.” Individuals who file a state income tax return (M-1) or property tax refund claim (M1-PR) may donate to the Nongame Wildlife Program. All donations are matched 1:1 by the Critical Habitat License Plate fund.

FY19 Financial Summary	
Beginning fund balance	\$157,539
Prior year adjustments	\$0
Revenues	
Donations from income tax return	\$1,039,691
Misc Receipts	<u>11,411</u>
Total Revenues	\$1,051,102
Expenditures	
Ecological and Water Resources Mgmt	\$953,000
Statewide Indirect	<u>\$157</u>
Total Expenditures	\$953,157
Ending fund balance	<u>\$255,484</u>
Net change	\$97,945

Forecast

Revenues remain steady through FY23 and are projected to be greater than expenditures, resulting in a growing balance.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

- Project WILD Conducted workshops attended by educators and youth leaders. Nine institutions requested Minnesota college pre-service teacher, and outdoor educator training support, for both graduate and undergraduate programs. Provided learning trunks about loons, bats, wolves, bears, animal tracks, and snakes to elementary teachers and scout leaders. These learning trunks are important for teachers who do not have funds for travel to distant learning sites. They are provided to teachers on request.
- Increased donations through social marketing, wildlife webcams, tax preparer outreach. Webcams reached 180 countries worldwide and were viewed consistently in all 50 states in the US.
- Long term monitoring staff continued work on the multiagency long-term grassland monitoring project. A total of eleven sites were monitored for vegetation which included 152 vegetation transects and 17 relevés. A total of 10 sites were monitored for birds. Data was entered into the appropriate databases and shared with cooperators.
- Surveys for wood turtles were conducted in southeast Minnesota to inform the draft Minnesota Wood Turtle Conservation Plan. Plans are to continue and refine surveys in coming seasons.
- Each of the four Regions is staffed with 1-3 biologists who provide technical guidance and conduct habitat and species surveys in order to

sustain and enhance biological diversity. Four management guidelines were developed. Survey work was conducted on 8 rare species or species groups: mussels, reptiles and herps (MN River), pollinators, common tern, loon, Blanding's turtle, timber rattlesnake, goshawk, Richardson's ground squirrel, rusty patch bumble bee.

Additional Resources

[Nongame Wildlife Program](#)

[Statewide Nongame Projects](#)

[Habitat projects](#)

[Research reports](#)

[Wildlife rehabilitation home page, organizations](#)

[Minnesota's Wildlife Action Plan](#)

[License plates](#)

[Online donation to Nongame Wildlife program](#)



Snowmobile Trails and Enforcement Account

Brief Overview

- Governing statute: M.S. 84.83
- Year established: 1982
- Registered snowmobiles: 192,000
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of the Funds

Fees from the registration of snowmobiles, trail pass, and one percent of the unrefunded gasoline taxes attributable to snowmobile use are the main sources of funding in the Snowmobile Account. The account funds may be spent only as appropriated by law, for:

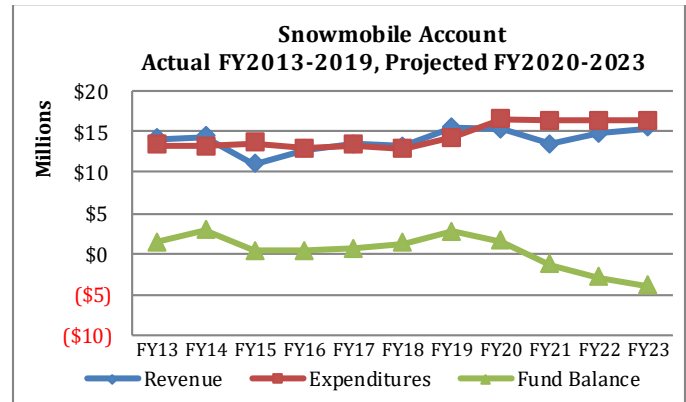
- A grant-in-aid program to local units of government for construction and maintenance of snowmobile trails;
- Acquisition, development, and maintenance of state recreational snowmobile trails;
- Snowmobile safety programs; and
- Administration and enforcement of the laws concerning snowmobiles in M.S. 84.81 to 84.91, and grants to local law enforcement agencies.

FY19 Financial Summary	
Beginning fund balance	\$1,302,090
Prior year adjustments	\$132,616
Revenues	
Snow mobile Registration	\$7,558,560
Misc Receipts	418,183
Unrefunded gasoline tax & police state aid	<u>7,514,326</u>
Total Revenues	\$15,491,069
Expenditures	
Parks and Trails Mgmt	\$12,052,186
Enforcement	1,828,023
Fish and Wildlife	221,347
Lands and Minerals	13,000
Conservations Corps Minnesota	75,000
Statewide Indirect	<u>69,854</u>
Total Expenditures	\$14,259,410
Ending fund balance	<u>\$2,666,365</u>
Net change	\$1,364,275

Forecast

Revenue from registrations and trail permits are correlated with the weather’s impact on snowmobiling. An on-going structural imbalance

between spending and receipts is being managed on an annual basis.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through FY2023. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2019 Accomplishments

- 11,142 hours on enforcement, education and safety training activities.
- 63 grants issued to counties and local government for law enforcement and education and trail maintenance.
- Employees and volunteer instructors trained 8,650 youth and adults through the snowmobile safety education program.
- Developed, managed, and maintained more than 800 miles of recreational snowmobile trails that were open to the public.
- Administered grants-in-aid that were available to local units of government to create and maintain locally initiated trails totaling 21,446 miles, through 178 grants.
- The License Center issues all Snowmobile registrations through a web based Electronic License System (ELS) available from 175 registration agency (deputy registrars).

Additional Resource Links

[Snowmobiling home page](#)

State Parks Account

Brief Overview

- Governing statute: M.S. 85.052, subd. 4.
- Year established: 2000
- State parks: 66
- State recreation areas: 9
- Yearly visitors: 10 million
- Primary Division: Parks and Trails

Sources and Uses of the Funds

DNR manages 66 state parks, 9 state recreation areas, 9 state waysides, and 84 state forest campgrounds/dayuse areas.

Fees paid by visitors who purchase products and services within a state park, state recreation area or wayside, and for special state park uses, are credited to the State Parks Account.

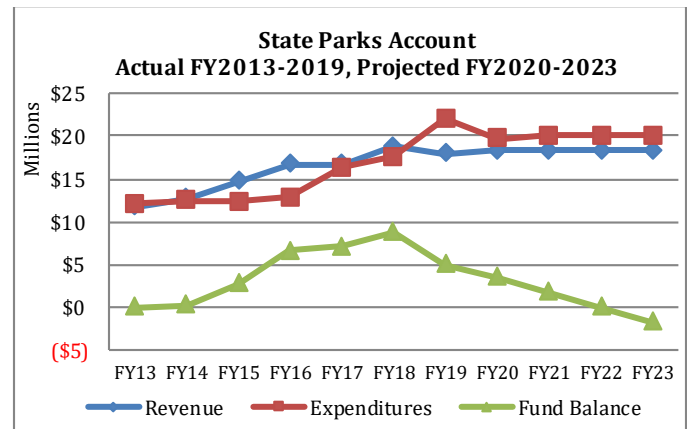
Money in the State Parks Account is available to operate and maintain the state park system, under M.S. 85.055, subd. 2, when appropriated by the legislature. Costs of the DNR electronic licensing system attributable to state park permits also comes out of this account.

FY19 Financial Summary	
Beginning fund balance	\$8,738,417
Prior year adjustments	\$360,077
Revenues	
Camping Fees	\$8,105,933
Park Permits	6,720,800
Park facilities rentals & concessions	1,989,165
Misc Receipts	1,081,598
Unredeemed gift cards & police st aid	<u>4,712</u>
Total Revenues	\$17,902,209
Expenditures	
Parks and Trails Mgmt	\$21,702,213
Enforcement	57,621
Conservations Corps Minnesota	150,000
Statewide Indirect	<u>126,401</u>
Total Expenditures	\$22,036,235
Ending fund balance	\$4,964,468
Net change	(\$3,773,949)

Forecast

Camping fees accounted for 45 percent of revenues, park permits were 38 percent, and park facility rentals and concessions were 11 percent. Expenditures are projected to exceed revenues.

In FY19, the State Parks Account was 15 percent of Parks and Trails total division budget.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through FY2023. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2019 Accomplishments

- DNR welcomed over 10 million visitors, almost 90 percent of which came for day use. There were 1.1 million overnight park visits. An Adventure Station promoting parks at REI continued.
- Updated "You Are Here" maps, improving wayfinding and safety on state park trails were updated. Updated 20 "You Are Here" map signs to improve wayfinding and safety on state parks trails.
- In a typical year, the natural resource management program restores about 800 acres, burns about 6,000 acres and control invasive plants on about 11,000 acres.

Additional Resources

[Minnesota State Parks](#)

[Strategic Conservation Agenda](#)

[State Parks Permits](#)

[Reservations](#)

[State Park Studies](#)

Water Management Account

Brief Overview

- Governing statute: M.S. 103G.27
- Year established: 2011
- Primary Division: Ecological and Water Resources

Sources and Uses of the Funds

Money deposited in the Water Management Account comes from these sources:

- Water Use fees (the majority of revenue comes from this source);
- Fees from Field Inspections;
- Penalties;
- Application fees for water use and public waters work permits;
- Other receipts according to section 103G.271 and 103G.301; and
- Interest earned on money in the account accrues to the account.

In accordance with M.S. 103G.27, money from this account may only be spent on costs associated with administering Chapter 103G. The Water Management Account supports the following purposes:

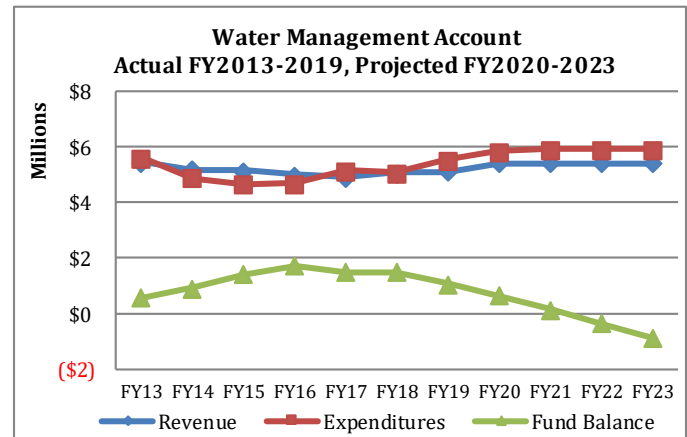
- Processing permit applications for water use and working in public waters;
- Processing water use reports and verifying fees;
- Field inspections of proposed public water alteration proposals;
- Dam safety inspections and permit processing cost;
- Public water inventory mapping;
- Calcareous fen protection;
- Surveys of lake outlets and ordinary high water elevations;
- Stream, lake and groundwater gaging work (when related to permit requirements);
- Great Lakes Compact-related work;
- Water conservation;
- Obtaining field survey data for technical analyses; and
- Preparing topographic maps and profiles.

FY19 Financial Summary	
Beginning fund balance	\$1,508,409
Prior year adjustments	\$16,008
Revenues	
Water Fees	\$5,097,111

FY19 Financial Summary	
Misc receipts	20,550
Total Revenues	\$5,117,661
Expenditures	
Ecological and Water Resources Mgmt	\$5,083,241
Lands and Minerals	\$327,629
MN.IT	\$110,000
Statewide Indirect	\$27,946
Total Expenditures	\$5,548,815
Ending fund balance	\$1,093,262
Net change	(\$415,147)

Forecast

Revenues are projected to remain steady through FY2023. Appropriations slightly exceed revenues causing the fund balance to decline.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

- Completed permit reviews and made decisions on 1,065 water appropriation and 897 public waters permit applications and change requests to existing permits. Completed 114 well construction preliminary.
- Processed 10,137 water use reports and verified correct water use fee payments.
- Issued 17 dam safety permits and permit amendments.
- Inspected 216 dams, including 28 Class 1 high-hazard dams and 46 Class 2 significant-hazard dams.
- Collected water use information from 164 permit holders in the Lake Superior watershed. This information is used to compile an annual summary report for the Great Lakes Regional Water Use Database.

- Worked on water appropriation and public waters permits for six taconite mines as well as five peat operations.
- Continued to work on resolving the rising water levels on the Canisteo, Hill Annex, and St. James legacy mine pits.
- Worked on the City of Biwabik and the City of Aurora public water supply.

Water Recreation Account

Brief Overview

- Governing statute: M.S. 86B.706
- Year established: 1985
- Public water access sites: 1,700
- Primary divisions: Parks and Trails, Enforcement, Fish and Wildlife, Ecological and Water Resources

Sources and Uses of the Funds

Money deposited in the fund is used for water recreation programs such as public water access, boating facilities, small craft harbors, and water safety.

The majority of money deposited in the Water Recreation Account comes from these sources:

- Fees from registration and titling of watercraft; and
- Unrefunded gasoline tax attributable to watercraft use.

Money in the Water Recreation Account can be used for these purposes:

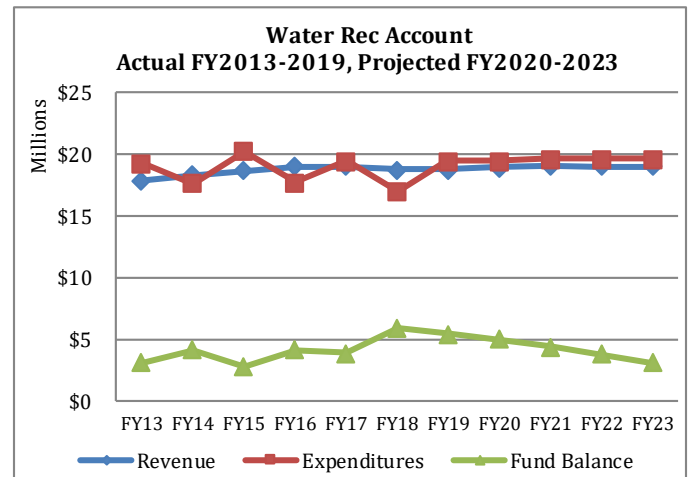
- Acquisition, development, maintenance, and rehabilitation of public water access and boating facilities on public waters, lake and river improvements, and boat and water safety;
- Maintenance, operation, replacement, and expansion of state-operated or state-assisted small craft harbors and mooring facilities, and the debt service on state bonds sold to finance these facilities;
- Administration and enforcement of Chapter 86B as it pertains to watercraft titling and licensing and the use and safe operation of watercraft;
- Grants for county-sponsored and administered boat and water safety programs;
- State boat and water safety efforts; and
- Management of aquatic invasive species.

FY19 Financial Summary	
Beginning fund balance	\$5,903,164
Prior year adjustments	\$173,714
Revenues	
Watercraft Registration	\$6,554,766
Misc Receipts	882,972
Unrefunded gasoline tax & police state aid	<u>11,334,799</u>
Total Revenues	\$18,772,537

FY19 Financial Summary	
Expenditures	
Parks and Trails Mgmt	\$10,558,466
Enforcement	4,906,830
Fish and Wildlife	1,599,049
Ecological and Water Resources Mgmt	1,387,991
Lands and Minerals	20,000
Conservations Corps Minnesota	50,000
Statewide Indirect	159,537
Invasive Species Account	<u>750,000</u>
Total Expenditures	\$19,431,873
Ending fund balance	<u>\$5,417,543</u>
Net change	(\$485,622)

Forecast

Fees for watercraft registration, license issuance and watercraft titling are 35 percent of the revenue for this account. Unrefunded gasoline taxes made up 60 percent of the revenue. The fund balance is projected to decline due to appropriations exceeding revenues through FY2023.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2023.

FY2019 Accomplishments

- The Division of Parks & Trails maintains 1,670 public water access sites plus 10 small craft harbors/protected accesses on Lake Superior for safe boat launching and retrieval; and over 4,500 miles of state water trails on 34 rivers and Lake Superior for canoeing, kayaking, boating and camping. Updated 46 Public Water Access maps.
- Water Recreation funds are often matched with federal boating access funds to support major

improvements to the quality of public water access through development projects. These projects incorporate best management practices for accessibility, storm water runoff, shoreline erosion, and controlling the spread of aquatic invasive species. Water access renewal projects included: Lake Benton, City of Lake Benton in Lincoln Co.; Little Spirt Lake, Jackson Co.; Elephant Lake, St. Louis Co.; Lizzie Lake, Otter Tail Co.; Deer Lake, Otter Tail Co.; Lake Waconia, partnership with Carver Co.; Minnesota River-Cedar Ave., Dakota Co.; Ely Lake, St. Louis Co. Funds also supported engineering and design for: Nisswa Lake, partnership with City of Nisswa in Crow Wing Co.; Alexander Lake, Morrison Co.; Cedar Lake, Rice Co.

- The Division of Enforcement trained 8,046 youth and adults in boating safety.
- Conservation Officers provided 18,471 hours of boating safety work on Minnesota lakes and rivers. This work includes safety checks, addressing illegal operation and search and rescue.
- Issued more than 5,500 permits to lakeshore property owners to manage aquatic plants for access or reasonable recreational opportunity while protecting fish and wildlife habitat.
- The License Center issues all watercraft registrations and titles through a Web based ELS available from 175 registration agents (deputy registrars).

- Ecological and Water Resources continued to monitor water quantity statewide including water levels on 927 lakes. About 900 citizens assisted in collecting and reporting lake water levels to the DNR in FY19. All reported lake level data are made available at the DNR LakeFinder website, which is updated weekly for any new data entries.
- Surveyed 85 counties to assess shoreland administrative activities financed through Natural Resource Block Grants, and prepared a summary report to share the results with counties and DNR staff.
- Provided technical assistance, guidance, and web-based GIS layers and tools to aid local governments with: adopting/amending and administering shoreland, floodplain, LSCR, WSR, and MRCCA ordinances and tracking higher standards; forming Lake Improvement Districts; evaluating shoreland re-classification requests and discrepancies; and following up on annexations that involve shorelands and floodplains.

Additional Resources

[Strategic Conservation Agenda](#)

[Grants Outcomes](#)

[State Comprehensive Outdoor Recreation Plan](#)

[Minnesota State Parks Strategic Plan](#)

[Long range conservation plans and strategies](#)