

Game and Fish Fund Report

FY06

Minnesota Department of Natural Resources

December 2006

**Game and Fish Fund Report
Fiscal Year 2006**

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Report Purpose

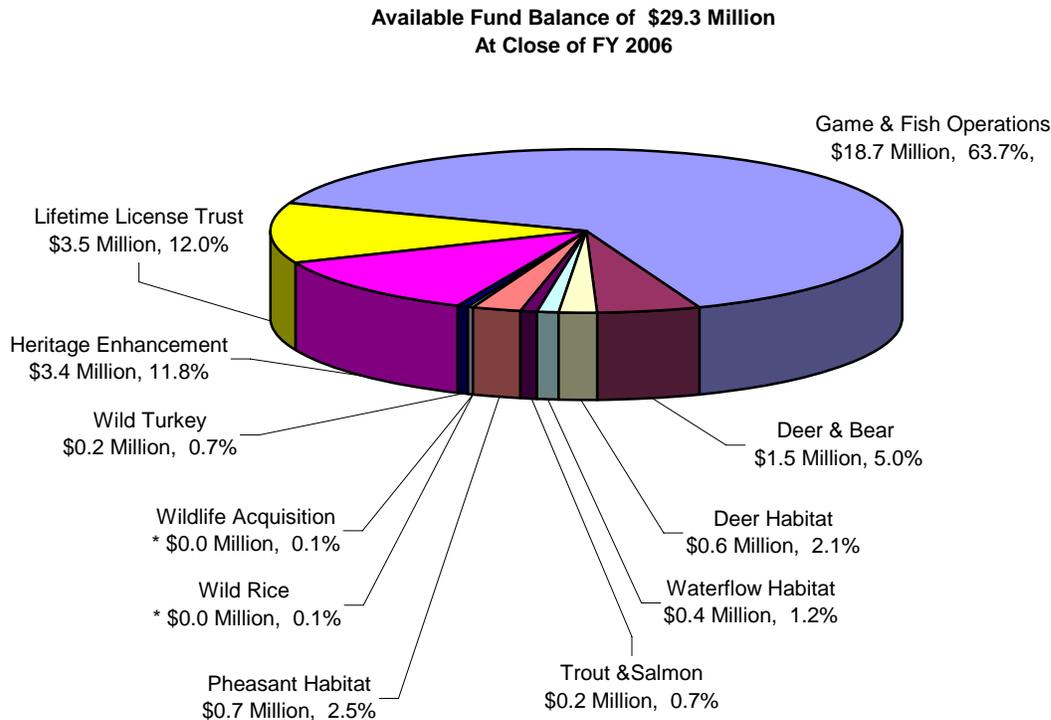
The DNR prepares an annual Game and Fish Fund report as directed by M.S. 97A.055, subd. 4 and M.S. 97A.4742, subd. 4. Additionally, the DNR is directed under M.S. 97A.075 to biennially report on emergency deer feeding and wild cervid health management. The Game and Fish report includes this reporting requirement on page 53.

The DNR views the production of the annual Game and Fish report as much more than an exercise in meeting the statutory requirements. In preparing and distributing the report, the DNR has the opportunity to communicate with individuals, stakeholder groups, the Game and Fish Oversight Committees, legislators, and DNR staff. The annual report requires the DNR to be accountable to these audiences on its financial management and game and fish program outcomes. The report fosters discussion on the planning for future operations, setting priorities, articulating outcomes, and reviews of assumptions used in the financial forecast for the fund. In short, the report is a tool for the DNR to encourage and foster open communication about the management of the state's game and fish natural resources.

Game and Fish Fund Overview

The title "Game and Fish Fund" refers to a series of game and fish accounts whose purposes are closely related. In addition to the Game and Fish Operations account, the report presents the purpose and status of dedicated stamp and surcharge accounts. The report also describes the purpose and activity in the Heritage Enhancement Account and the Lifetime Fish and Wildlife Trust Fund.

The chart below illustrates how, at the close of FY06, the ending fund balance of \$29.3 million is divided between the funds and accounts.



* \$0.0 Million is less than \$50 Thousand

**Game and Fish Fund Report
Fiscal Year 2006**

Revenues

The DNR deposits an array of receipts to the fund, the majority directly relates to selling hunting and fishing licenses. In FY06 a total of \$ 87.498 million was deposited to the fund, and \$1.069 million was transferred in from the general fund, totaling \$88.567 million.

Table 1: Total Receipts and Transfers-In (\$ in thousands)

	FY06	FY05	FY04
Hunting Licenses	22,224	21,988	21,736
Fishing Licenses	20,958	21,684	21,631
Sports licenses (combination hunting and fishing)	4,622	4,784	4,835
Hunting and angling stamps	2,475	2,663	2,282
Small game surcharge	1,778	1,843	1,583
Lifetime licenses	748	710	680
Commercial licenses	358	370	382
Federal grant Fisheries (Dingell-Johnson)	10,751	11,180	10,022
Federal grant Wildlife (Pittman-Robertson)	7,047	7,220	6,017
Lottery in-lieu-of-sales tax	10,585	9,603	9,104
License issuing and application fees	3,354	2,676	2,270
Sale and lease of natural resources	579	809	722
All other receipts	2,019	1,959	1,297
Transfer In: Police State Aid	<u>1,069</u>	<u>1,307</u>	<u>982</u>
Total Receipts and Transfers-In	\$88,567	\$88,796	\$83,543

Hunting license revenues increased from FY05 to FY06 primarily due to increasing numbers of deer hunters shifting from regular and multi-zone licenses to the more expensive all season licenses and additional deer permits sold as a result of high deer populations. Angling license revenues declined in FY06 due to reduced sales of dark house shelter, individual and combination angling licenses. Stamp revenues also declined, primarily the result of reductions in waterfowl stamps. These were partially offset by increased pheasant stamp receipts.

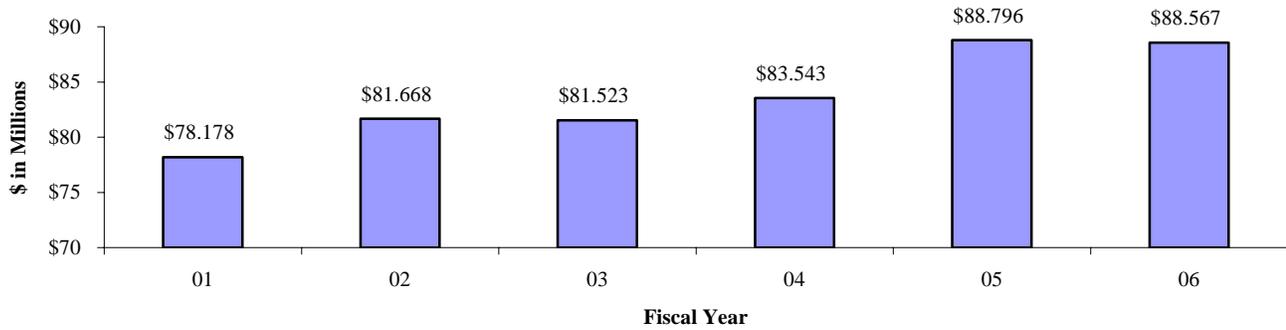
A significant portion of the hunting revenue increase and of the angling revenue decrease is due to the change in the manner in which the electronic licensing system (ELS) is funded and the accounting for these revenues. This is reflected in the increase in "License issuing and application fees" revenue. The DNR will establish alternative accounting practices to report the ELS commission as hunting or fishing revenue as appropriate, and will prepare a report on the amounts appropriated for the electronic licensing system, estimated receipts, and estimated spending for the ELS system. This report will be made available to the Legislature and the Game and Fish Fund Budget Oversight Committee.

Federal aid reimbursements declined in FY06. This is due to the timing of expenditure reimbursement and differences between the federal (October-September) and state (July-June) fiscal years. In the past, the fund has been reimbursed the state's full apportionment of that year's federal fiscal year funds within the state fiscal year. In FY06, the full apportionment was not realized within the state fiscal year. The apportionments were instead reimbursed over the full 12 months and will be reflected in future Game and Fish Fund statements and next year's Game and Fish Fund report.

Game and Fish Fund Report Fiscal Year 2006

FY05 Police State Aid transfer in was overstated by \$270 thousand. \$1.307 million was transferred instead of \$1.037 million. This overstatement was corrected as a prior year adjustment in FY06 in the Game and Fish (Operations) fund, resulting in a negative prior year adjustment. Considering the above prior year adjustment, total receipts and transfers-in increased by \$41 thousand in FY06 compared to FY05.

Graph I: Historical Receipts and Transfers-in



**Game and Fish Fund Report
Fiscal Year 2006**

Expenditures

Spending from the fund is controlled by appropriations authorized by the legislature and signed by the Governor into law. Appropriations are typically established for a biennium; in this case, for fiscal years 2006 and 2007.

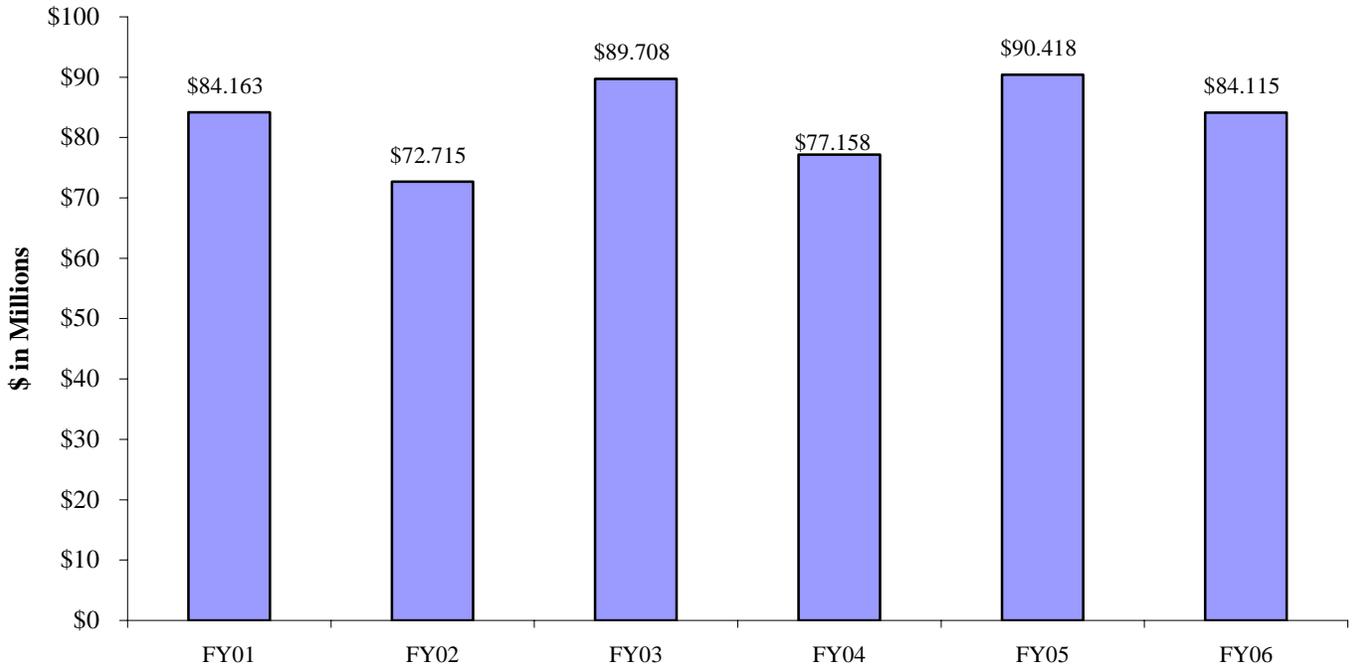
For FY06 the Legislature authorized spending of \$90.75 million from the Game and Fish Fund and the DNR spent \$84.12 million. Expenditures are reported in ten areas. These expenditures are summarized in Table 2, with detail in the fund statement included as Appendix A.

Table 2: FY06 Actual Expenditures by Division and Account (\$ in thousands)

	Game and Fish Operations 230	Deer and Bear 231	Deer Mgmt 232	Waterfowl Habitat 233	Trout and Salmon 234	Pheasant Habitat 235	Wild Rice 236	Wildlife Acquistn 237	Wild Turkey 238	Heritage Enhancement 239	Totals
Fisheries	24,842				956					3,992	29,790
Wildlife	15,947	260	1,295	666		572	35	2,668	123	2,296	23,862
License Center	3,637	6									3,643
Ecological Services	1,792									1,226	3,018
Enforcement	16,799									1,122	17,921
Trails and Waterways	1,312										1,312
Forestry										250	250
Lands and Minerals	843										843
Operations Support	2,641										2,641
Statewide Indirect Costs	835										835
Agency Total	\$68,648	\$266	\$1,295	\$666	\$956	\$572	\$35	\$2,668	\$123	\$8,886	\$84,115

Game and Fish Fund Report Fiscal Year 2006

Graph 2: Historical Game & Fish Fund Expenditures



FY06 was the first year in which direct appropriations for the Management Resources and Human Resources Bureaus within the Department's Operations Support Program were transferred into divisional appropriations. The departmental functions affected are: 1) building maintenance funded directly by the Management Resources Bureau, 2) MIS services, 3) purchasing services, 4) property management, 5) safety program, 6) human resource management. This change will decrease the amount of expenditures in Operations Support by \$3.692 million and increase divisional expenditures by the same amount. The Operations Support related expenditures are shown by program area in Table 3. For the purpose of this report programs have spread these costs across activity within their report sections, except division support categories.

**Game and Fish Fund Report
Fiscal Year 2006**

**Table 3: Operations Support Program
FY06 Direct Appropriation Transfers**
(\$ in thousands)

Lands and Minerals	74
Fish Management	1,556
Wildlife Management	1,067
License Center	96
Ecological Services	111
Enforcement	628
Regional Operations	60
Information and Education	30
Office of Management and Budget	60
Commissioner's Office	10
	\$ 3,692

The text, tables and charts in this report present the activities, efforts and outcomes associated with the expenditures made during the FY06 from the Game and Fish Fund. The expenditures in this report have been rounded to the nearest thousand. In some cases the totals may not match the fund statement due to this rounding.

Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2006

FISHERIES: Game and Fish Fund Expenditures	(\$ in thousands)
Game and Fish Fund Operations (230)	24,842
Dedicated Account (234)	956
Heritage Enhancement Account (239)	3,992
Total Expenditures	\$29,790

The Division of Fish and Wildlife manages recreational and commercial fisheries and aquatic habitat on approximately 5,400 lakes and 16,000 miles of fishable streams and rivers. Anglers spend over 30 million person-days fishing and harvest about 30 million pounds of fish annually in Minnesota.

The six core functions of the fisheries management work are:

- Monitor fish populations and aquatic habitat,
- Protect, improve, and restore fish populations and aquatic habitat,
- Propagate fish for stocking in publicly accessible waters,
- Provide public information and aquatic education,
- Planning and coordination,
- Division Support.

Fisheries management expenditures have generally increased since FY97 as a result of fishing license fee increases, new Heritage Enhancement Account, and new Game and Fish Fund initiatives. Expenditure increases occurred in all major program areas based on priorities identified through operational planning and input from the Fisheries Roundtable and Citizen Oversight Committees. Special emphasis has been placed on habitat improvement and protection and fish stocking programs. Table 4 and 5 provide a historical summary of fisheries Game and Fish fund only, and all fund expenditures by major programs for fiscal years 2002-2006.

Table 4. FY06 Game and Fish Fund Expenditures
Fish Management, Division of Fish and Wildlife
(\$ in thousands)

Core Function	Game & Fish	Trout Stamp	Heritage	Total
Monitor Fish Populations & Habitat	9,072	127	1,615	10,814
Protect, Improve, & Restore Fish Populations & Habitat	1,952	396	918	3,266
Propagate Fish for Stocking in Publicly Accessible Waters	4,951	428	1,040	6,419
Provide Public Information & Aquatic Education	2,103	0	331	2,434
Planning and Coordination	3,754	0	60	3,814
Division Support	3,010	5	28	3,043
Total	\$24,842	\$956	\$3,992	\$29,790

Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2006

Table 5. Fisheries Expenditures for Major Programs From Fiscal Years 2002 – 2006
(Includes General Fund And Water Recreation Account) (\$ in thousands)

Program	FY06**	FY05	FY04	FY03	FY02
Habitat Improvement & Protection	3,958	4,283	4,216	5,916	2,975
Lake & Stream Surveys	8,707	8,448	7,840	7,888	7,722
Research	2,128	2,010	2,105	2,167	1,469
Fish Culture & Stocking	6,420	7,088	6,136	5,529	4,914
Aquatic Education	873	834	768	761	658
Public Information	1,809	1,435	1,105	1,278	979
Planning & Coordination	3,932	3,526	3,461	3,746	3,311
Division Support	3,047	2,662	2,426	2,305	2,260
Total	\$30,874	\$30,286	\$28,057	\$29,590	\$24,288

The following expenditures that related directly to projects were spread across the other categories: training information systems, general administration, equipment, supplies, and leave.

** FY06 Departmental Operations Support (\$1.556 million) was spread across all activities except Division Support.

FY06 Expenditures and Outcomes

FY06 expenditures have been grouped into the six core functions. The dollar amounts include expenditures from the Game and Fish Fund that accounted for about 96% of fish management total expenditures (excluding those from special appropriations and revolving accounts). The program outcomes include accomplishments realized from all funding sources.

Core Functions: Activity and Expenditure Breakdowns

1. Monitor Fish Populations and Aquatic Habitat

Activities:

- Lake and stream surveys and assessments, large lake sampling program, creel surveys
- Lake and stream database
- Research
- Monitor private aquaculture and commercial harvest of fish and other aquatic animals

Table 6: Fisheries Expenditures – Monitor Fish Populations and Acquisition Habitat (\$ in thousands):

Program	Game & Fish	Trout Stamp	Heritage	Total
Lake Surveys & Assessments	3,252	33	856	4,141
Large Lake Assessments	1,169	85	296	1,550
Stream Surveys & Assessments	1,079	9	184	1,272
Creel Surveys	375	0	279	654
Lake & Stream Database	433	0	0	433
Private Aquaculture	104	0	0	104
Commercial Fishing Monitoring	53	0	0	53
Project Monitoring	479	0	0	479
Warm water Research	1,747	0	0	1,747
Coldwater Research	381	0	0	381
Total	\$9,072	\$127	\$1,615	\$10,814

Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2006

Outcomes:

Activity	Number Completed	Number Ongoing
Lake Surveys	664	
Stream Surveys	177	
Creel Surveys	28	
Research Projects	25internal /5 contract	28

2. Protect, Improve, and Restore Fish Populations and Aquatic Habitat

Activities:

- Regulate recreational and commercial fisheries
- Regulate removal of aquatic plants
- Environmental review
- Acquisition of aquatic management areas
- Expenditures: lake and stream habitat improvement, shoreland habitat restoration, spawning areas, lake reclamation, aeration, watershed projects, fish barriers, fish removal

Table 7: Fisheries Expenditures – Protect, Improvements (\$ in thousands):

Program	Game & Fish	Trout Stamp	Heritage	Total
Aquatic Plant Management	422	0	263	685
Exotic Species Management	3	0	0	3
Environmental Review	452	0	0	452
Acquisition	168	83	481	732
Trout Stream Improvement	314	313	51	678
Warmwater Stream Improvement	100	0	60	160
Lake Improvement	132	0	45	177
Fish Barriers	36	0	8	44
Lake Reclamation	16	0	0	16
Lake Aeration	50	0	8	58
Coop & Special Projects	184	0	0	184
Watershed Projects	67	0	1	68
Fish Removal	8	0	1	9
Total	\$1,952	\$396	\$918	\$3,266

Outcomes:

Activity	Amount Improved/Acquired	Number of Projects
Aquatic Plant Restoration	11 acres or 13,091 shoreline ft	28
Acquisition All Other AMA's	6 miles or 329 acres	17
Acquisition Coldwater Streams	5 miles or 266 acres	9
Trout Streams Habitat Improvement	420 miles	52
Warmwater Streams Habitat Improvement	109 miles	8
Lake Reclamation		1
Lake Aeration		3

Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2006

3. Propagate Fish for Stocking in Publicly Accessible Waters

Activities:

- Propagate walleye, muskellunge, northern pike, trout, salmon, and other game fish species for stocking
- Stock small lakes in the Twin Cities metropolitan area as part of the urban fishing (FiN) program
- Maintain and improve state fish hatcheries and rearing ponds

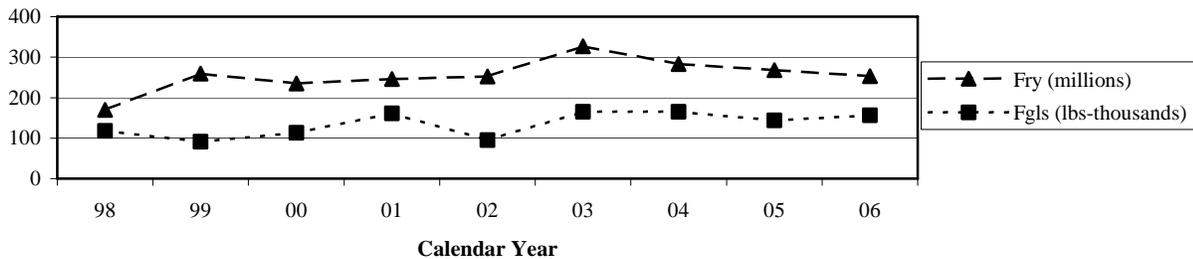
Table 8: Fisheries Expenditures – Propagate (\$ in thousands):

Program	Game & Fish	Trout Stamp	Heritage	Total
Walleye	2,999	0	760	3,759
Muskellunge	243	0	70	313
Northern Pike	68	0	12	80
Catfish, Bass, Panfish, Others	124	0	60	184
Trout & Salmon	1,421	428	99	1,948
Kids Fishing Ponds	96	0	39	135
Total	\$4,951	\$428	\$1,040	\$6,419

Outcomes:

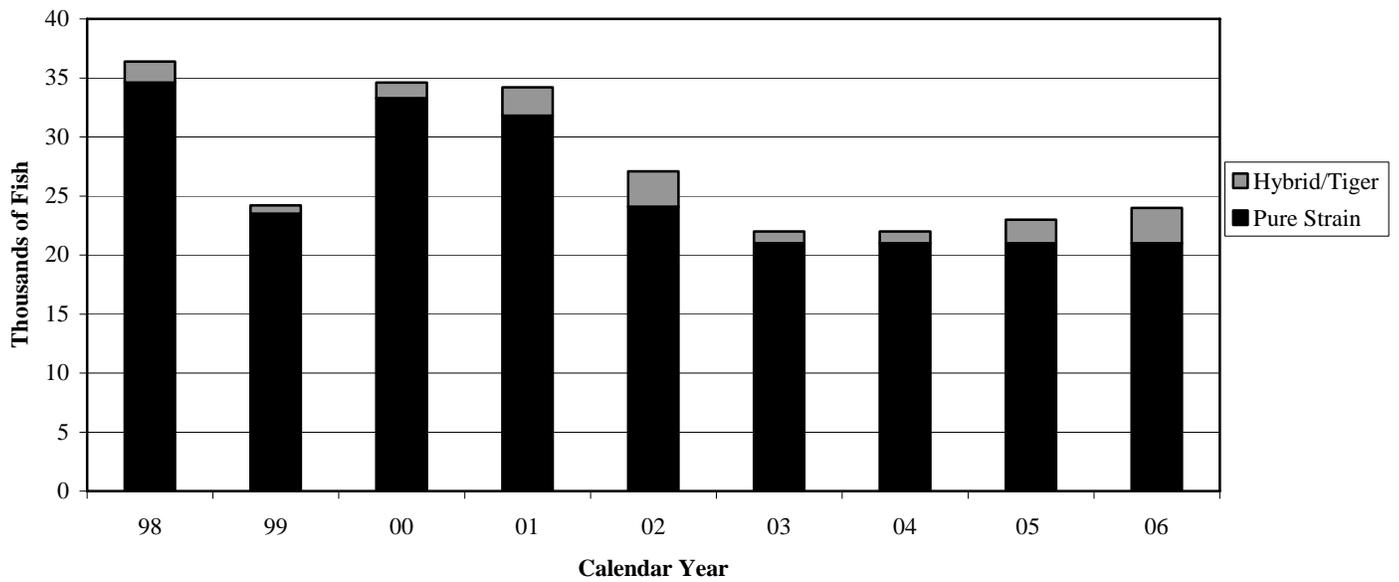
Activity	Fish Stocked	Lakes/Streams Stocked
Walleye Fry	253 million	224 lakes / 1 stream
Walleye Fingerlings, Yearlings, and adults	2.4 million	370 lakes / 1 stream
Muskellunge Fingerlings (Includes Tiger Muskellunge)	23.5 thousand	28 lakes
Trout & Salmon (All Sizes)	2.3 million	187 lakes / 85 streams
Kids Fishing Ponds (FiN Program)	20 thousand	37 lakes

Graph 3: Walleye Stocking from 1998-2006

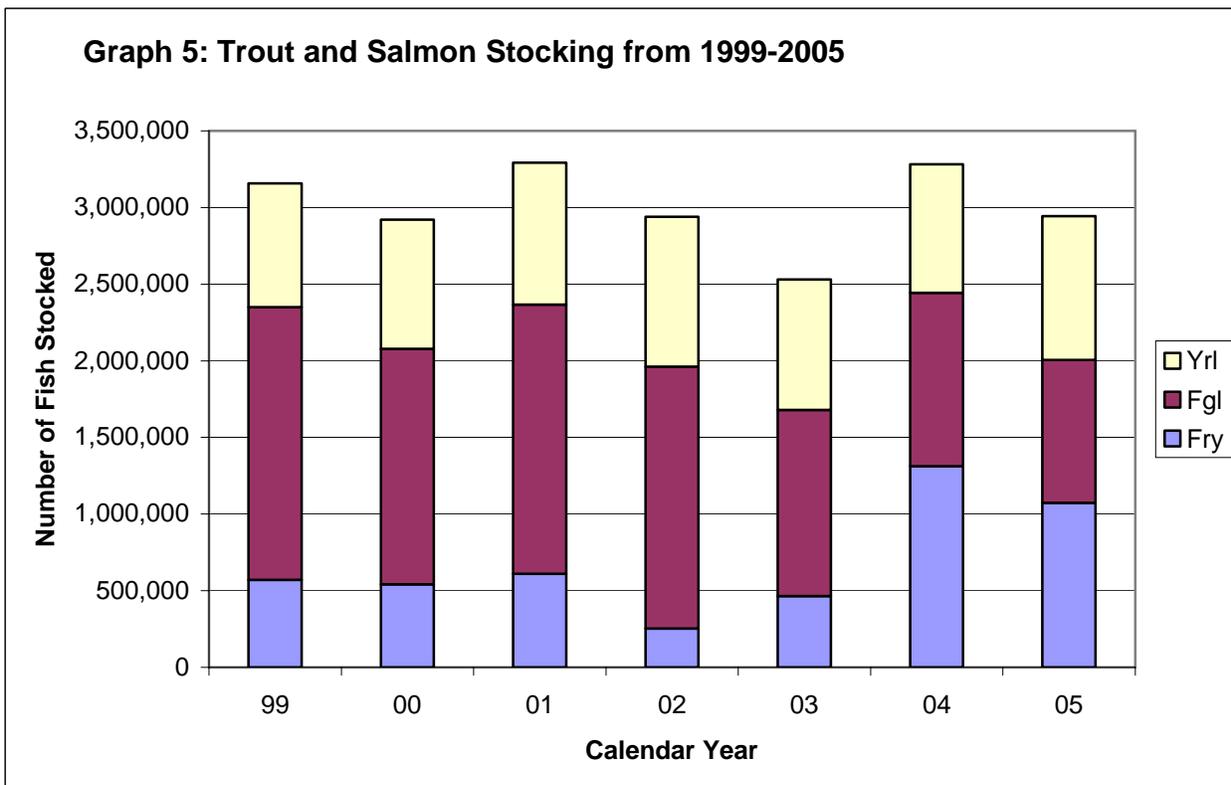


**Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2006**

Graphic 4: Muskellunge Fingerling Stocking from 1998-2006



Graph 5: Trout and Salmon Stocking from 1999-2005



Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2006

4. Provide Public Information and Aquatic Education (MinnAqua)

Activities:

- Provide fisheries information in a variety of forums
- Conduct aquatic education (MinnAqua) programs
- Participate in state and county fairs and other resource-related events
- Recruitment and retention of anglers

Table 9: Fisheries Expenditures – Provide Public (\$ in thousands):

Program	Game & Fish	Trout Stamp	Heritage	Total
MinnAqua	668	0	1	669
Public Information	1,435	0	330	1,765
Total	\$2,103	\$0	\$331	\$2,434

Outcomes:

Activity	Number
Aquatic Education Programs	590
Program Participants	62,937
Volunteers Trained	94

5. Planning and Coordination

Activities:

- Strategic, long range, and operational planning.
- Coordination with the public, other units in the DNR, Indian bands, and other units of government.
- Individual lake and stream management planning.

Table 10: Fisheries Expenditures – Planning & Coordination (\$ in thousands):

Program	Game & Fish	Trout Stamp	Heritage	Total
Department/Agency Coordination	2,327	0	1	2,328
Treaty Coordination	405	0	0	405
Strategic/Long Range Planning	37	0	0	37
Regional Planning	132	0	0	132
Operational Planning	294	0	0	294
Lake Management Plans	334	0	0	334
Stream Management Plans	25	0	0	25
Tournaments	108	0	0	108
Fishing Piers	92	0	59	151
Total	\$3,754	\$0	\$60	\$3,814

Outcomes:

Activity	Number
Lake/Stream Management Plans	340
Fishing Tournament Permits	600
Fishing Piers/Shore Access	12

Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2006

6. Division Support

Activities:

- All expenditures that cannot be tied to a specific project but are needed to run operations.

Table 11: Fisheries Expenditures – Division Support (\$ in thousands):

Program	Game & Fish	Trout Stamp	Heritage	Total
Division Administration	691			691
Human Resources and Budget	247			247
Facilities	1,636	2		1,638
Workers Compensation	197			197
Unemployment	124			124
Fleet minimums	115	3	28	146
Total	\$3,010	\$5	\$28	\$3,043

Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2006

WILDLIFE: Game & Fish Fund Expenditures	(\$ in thousands)
Game and Fish Fund Operations (230)	15,947
Dedicated Accounts (231-238)	5,619
Heritage Enhancement Account (239)	2,296
Total Expenditures	\$23,862

1. Overview – Wildlife Game and Fish Funding

The Division of Fish and Wildlife (FAW) protects and manages approximately 1,390 wildlife management areas (WMA) totaling over 1.2 million acres. Technical assistance is provided to other state agencies, public and private landowners and outdoor recreationists. More than 50 big game, small game, waterfowl, migratory bird, and furbearer species are managed through regulated harvest. These efforts combine to provide quality outdoor recreation opportunities for over 597,000 licensed hunters.

2. Expenditure Analyses Methodology

Wildlife expenditures totaled more than \$35.2 million in FY06. Of this total, Game and Fish Funds accounted for \$23,862 million in expenditures. For this report, Game and Fish Fund expenditures were sorted into fourteen categories as described below. Expenditures for staff leave/time off, relocation expenses, layoff insurance and miscellaneous benefits determined by labor contracts and Department of Employee Relations agreements were prorated for all categories except Division Support and Land Acquisitions. Departmental Operations Support (\$1.067 million) was spread across all categories except Division Support.

3. Wildlife Programs

FAW efforts are grouped into fourteen Wildlife programs as follows:

- Division Support
- Environmental Review
- Facility Management
- Farmland Habitat Program
- Forest Habitat Program
- Habitat Assessment
- Land Acquisitions
- Operations
- Planning and Coordination
- Population Management
- Private Land Habitat Program
- Research & Evaluation
- Technical Guidance
- Wetland Habitat Program

Program expenditures are summarized for FY04, FY05, and FY06 (see Table 12 and Graph 6).

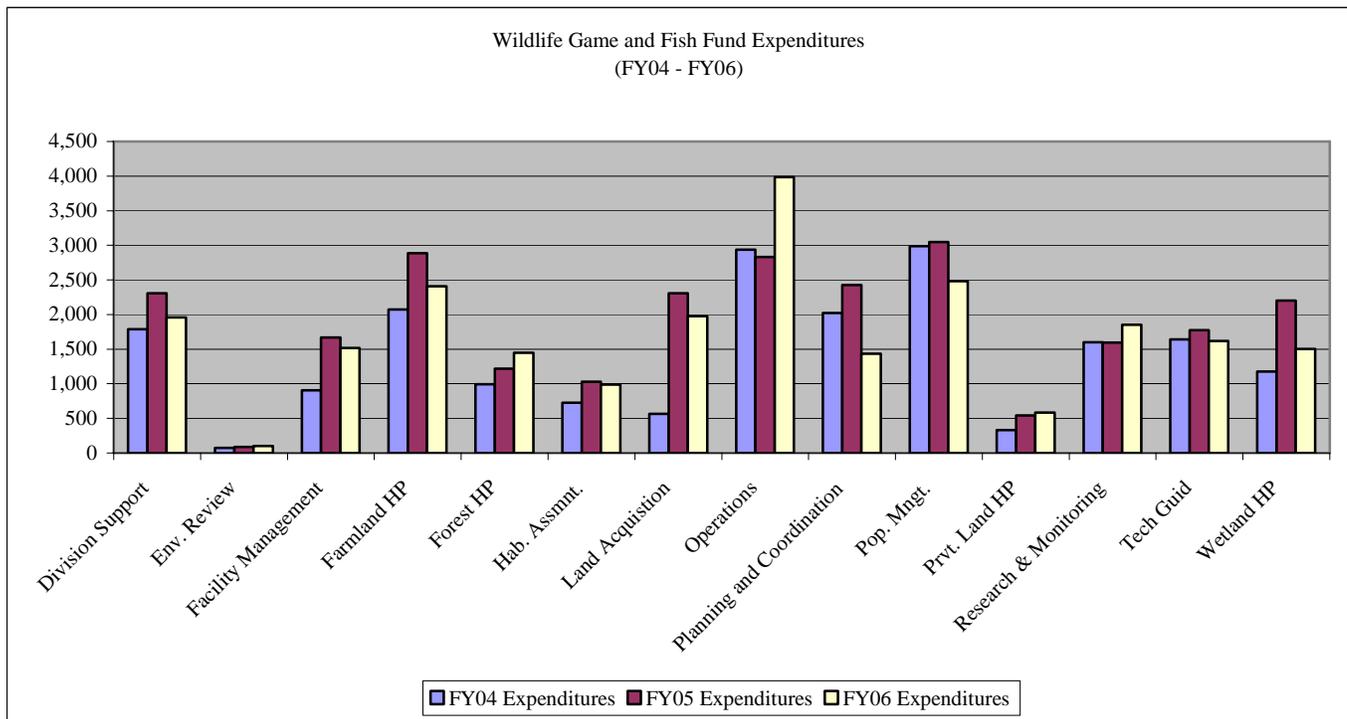
**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2006**

**Table 12. FY06 Game and Fish Fund Expenditures - Wildlife Management, Division of Fish and Wildlife;
FY04 – FY06
(\$ in thousands)**

Wildlife Program	FY06 Expenditures*	%FY06 Total	FY05 Expenditures	% FY05 Total	FY04 Expenditures	% FY04 Total
Division Support	1,965	8.21	2,308	8.90	1,790	9.03
Environmental Review	100	0.42	86	0.33	76	0.38
Facility Management	1,515	6.35	1,667	6.43	903	4.56
Farmland Habitat Program	2,409	10.10	2,885	11.13	2,074	10.46
Forest Habitat Program	1,450	6.08	1,219	4.70	992	5.01
Habitat Assessment	988	4.14	1,029	3.97	724	3.66
Land Acquisitions	1,976	8.28	2,307	8.90	565	2.85
Operations	3,985	16.71	2,833	10.93	2,938	14.82
Planning and Coordination	1,434	6.01	2,426	9.36	2,022	10.20
Population Management	2,481	10.40	3,048	11.76	2,988	15.08
Private Land Habitat Program	584	2.45	544	2.10	332	1.67
Research & Population Monitoring Program	1,850	7.76	1,594	6.15	1,598	8.06
Technical Guidance	1,620	6.79	1,775	6.85	1,639	8.27
Wetland Habitat Program	1,505	6.31	2,204	8.50	1,178	5.94
Totals	\$23,862	100	\$25,926	100	\$19,819	100

* FY06 Departmental operation support (\$1.067 million) was spread across all categories except Division Support.

Graph 6. Wildlife Expenditures for Major Programs FY04 – FY06



**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2006**

4. Annual Outputs/Outcomes

Division Support \$1.965 million

Wildlife Management Section and Wildlife Research staff work in approximately 50 locations throughout the state. Support provided for these positions, that cannot be tied to a specific project or program, includes budget management, fiscal administration, general equipment and headquarters operations expenses, worker's compensation payments and unemployment insurance expenses for part-time staff.

Environmental Review Program \$100 thousand

A cooperative effort between the Divisions of Ecological Services and FAW provides environmental review of development on both public and private lands within the state. This program is administered by the Division of Ecological Services with contributions of time by Wildlife field staff. Costs incurred are primarily personnel time and transportation.

- Environmental review for private applications and projects: 945 hours using all funds.
- Environmental review for governmental applications and projects: 1,296 hours using all funds.

Facility Management \$1.515 million

Management responsibility for over 1.2 million acres in 1,390 units of state Wildlife Management Areas (WMA) open to public outdoor recreation requires the development and maintenance of infrastructure such as roads and trails, accesses, parking lots, hunter blinds, wildlife observation structures, and the management of boundaries and information signs. Land and user protection is accomplished by sealing open wells and cisterns and cleaning up dumps and building sites on acquired lands.

Table 13: Facility Management – Outcomes by Activity

Activity	FY06 Sites	FY06 Quantities
Facility Maintenance	547 units	1,336 facilities
Access Maintenance	364 sites	527 miles
Facility Improvement	42 units	49 facilities
Access Improvement	57 units	63 miles
Boundary Management	286 WMAs	785 miles
Site/Building Cleanup/Well Sealing	78 WMAs	101 sites

Farmland Habitat Management Program \$2.409 million

Management of wildlife habitats in agricultural areas of Minnesota includes developing, improving and burning grasslands, controlling noxious weeds, managing food plots and cooperative farming agreements, and developing woody cover plantings.

Table 14: Farmland Habitat – Outcomes by Activity

Activity	FY06 Sites	FY06 Quantities
Noxious Weed Control	462 WMAs	5,902 acres
Prairie/Grassland Management	272 plantings	7,239 acres
Food Plots	407 food plots	2,587 acres
Cooperative Farming Agreements	602 agreements	32,035 acres
Prairie/Grassland Burns	254 burns	11,174 acres
Woody Cover Development	31 plantings	110 acres

Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2006

Forest Habitat Management Program

\$1.450 million

Management of wildlife habitats in forested areas of Minnesota includes forest and open/brush land management activities in WMAs and other public lands. See the technical Guidance Program section for additional details on forest planning efforts. Program expenses contributed to the following outcomes.

Table 15: Forest Habitat – Outcomes by Activity

Activity	FY06 Sites	FY06 Quantities
Forest Opening Management	960 sites	1,469 acres
Forest Stand Improvement	297 stands	3,894 acres
Forest Stand Burns	10 burns	264 acres
Open/Brush land Management	88 sites	3,910 acres
Open/Brush land Burns	75 burns	19,857 acres

Forest certification is a credible system of evaluating and verifying sustainable forest management practices. The Department has prepared for the past two years for this third party audit which was conducted in summer/fall 2005. FAW fully participated in the Forest Certification audit process.

Wildlife staff began the process of developing forest and brush land biomass harvesting guidelines in cooperation with the Minnesota Forest Resource Council. Staff also participated on 15 OHV State Forest Planning Teams.

Planning and Coordination

\$1.434 million

Planning and coordination includes: 1) the management of United States Fish and Wildlife Service Wildlife Restoration Act projects (AKA federal aid, Pittman-Robertson Act) which resulted in the reimbursement of over \$7 million in FY06 to the Game and Fish Fund, 2) implementation of an operational planning and the accomplishment reporting program called the Wildlife Management System, and 3) coordination at the section, division and department levels on policy, outreach and program implementation. Key activities include:

- Roundtable meeting for stakeholder group input,
- Coordination with Legislature on budget and policy initiatives,
- Rulemaking processes to establish seasons and limits as well as to regulate harvest as authorized and consistent with Minnesota State Statutes,
- Nontoxic Shot Advisory Committee to make recommendations to Section of Wildlife Management on use of lead shot for small game hunting,
- Three technical groups to report on maintaining wetland values, regulatory criteria, licensing/inspection, and notification/permission related to aquaculture activities,
- Work group to identify communication strategies regarding value of public lands,
- Private lands program plan to focus on increased collaboration with other agencies providing technical guidance, support for landscape level efforts, and training for vendors and private land owners,
- Additional Forest Wildlife Coordinator hired to enhance relationships with forest community and manage forestlands for fish and wildlife values.

Population Management Program

\$2.481 million

Population management includes informal surveys to determine the status of populations or harvest, hunting season management including special hunts for deer and geese, actions taken to manage disease outbreaks, capture and release of wild turkeys, Canada geese, and other species, managing nuisance animals, and distribution of resources to meet Indian treaty agreements. Program expenditures contributed to the following outcomes: wildlife surveys, season management, special deer hunts, special goose hunts, animal disease management, turkey capture and release, Canada goose capture and release, nuisance animal management, and other wildlife capture/release. Key activities and accomplishments include the following:

Game and Fish Fund Report

Wildlife Activities - Fiscal Year 2006

Big Game

- Big Game Elk season conducted fall 2006.
- Sampled almost 500 deer for bovine TB in northwest Minnesota; two positives identified. Extensive statewide and local surveillance to be conducted during 2006.
- Finalizing forest deer permit area population goals and developed a website to gather public input data using a formalized presentation and survey.
- Moved several zone 4 deer permit areas into zone 2.
- Continued the early antlerless deer hunt in 2006.
- Completed survey of 6,000 deer hunters to assess preference for regulations that lower deer populations.
- Conducted numerous public meetings to present deer information and garner support for programmatic changes.

Upland Birds

- Second mourning dove season since 1940's and first managed dove fields in Minnesota completed. Instituted a non-toxic shot requirement for all managed dove fields.
- Created a Nontoxic Shot Advisory Committee composed of citizens, industry and experts to begin discussing the potential for additional restrictions for upland bird hunting.
- Recorded the highest pheasant harvest (585,000) since 1964.
- The Ruffed Grouse management plan assessment along with a PowerPoint presentation were posted on the DNR website for public comment. Approximately 70 comments were received suggesting additional Issues and possible Conservation Actions.

Wild Turkey

- Wild turkey management plans nearing completion.
- Wild turkey winter survival study was initiated in Pennington and Red Lake Counties.
- Planning to complete wild turkey stocking efforts.
- Surveys completed to assess impacts of increasing hunting permit numbers on hunt quality and landowners.

Waterfowl

- Waterfowl breeding surveys were conducted for ducks and for Canada geese.
- Waterfowl surveys were done several times on all 40 case study lakes during the migration season (either by air or ground).
- Continued public dialogue about status of waterfowl populations, habitat and regulations.
- Collaborated and assisted with organization, logistics, and reporting for waterfowl/wetland rally in April.
- Duck recovery plan completed in April 2006.
- Co-sponsored annual Waterfowl Symposium with FWS and MWA (held at Detroit lakes in 2006)
- Acquired baseline aerial photography for wetland trend analysis. Analysis will be completed in FY 2007. Photography of random plots will be conducted annually.
- A prioritization plan for waterfowl habitat on shallow lakes was initiated in FY 06 and will be completed in FY 07.

Season Management

- Statewide public meetings held to present and discuss proposed season regulation changes.

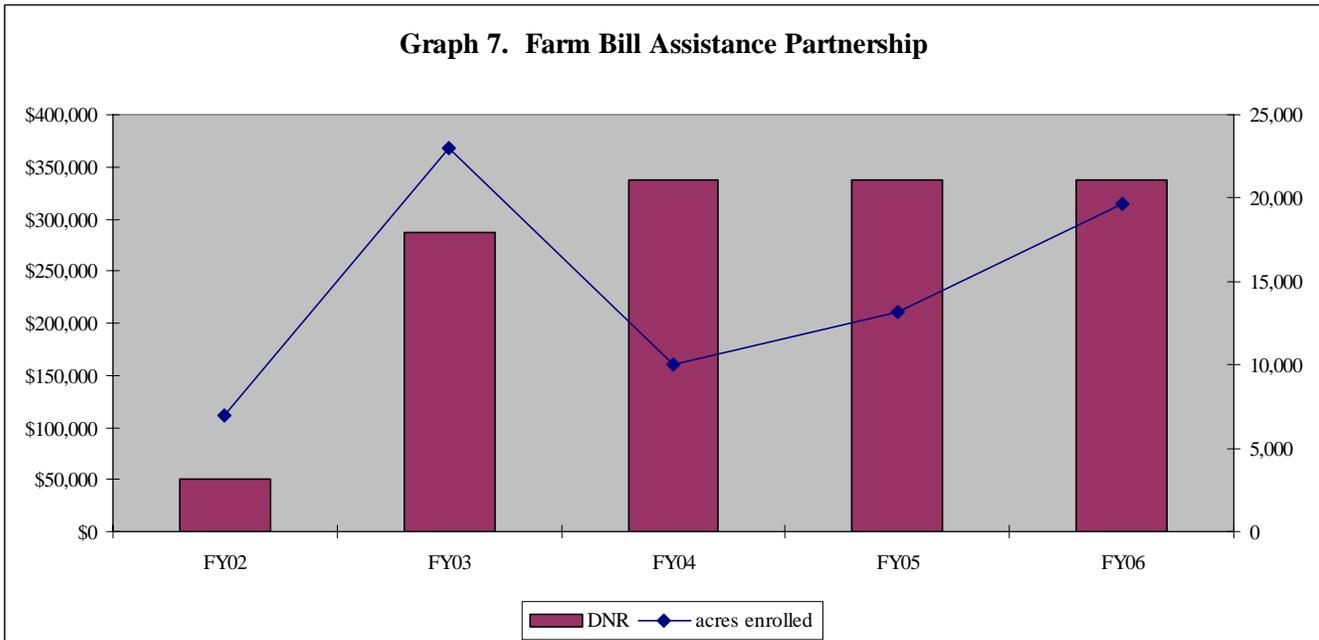
Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2006

Private Land Habitat Management Program

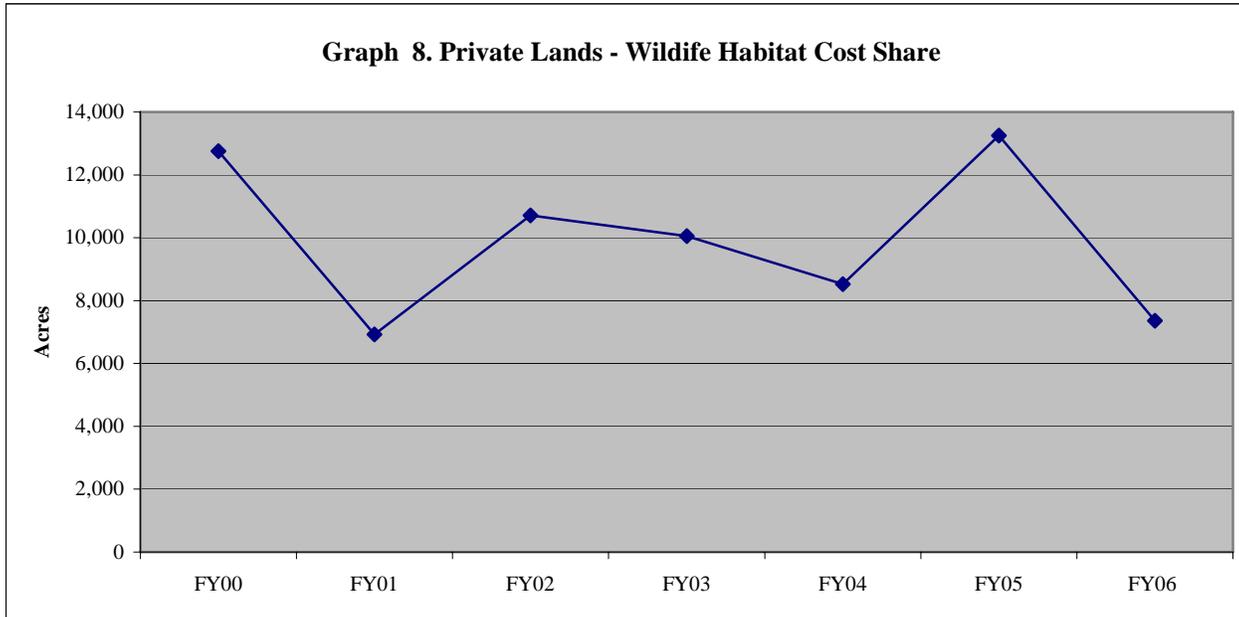
\$584 thousand

This program includes the actual costs of implementing habitat management practices on private land including fleet and material expenses but does not include personnel (see Technical Guidance Program, pg 25).

- 7,357 acres of wildlife habitat on private lands improved.
- Contributed \$337,500 for Farm Bill implementation partnership with BWSR, local SWCD, and Pheasants Forever to enroll 19,635 acres in conservation practices utilizing 34 SWCD staff in 48 priority counties.
- The purpose of the Private Lands Program is to harness the interest of private landowners to conserve wildlife populations and habitats, to maximize the use of existing private lands programs, and to guide private landowners through education efforts to become knowledgeable land stewards and wildlife conservationists. FAW works with partners to both implement and increase the conservation provisions and benefits of federal farm programs through technical assistance and communication with landowners. FAW has contributed more than \$1 million since FY02 to a collaboration with BWSR, SWCD and PF to enroll landowners in conservation provisions of the Farm Bill (see Graph 7). FAW also provides cost share funds to landowners to improve wildlife habitat on private lands (see Graph 8). For example, brush land management benefiting sharp-tailed grouse habitat is a high priority in the northeast while prairie restorations for ground-nesting birds is a high priority in southwest Minnesota.



**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2006**



Land Acquisitions

\$1.976 million

Wildlife Management Areas are part of Minnesota's outdoor recreation system and are established to protect those lands and waters that have a high potential for wildlife production, public hunting, trapping, fishing, wildlife watching and other compatible recreational uses. The WMA system includes approximately 1,390 wildlife management areas (WMA) totaling over 1.2 million acres and is key to protecting wildlife habitat for future generations, providing access for hunting, trapping, and wildlife watching and promoting important wildlife-based tourism in the state.

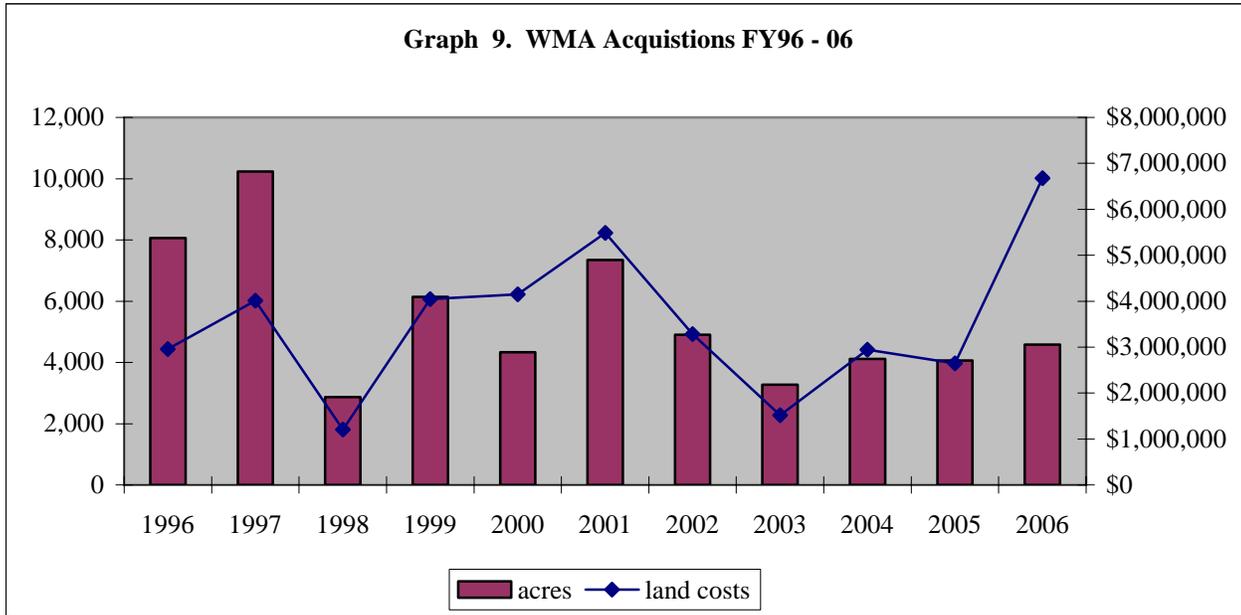
Land Acquisition

- WMA acquisitions of 4,584 acres in 43 tracts.
- \$14 million WMA acquisition and development bonding bill passed during the 2006 Legislative session of which \$12million will be used for acquisition and \$2 million for development of new acquisitions.

Long-term Trends:

- WMA acquisitions totaled 4,584 acres and \$10.3 million in FY06 of which approximately \$1.9 million was from the Game and Fish Fund. A total of 59,932 acres have been acquired since 1996 totaling \$38.9 million (see Graph 9). With the appropriation of \$10 million and \$12 million in bonding funds for WMA acquisitions during the respective 2005 and 2006 Legislative sessions, FAW has identified priority acquisitions and started the acquisition process on most of these parcels. High priority will be given to larger land acquisitions (>200 acres) that will complement wetland, shallow lake, and grassland complexes; key in-holdings or additions to existing WMA; and acquisitions that protect and improve shallow lakes, seasonally flooded wetlands, restorable wetland basins, and other key waterfowl habitat.

**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2006**



Operations

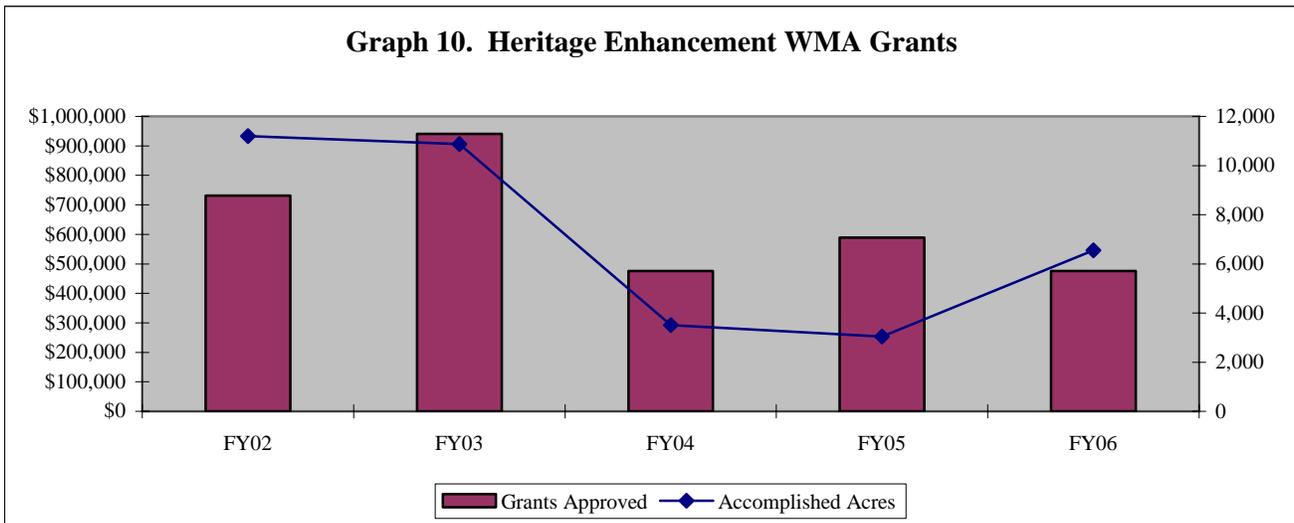
\$3.985 million

Efficient administration of wildlife management programs provides for support personnel, public education and information, and limited enforcement. Program expenditures in FY06 included administrative support, personnel supervision, training, committees, public information and education, hunter recruitment and retention, enforcement, coordination, ELS, and Federally declared disasters. Key activities include the following.

Land Enhancement

- Coordination and administration of Heritage Enhancement grants to outdoor groups assisting with habitat management on 36,716 acres in WMAs since the program inception in FY02.
- Acceleration of Roadsides for Wildlife Program to manage roadsides with local and state road authorities through a two-year appropriation.
- Inventory of Wildlife administered water control structures approximately 50% complete.
- 2006 bonding appropriation will fund water control structures/fish barriers construction projects on Wildlife Management and designated Wildlife Lakes.
- Two \$1 million North American Wetland Conservation Act grants were approved for Minnesota. Approval of two additional \$1 million grants is pending.
- The Heritage Enhancement Fund grants provide funding to local outdoors clubs for habitat improvement on WMAs. In FY06, the fifth year for this program, \$476,000 was awarded to clubs for projects to be completed by FY08 and \$740,839 was spent on 6,548 WMA acres (including grants starting in FY04 and FY05). To date, \$3.4 million has been granted to 28 groups and 36,716 WMA acres have been managed for improved wildlife habitat (see Graph 10).

**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2006**



Outreach

- Coordination of 4 special youth turkey hunts with 261 applicants, 81 participants, and 19 harvested turkeys.
- Coordination of 9 special youth deer hunts with 610 applicants, 388 participants, and 82 harvested deer.
- 2nd annual early youth deer season with 520 participants and 128 harvested deer.
- Becoming an Outdoor Woman (BOW) Program hosted 2 weekend workshops, 1 family day, and 30 Beyond BOW clinics that served 500 participants, and provided hunting skills, shooting skills, and outdoor recreation training.
- BOW marketing efforts at the State Fair, Women's Expo, Mom's Camp, and through Girl Scouts and Sportsmen's shows reached 3,020 women.
- The National Archery in Schools Program (NASP) expanded to 56 additional schools, over 200 teachers were trained as instructors, and 40,000 students participated. The Arrowsport Foundation and NWTF provided \$40,000 in support for the program.
- ELS analysis was conducted providing detailed information about hunter participation trends, and a draft Hunter Recruitment and Retention plan was drafted.
- The Southeast Asian Program coordinated two firearms safety classes in the metropolitan area serving over 200 participants, held two community workshops on general hunting regulations for new refugees, and provided updates on regulation changes on Asian radio. Conducted annual Roundtable to solicit input and discussion among stakeholder groups.

Research and Population Monitoring Program

\$1.850 million

The research, inventory and monitoring program includes coordination of data collection, analysis and reporting of 25 wildlife surveys, 20 applied research projects, 7 population models (big game and registered furbearers), Mississippi Flyway waterfowl regulation efforts, Canada goose management, and expenses associated with literature reviews and publication costs.

Waterfowl and Wetlands

- Pilot ring-necked duck breeding population survey was continued for the third year in the primary breeding range. Population was estimated to be about 11,300 and 15,600 pairs in 2005 and 2006, respectively. Knowledge from each year of the survey was used to improve stratification in the following year.
- 5,740 Canada geese were banded in summer 2006 during the 4th year of the 5-year accelerated goose-banding program.

Game and Fish Fund Report Wildlife Activities - Fiscal Year 2006

- Design was completed for a research project to determine post-fledging survival and refuge use by ring-necked ducks in north central Minnesota. The pilot field season will begin in late summer-fall 2006.
- Projects on seasonal wetlands in north central Minnesota have been conducted during the last 6 to 8 years and data analysis and writing are being completed. Results from this and other research are included in a Forest Resource Council Riparian Science Technical Committee summary document that reviews the science pertaining to affect of forest management practices on wetland communities.
- A collaborative study between Fisheries Research and Wildlife Research examined the relationship between wetland characteristics, fish populations, and landscape setting at 75 wetlands on two study sites in and near Grant and Polk counties. Data were collected in the summer of 2005 and 2006.

Forest Wildlife

- The northeastern moose research project is in the final year of a 5-year study. A total of 114 moose were radio-collared since beginning study. Results indicate that non-hunting mortality is high compared to elsewhere in North America. Improved survey methods indicate that population now as high as 7,000 moose, higher than previously thought.
- Fieldwork on research into the importance of conifer cover to deer has been completed. During the next 2 years the data will be analyzed and written up in a series of popular and scientific reports. The research has provided important information on the significance of winter weather to deer populations. Results have already been integrated into population models.
- New methods were developed to use Geographic Information Systems (GIS) to locate dancing grounds for surveys of Sharp-tailed Grouse. A similar approach was used to improve the Greater Prairie Chicken survey last year.
- Radio-collared black bear at 3 locations in Minnesota were used to monitor reproduction and survival. The results will be used for setting permit levels for upcoming hunting seasons.

Farmland Wildlife

- The Mille Lacs turkey northern winter survival project is completed. Two students have completed these and a publication (senior authored by Dale Kane) will be in a 2006 issue of the Journal of Wildlife Management.
- The northwestern turkey winter survival project is in its second and final year.
- Pheasant winter habitat project is in the 4th year of a five-year study; five consecutive mild winters have made it difficult to assess winter habitat requirements.
- Aerial surveys conducted in eight deer permit areas to scientifically recalibrate the farmland deer population model. Results will improve local deer management by comparing current deer population densities relative to newly established goal densities.
- Distance sampling surveys were conducted in eight deer permit areas to recalibrate the farmland deer population model and evaluate alternative deer management regulations. Results will improve management by comparing current versus goal densities and these deer densities will serve as ancillary estimates for the alternative deer management research project.
- Choice hunter survey was completed to assess hunter attitudes toward alternative deer management regulations. Results from this survey provide Minnesota's wildlife managers with a suite of innovative hunting regulations that have hunter support under deer management scenarios that are often proposed by the public or the Agency.
- Study area hunter survey was completed to learn about hunter experiences under alternative deer management regulations. Results of this study will provide wildlife managers with information about hunter behavior patterns under different deer hunting regulations.
- Biological data were collected from approximately 6,000 hunter-harvested deer to develop age structure profiles of deer populations in 35 deer permit areas in the transition region. Results from this study will provide minimum deer population estimates using population reconstruction models and will be used to compare deer population demographics in areas with alternative hunting regulations versus populations with traditional regulations.

Game and Fish Fund Report Wildlife Activities - Fiscal Year 2006

- Examining the relationship between deer populations and forest ecosystems at Itasca State Park. Results will aid in developing a protocol to quantify forest damage caused by high densities of deer.

Human Dimensions

- Hunter surveys conducted for turkey and deer hunters.
- Waterfowl hunters were surveyed following the 2005 hunting season to determine activities and opinions. In addition, subsets of hunters were surveyed to increase our understanding of waterfowl hunter recruitment and retention. Surveys were completed by Minnesota Cooperative Fish and Wildlife Research Unit, University of Minnesota.

Habitat Assessment Program

\$988 thousand

Resource assessment includes efforts to inventory, assess and map aquatic and terrestrial wildlife habitat and to create and maintain digital databases for information management. Expenditures included: management and geographic information support, wildlife resource assessment and wildlife lake assessments.

- Geographic Information System (GIS) based planning supports WMA management and provides information to users through the DNR website.
 - Summaries of WMA facilities designed for disabled access with information available on the DNR website are in the process of development.
 - Efforts continue to build a statewide acquisition/administration layer.
 - Statewide summary reports are developed for budgeting and reporting purposes.
 - Work continues on WMA guidance documents, which will be linked to GIS data.
- GIS support for Research and Population Monitoring and Population Management Programs.
- Accelerated shallow lake and wild rice management
 - Wildlife lake assessments were completed on 504 basins encompassing 209,369 acres.
 - More than 34,000 acres of wild rice in 106 basins were managed in 2006.
 - Data from Shallow Lake Surveys from 2002-2005 was categorized by ECS Province to characterize general condition of shallow lakes across the state. In general, the patterns are reflective of the landscapes. Those lakes in the forest have clear water and abundant plants. Condition of the lakes in the transition zone is more variable as would be expected due to the disturbance in the landscape and more fertile soils. Finally, many of the shallow lakes in the prairie have poor water clarity and little aquatic vegetation. This part of the state is the most impacted in terms of wetland drainage and also has the most fertile soils so we would expect these shallow lakes to be in the poorest condition.
 - Formal designation of Curtis Lake, Yellow Medicine County, is pending following hearing held in FY 2006.
- Use landscape level approach to develop strategies for developing and managing large wetland/grassland complexes.
 - USFWS HAPET developed model for ranking quality of wetland/grassland complexes
 - Working Lands Initiative forms local teams in 11 focus areas to identify target wetland / grassland complexes for restoration through DNR Working Lands funding.

Game and Fish Fund Report Wildlife Activities - Fiscal Year 2006

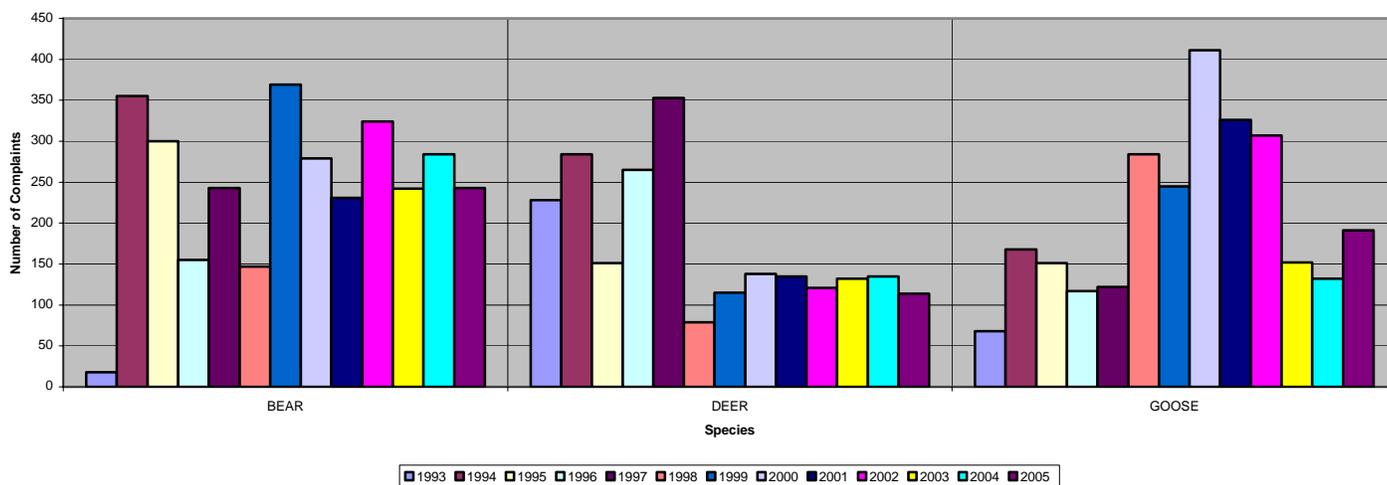
Technical Guidance Program

\$1.620 million

Although Minnesota's Wildlife Management Area system is one of the largest and best in the nation, most wildlife habitat exists on private land and public lands administered by agencies other than FAW. Providing technical guidance on effective wildlife population and habitat management principles and techniques to these other land administrators is essential for improvements to wildlife related resources throughout the state.

- Wildlife lake technical guidance: 5,845 hours
- Forest wildlife technical guidance: 14,066 hours
- Interagency technical guidance including urban management for wildlife values: 9,782 hours
- Private land technical guidance: 9,550 hours
- Nuisance animal technical guidance: 2,955 hours
- Participated in planning for six Subsection Forest Resource Management Plans.
- Wildlife managers recorded a total of 649 wildlife complaints in 2005, down 1% when compared to the 2004 total of 656 complaints. Three species, black bear, white-tailed deer, and Canada geese account for 548, (84.4%) of the complaints received (Graph 11). Five other species of special interest for wildlife damage; cougar, elk, moose, turkey, and sand hill crane, comprise an additional 33 (5.1 %) of the recorded complaints. Fourteen species are represented in 68 (10.5 %) of the complaints received.

Graph 11. Wildlife Complaints 1993-2005



Wetland Habitat Management Program

\$1.505 million

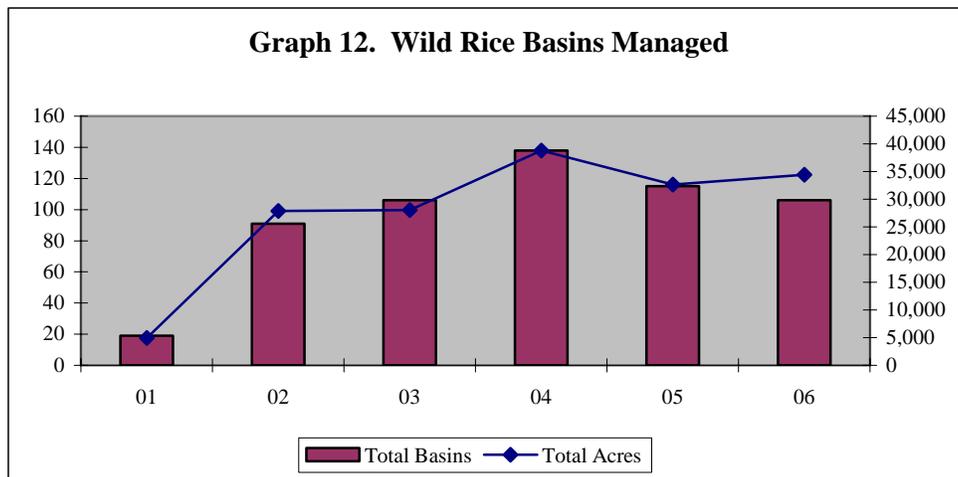
Management of wetland wildlife habitats involves the restoration of drained wetlands, maintenance of existing wetlands by replacing water control structures, managing water levels, maintaining dikes and structures, and the improvement of aquatic habitats by seeding desirable aquatic plants, installing fish barriers, and installing nesting structures. Participation in the North American Waterfowl Plan continues for the 31st year. Contributions are used for the management of extensive Canadian breeding waterfowl habitat.

**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2006**

Table 16: Wetland Habitat – Outcomes by Activity

Activity	FY06 Sites	FY06 Quantities
Wetlands Habitat Maintenance	530 wetlands	171,137 acres
Waterfowl Nesting Structures	385 wetlands	2,029 structures
Wetland Impoundment Development	0 wetlands	0 acres
Wetland Restoration	17 wetlands	256 acres
Wetland Water Control	33 wetlands	17,624 acres
Wetland Enhancement	49 wetlands	4,431 acres

FY06 marked the fifth year of implementation of the Minnesota Department of Natural Resources (DNR) and Ducks Unlimited (DU) Cooperative Wild Rice Enhancement Program. Since FY01 more than 166,000 acres have been managed in wild rice basins to enhance waterfowl production and migration habitat by managing for lower water levels favorable for wild rice production (see Graph 12).



Field versus Central Office Spending

In FY06, approximately 83% of Game and Fish Funds, or approximately \$19.7 million was spent for regional, area, field and research offices statewide. 17%, or approximately \$4.1 million, was spent from the St. Paul central office (see Table 17). 91.4% of Wildlife personnel are located in regional, area, field and research offices while 8.6% are located in the St. Paul office providing administrative and program support and budgetary oversight.

Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2006

Table 17. FY06 Comparison of Field and St. Paul Central Office Expenditures
Game and Fish Funds Only
(\$ in thousands)

	Field Total	% Field	Central Office Total	% Central Office	Total
Programs ¹	564	2.4	327	1.4	891
Operations ^{2, 3}	18,365	77.0	3,027	12.7	21,392
Research ⁴	777	3.3	0	0.0	777
FAW Business Management ⁵	0	0.0	753	3.2	753
Attorney General Costs ⁶	12	0.1	37	0.2	49
Total	\$19,718	82.6	\$4,143	17.4	\$23,862

Notes:

1. Farm Bill partnership included in Field costs.
2. Operations central office expenditures include salaries for Management, Programs, Research, and Operations staff.
3. Acquisition and development costs expended from central office are included in field totals.
4. Wildlife Health Management expenditures included in Field totals.
5. Salaries for entire Wildlife funded staff managed by central office Administrative Services Section.
6. Attorney general expenditures in field include acquisition and development related costs

5. Dedicated Accounts

In addition to the general wildlife management and support expenditures itemized above, expenditures from dedicated stamp and surcharge accounts resulted in more specialized outcomes related to the funding source. Additional expenditure detail is provided on each account in the Dedicated Accounts Reports Section beginning on page 52. Activity expenditures for Heritage Enhancement accounts are shown in Table 18 below.

Table 18. FY06 Wildlife Heritage Enhancement Expenditures
(\$ in thousands)

Activity	Amount
Administrative	1.6
Division Support	31.6
WMA Facility Development	5.6
WMA Facility Improvement and Management	62.9
Farmland Habitat Program	591.6
Forest Habitat Program	251.5
Wetland Habitat Program	237.5
Habitat Assessment	42.5
Land Acquisitions	2.0
Operations (related to Private Lands, Hunter Recruitment/Retention and Grants Program efforts)	311.6
Heritage Grant Administration	47.4
Planning and Coordination	153.0
Population Management	21.5
North American Waterfowl Plan	35.0
Private Land Habitat Program	126.8
Research & Population Monitoring	182.2
Technical Guidance	191.3
Total	\$2,295.9

Game and Fish Fund Report
License Center Activities - Fiscal Year 2006

LICENSE CENTER: Game and Fish Fund Expenditures	(\$ in thousands)
Game and Fish Fund Operations (230)	3,637
Dedicated Accounts (231)	6
Total Expenditures	\$3,643

The License Center handles the distribution of the numerous licenses, stamps and permits required by hunters, anglers and commercial game and fish interests. About 1,750 sales agents sell licenses, stamps and permits using ELS. In FY06, sales agents handled approximately 99% of all sales and validation transactions. The remaining 1%, including sales of commercial and lifetime licenses, were sold at the License Center in the DNR's St. Paul central office.

License Center operating expenses of \$1.105 million made up of personnel, supply and expense items, were paid from the Game and Fish Fund. The specific activities in the License Center that support the licensing of hunters, anglers and commercial interests include:

- **Printing:** The License Center prints angling and commercial game and fish licenses, permits, stamps, lottery applications and winning lottery notifications.
- **Distribution:** The License Center packaged and shipped over 2,000,000 copies of hunting and angling regulations, 225,000 lottery application worksheets/winner notices, and 233,000 pictorial stamps to sales agents and individual licensees.
- **Lotteries:** The License Center awards hunting permits through a lottery process where the demand for permits exceeds the allowable harvest.
- **Special hunts:** Wildlife management determines the need for special hunts. A special hunt may extend a particular season, add a new harvest season or increase the harvest of a species in a geographic location. The License Center publicizes special hunts as they are announced and coordinates the sale of permits.
- **Information line:** Sales agents and the License Center provide a phone number for hunters, anglers and commercial licensees to call with questions and requests for information. In FY06, this telephone help desk received over 40,000 calls from its sales agents, individuals and commercial interests.

All lifetime licenses must be purchased through the License Center in St. Paul. In FY06, the License Center issued 1,820 new lifetime licenses. Hunters and anglers, who had purchased a lifetime license prior to FY06, are required to validate the annual use of their lifetime license. The validation is a non-cash transaction done through a sales agent or the License Center in St. Paul.

ELS has been operational for more than six years. A third-party vendor handles the day-to-day operation of the electronic system, with additional operational support provided by the License Center. Monthly payments to the vendor cover the costs of the sales terminals use, paper used to print licenses and permits, a 24-hour technical support phone line, and use of the vendor's host computer. More than 3.5 million licenses, permit and stamp sales and license validation transactions were processed through ELS, generating more than \$57 million in revenue for the year. In FY06 the License Center spent \$2.532 million to operate ELS through its statutory appropriation under 97A.485, subd 7.

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2006**

ECOLOGICAL SERVICES: Game and Fish Fund Expenditures	(\$ in thousands)
Game and Fish Fund Operations (230)	1,792
Heritage Enhancement Account (239)	1,225
Total Expenditures	\$3,017

The Division of Ecological Services exists to protect, maintain, and enhance the health and integrity of Minnesota's aquatic and terrestrial ecosystems. The Division has four key resource areas, which include 20 programs:

- Lakes and Rivers
 - Aquatic Plants
 - Nongame Fish
 - Lake Assessments (aeration and water quality)
 - Aquatic Invertebrates
 - Stream Habitat Protection
 - Mississippi River Management
 - Lake Habitat Protection
- Ecosystem Health
 - Fish Contaminants
 - Pathology Lab
 - Natural Resource Damages
 - Invasive Species
- Integrated Conservation Information
 - Education and Information Delivery
 - Environmental Review and Wetlands
 - Planning and Coordination
 - Information Systems
- Nongame and Rare Resources
 - Natural Heritage
 - Nongame Wildlife
 - Scientific and Natural Areas
 - Native Prairie Stewardship
 - County Biological Survey

The five core functions of the Division of Ecological Services are:

- Collect ecological data
- Manage ecological data
- Deliver technical assistance to decision makers and educators
- Protect and restore native plant and wildlife communities
- Regulate activities that impact native plant and wildlife communities

Expenditure Analysis

In FY06, the Game and Fish Fund provided a total of \$3.017 million or approximately 17% of the Division's expended non-bond funding. Other significant revenue sources included the General Fund, Natural Resources Fund, Environmental Trust Fund, and Federal funds. Within the Game and Fish Fund there are two major funding sources that supported natural resource work in Ecological Services in FY06:

Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2006

1. Game and Fish Operating Funds

Dollars support traditional game and fish activities in three of the Division’s resource areas (lakes and rivers; ecosystem health; and integrated conservation information) and a portion of the Division’s operations support. A total of \$1.792 million was spent in FY06. The total appropriation to the Division has remained relatively constant the past several years.

2. Heritage Enhancement Funds

The Heritage Enhancement funds were directed at all of the Division’s major resource areas. A total of \$1.225 million was spent in FY06.

In FY06, the Game and Fish operating funds were directed at 11 programs including aquatic plants, lake assessments, aquatic invertebrates, stream habitat protection, Mississippi River management, lake habitat protection, pathology lab, natural resource damage assessments, environmental review and wetlands, planning and coordination, and information systems. The Heritage Enhancement funds were directed at 11 programs including natural heritage, nongame wildlife, native prairie stewardship, county biological survey, aquatic plants, stream habitat protection, invasive species, education and information delivery, environmental review and wetlands, planning and coordination, and information systems. Table 36 on page 63 presents a six-year summary of program expenditures in the Game and Fish and Heritage Enhancement funds.

FY06 expenditures are summarized by the Division’s four resource areas and for Division support (Table 19). Division support includes headquarters operations, administration, training, and equipment expenditures that are not directly associated with one of the 20 programs. The reported expenditures are only from the Game and Fish Fund and Heritage Enhancement Account.

Table 19. FY06 Game and Fish Fund and Heritage Enhancement Expenditures
Division of Ecological Services
(\$ in thousands)

Resource Area	Game & Fish	Heritage Enhancement	Total
Lakes & Rivers	831	73	904
Ecosystem Health	352	99	451
Integrated Conservation Information	411	247	658
Nongame & Rare Resources	0	795	795
Division Support	198	11	209
Total	\$1,792	\$1,225	\$3,017

* Departmental Operations Support (\$111 thousand) spread across activities.

Outcome Goals

The Ecological Services Subcommittee of the Citizens’ Budget Oversight Committee has identified four “outcome goals” all of which fall into the “Lakes and Rivers” resource area:

- Insure ecologically sustainable river and stream resources that provide healthy fish and aquatic invertebrate populations and recreational opportunities.
- No net loss of emergent or floating leaf vegetation on any lake.
- Double the percentage of lakeshore owners seeking permits in relation to the volume of aquatic herbicides sold.
- Insure that lake improvement and management efforts are guided by the most accurate and up-to-date information.

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2006**

Many of the outcomes listed under Lakes and Rivers in the next section (“Description of Annual Outcomes”) support the outcome goals to insure ecologically sustainable river and stream resources and that lake improvement and management efforts are guided by the most accurate and up-to-date information.

The DNR does not currently have aquatic plant data that would allow the goal of no net loss of emergent or floating leaf vegetation to be evaluated. Current efforts are focused on developing effective aquatic plant assessment tools including aerial coverage, however, there are no efforts currently underway that would allow the DNR to assess no net loss of emergent and floating-leaf vegetation.

With regard to the goal to double the percentage of lakeshore owners seeking permits in relation to the volume of aquatic herbicides sold, the DNR has mixed data on how big a problem this really is. A survey done in 1986-87 indicated that the amount of aquatic herbicide applied to Minnesota’s lakes was substantially greater than the amount approved through permits. But a recent survey of lakeshore residents by the University of Minnesota, *A Study of Landowner Perceptions and Opinions of Aquatic Plant Management in Minnesota Lakes* (M. Payton & D. Fulton 2004), suggests that the number of lakeshore residents who use herbicides is not substantially greater than the number of permits issued. Education continues to be a major focus in reaching lakeshore owners about aquatic plant management regulations.

Description of Annual Outcomes

The following summarizes the principal activities, expenditures, and outcomes for each of the four resource areas and Division support.

1. Lakes and Rivers

Activities:

- Regulate control of and monitor aquatic plants.
- Provide oversight for the regulation of lake aeration.
- Assess aquatic invertebrate populations to support fisheries management and research needs.
- Protect and restore Minnesota’s streams and rivers.
- Conduct monitoring and management programs for the Mississippi River and coordinate with other states on Mississippi River management.
- Protect and restore Minnesota’s lakes.

Table 20. Lakes and Rivers FY06 Expenditures
(\$ in thousands)

Program Activity	Game & Fish	Heritage	Total
Aquatic Plants	83	25	108
Lake Assessments (aeration)	25	0	25
Aquatic Invertebrates	31	0	31
Stream Habitat Protection	581	48	629
Mississippi River Mgmt	94	0	94
Lake Habitat Protection	16	0	17
Total	\$831	\$73	\$904

Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2006

Outcomes:

A. Aquatic Plants

- Provided aquatic plant management technical assistance to the public.
- Provided aquatic plant identification and survey methodology technical assistance to DNR Fish and Wildlife staff, private consultants, the Wisconsin DNR, and the public.
- Conducted GIS-based, quantitative vegetation surveys on 14 lakes (approx. 26,000 acres) throughout the state; data will be used to describe aquatic plant community types, assess change in these communities over time, and identify priority habitat areas for protection.
- Compiled and analyzed data from a four-year (2002-2005) vegetation survey of Leech Lake. The survey was a coordinated effort between DNR Ecological Services, DNR Fisheries and Leech Lake Reservation. Presented summary of work at the 2006 Minnesota Conference on Natural Resources, the Leech Lake Association Annual Meeting, Cass County Intra-Lake Planning Committee, and Cass County Board. Final report is in progress.
- Tested protocols to identify and map sensitive fish and wildlife shoreline habitat on several Cass County lakes (Ten Mile, Woman, and Birch) – total shoreline length approximately 60 miles.

B. Lake Aeration

- Issued 290 aeration permits; a total of nearly 147,500 surface water acres were aerated.
- Increased coordination on aeration inspections with the Division of Fish and Wildlife and Enforcement.
- Distributed the aeration safety DVD to permittees to promote workshop compliance.
- Completed the annual report for the 2004-2005 season.

C. Aquatic Invertebrates

- Analyzed samples and provided data on aquatic invertebrates for three area fisheries offices.
- Analyzed zooplankton samples for four fisheries management projects.
- Analyzed zooplankton samples for cooperative long-term resource monitoring program on Lake Pepin.
- Reviewed and issued permits for mosquito and black fly control operations in metropolitan and out-state areas to insure that fish and wildlife resources were adequately protected.
- Provided technical review of educational materials for MinnAqua program.

D. Stream Habitat Protection

- Provided technical design assistance for ten dam removal/conversion projects, six channel restoration projects, thirteen fish passage projects, and six barriers.
- Began monitoring the Straight River physical and biological response to a restoration project.
- Continued data collection for modeling on the Little Fork River at Deadman's Rapids to establish habitat-flow relationships for a sturgeon spawning area.
- Continued monitoring stream physical characteristics on the Kettle, Whitewater, Vermillion, and Root rivers.
- Provided technical assistance and recommendations to address the potential impacts of three mining proposals (PolyMet, Mittal, and Minnesota Steel) on river systems.
- Continued project to establish a GIS-based watershed assessment tool to provide resource managers with information on the health of Minnesota watersheds. Assessment tools were developed for the Vermillion River, Poplar River, and Gorman Creek watersheds.
- Reviewed hydropower license or re-license applications for five facilities; provided major assistance in developing annual operation plans and guidelines for Winton and St. Louis River hydropower projects.

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2006**

- Published Special Publication 162, "Habitat Suitability Criteria for Stream Fishes and Mussels of Minnesota" with the Section of Fisheries, summarizing over 15 years of river sampling across Minnesota.
 - Began sampling four reaches (11 sites) on the Yellow Medicine River as part of a fish species dispersal/distribution study.
- E. Mississippi River Management
- Participated in river restoration planning to improve fish and wildlife enhancement.
 - Continued to participate in the evaluation of the effects of the Pool 5 draw down to reestablish emergent marsh plants for fish and wildlife enhancement.
 - Reviewed, analyzed impacts and developed comments and recommendations for reduction of environmental impacts associated with the Lock & Dam 3 safety and embankment project draft environmental impact statement.
 - Assisted coordination of a USGS and St. Cloud State University study of endocrine disruption in Mississippi River fish collected from Bemidji to LaCrosse.
 - Conducted a second year of fish tissue and blood sampling for MPCA analysis of perflouorocarbon pollution of Mississippi River Pool 2.
 - Participated in an interagency assessment of data acquisition needs for Pigs Eye Lake as related to potential impacts from an historical dumpsite.
- F. Lake Habitat Protection
- Provided funds for cormorant control on Leech Lake

2. Ecosystem Health

Activities:

- Assess and improve health of fish in DNR hatcheries and rearing ponds, provide fish health monitoring services to private aquaculture facilities, and assess health of wild populations of fish and wildlife.
- Assess damage to fish or wildlife associated with spill or kill events.
- Conduct surveys and research on terrestrial invasive species and develop plans to manage invasive species on DNR lands.

Table 21. Ecosystem Health FY06 Expenditures
(\$ in thousands)

Program Activity	Game & Fish	Heritage	Total
Pathology Lab	302	0	302
Natural Resource Damages	50	0	50
Invasive Species	0	99	99
Total	\$352	\$99	\$451

Outcomes:

Pathology Lab

- Conducted diagnostic inspections at 11 DNR and 15 private hatcheries; nearly 10,000 samples were tested for viral, bacterial, and parasitic pathogens.
- Assessed health of 13 wild fish populations from specific locations to support DNR fish culture operations including northern pike from six different lakes, muskellunge from two lakes, steelhead from two rivers, lake trout from two lakes, and channel catfish from two lake chains

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2006**

- Monitored four fish species from the St. Louis River Estuary and Lake Superior for VHS, a virus found in many fish species.
- Continued screening of lake sturgeon for viral diseases.
- Tested 17 walleye rearing ponds for Heterosporis, a fish parasite that has been found in yellow perch in some Minnesota lakes.
- Screened nine lakes for LMBV, a virus that could potentially affect largemouth bass populations.
- Monitored and reported to FDA on new therapeutics being used in Minnesota for fish culture operations to ensure that state fish hatcheries have minimum losses due to infectious diseases.
- Coordinated vaccination of brood stock populations in five state fish hatcheries.

Natural Resource Damages

- Responded to 248 reports of spills and fish/wildlife kill incidents, including 74 reports of petroleum releases, 29 waste water treatment or septic releases, 11 reports of manure spills, and 134 reports of spills/kills involving various products and diseases.
- Participated in natural resource damage assessments at five sites.

Terrestrial Invasive Species

- Coordinated efforts to improve management of terrestrial invasive plants on state-managed lands.
- Implemented a grant program and awarded \$250,000 (21 projects; includes Heritage and State Wildlife Grant dollars) to field managers to carry out inventories and management of terrestrial invasive plants on DNR managed lands.
- Mapped more than 2,800 locations of invasive plant species in 19 state parks, 14 wildlife management areas, two state forests, and one state trail.
- Initiated the development of a plan for preventing the movement of invasive plants during DNR activities.
- Supported research to develop biological control for garlic mustard.
- Supported research to improve control of Canada thistle.

3. Integrated Conservation Information

Activities:

- Provide public information and educational outreach.
- Review and comment on environmental documents including Environmental Assessment Worksheets (EAWs), environmental impact statements, and permits, and coordinate DNR involvement on development projects to reduce or mitigate for environmental impacts.
- Assess the quantity and quality of wetlands
- Conduct fish and wildlife planning.
- Maintain a comprehensive information system for ecological data.

Table 22. Integrated Conservation Information FY06 Expenditures
(\$ in thousands)

Program Activity	Game & Fish	Heritage	Total
Education & Information Delivery	0	7	7
Environmental Review & Wetlands	345	140	485
Planning & Coordination	21	1	22
Information Systems	45	99	144
Total	\$411	\$247	\$658

Game and Fish Fund Report Ecological Services Activities - Fiscal Year 2006

Outcomes:

- A. Education & Information Delivery
 - Conducted 18 Project WILD/Aquatic WILD teacher workshops, which included topics on population ecology and wildlife management.
 - Worked on developing a “rare species guide” for the DNR web site.

- B. Environmental Review & Wetlands (outcomes were also supported with dollars from the General Fund, Water Recreation Account, and Off-Highway Vehicle Account)
 - Started statewide wetland monitoring project to evaluate how well the goal of no-net-loss is being met.
 - Reviewed 1,468 documents connected with 954 public and private development projects, including 176 residential developments, 203 transportation projects, 73 recreation and entertainment projects, 80 commercial or industrial developments, 53 utility or transmission lines (including 13 wind power projects) and 140 communications towers.
 - Provided comments on environmental assessment worksheets and national pollutant discharge elimination system permits regarding phosphorus and other pollutant load reduction strategies for 38 municipal wastewater treatment facilities and other major dischargers.
 - Completed Environmental Assessment Worksheets (EAW) for the Mill Creek and Mill Stream restoration projects; worked on EAW preparation for the Wisel Creek, Valley Creek and Dark River stream restoration and Pelican Lake, Lake Christina and Upper Pelican River wildlife habitat projects.
 - Worked on EAW and EIS preparation for private development projects including Wilton Gravel and Premier Peat.
 - Contributed to EAW preparation and determination of groundwater, fish and wildlife habitat and water quality effects of approximately 10 ethanol projects.
 - Helped develop new rules for environmental review thresholds for lakeshore development and projects near highly important natural resources such as wildlife management areas.

- C. Planning and Coordination
 - Organized, facilitated, and conducted the Fisheries, Wildlife, and Ecological Roundtable stakeholder meetings.
 - Participated in design and facilitation of the deer population goal setting meetings in northeast Minnesota.
 - Participated in developing the Working Lands Initiative focused on enhanced wetland-grassland management to benefit wildlife within working agricultural landscapes.
 - Provided support for the new trout habitat improvement guidelines for southeastern Minnesota.
 - Facilitated discussions on the new stream survey manual for fisheries managers.
 - Helped design and facilitate meetings of the wetlands and aquaculture technical advisory group.
 - Helped finalize Minnesota’s state wildlife action plan (Tomorrow’s Habitat) and began promoting its use as a tool to protect and enhance fish and wildlife habitat in Minnesota.

- D. Information Systems
 - Made progress on developing a “data mart,” so that data produced by the Division can be accessed in a common format by a wide array of users.
 - Provided data administration and system support for the Natural Heritage Information System, including Biotics, colonial water birds, plant community, stream habitat and scientific and natural area databases
 - Administered database for Rare Species Guide application, including transferring data from Biotics system.
 - Assisted with installation and management of new database server for the aquatic plant management program.
 - Managed and upgraded a system of biweekly back-ups of computers for the Division.

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2006**

- Provided support to staff on information system issues and problems including archiving of electronic data, migration of data to new servers, network connections, hardware purchases, generating reports, database design, peripheral functioning, and trouble shooting.
- Updated data on Division web page, including information related to Ecological Classification System publications, *Tomorrow's Habitat for the Wild and Rare*, and environmental review.

4. Nongame & Rare Resources

Activities

- Provide natural heritage information for rare species.
- Conduct nongame wildlife field projects.
- Provide assistance to private landowners to manage native prairie.
- Collect data on rare plants, animals, and natural communities in each of Minnesota's counties.

Table 23. Nongame and Rare Resources FY06 Expenditures
(\$ in thousands)

Program Activity	Game & Fish	Heritage	Total
Natural Heritage Program	0	2	2
Nongame Wildlife	0	146	146
Native Prairie Stewardship	0	94	94
Minnesota County Biological Survey	0	553	553
Total	\$0	\$795	\$795

Outcomes:

A. Natural Heritage

- Generated reports from the Colonial Waterbirds database in response to requests and helped troubleshoot the installation of upgraded SAS software currently used to manage the data.

B. Nongame Wildlife (outcomes were also supported with other funding sources)

- Conducted nongame research and surveys for various species or groups of species including trumpeter swans, loons, common terns, piping plovers, owls, Canada lynx, timber rattlesnakes, frogs, bald eagles, piping plovers, colonial waterbirds, Blanding's turtles, wood turtles, northern goshawks, common terns, and Topeka shiners.
- Conducted habitat management for Topeka shiners, timber rattlesnakes, prairie songbirds, and Karner blue butterflies.

C. Native Prairie Stewardship (outcomes were also supported with other funding sources)

- Prepared 16 prairie stewardship plans for private landowners.
- Implemented prairie enhancement projects with 33 landowners.
- Completed 66 prairie management projects on private lands including: woody encroachment removal 53 acres, 13 sites; invasive species control 555 acres, 9 projects; prairie restorations, reconstructions,
- Inter-seedings 37 acres, 6 sites; burn break establishment 4.4 miles, 11 sites; and prescribed burns 812 acres, 19 sites.
- Organized and participated in nine prairie workshops and field tours promoting prairie protection and management to landowners and agency staff.

Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2006

D. County Biological Survey

- Field surveys for rare animals were completed in Hubbard, Becker, Wadena, and southern Clearwater counties. Field surveys for native plant communities and potential natural areas were completed in Becker and southern Clearwater County and continue in Hubbard and Wadena counties.
- Began field surveys in eight southwestern counties including Cottonwood, Jackson, Murray, Nobles, Rock, Pipestone, Lincoln and Lyon counties.
- Resumed field surveys in Itasca County and completed surveys in the Toimi Uplands and Laurentian Uplands ecological subsections.
- Added 506 locations of rare features to the statewide database and added over 10,000 polygons of native plant communities or complexes to the dataset that resides on DNR's "Data Deli."
- Participated in statewide OHV planning, state forest planning, forest certification, Important Bird Areas, the *Comprehensive Wildlife Conservation Strategy*, and the Forest Legacy Program in Itasca County.
- Collaborated in the data collection, analysis, writing, delivery and training related to a three volume DNR series of field guides to the native plant communities of Minnesota. The last two volumes were published during this period: *A Field Guide to the Native Plant Communities of Minnesota: The Eastern Broadleaf Forest Province* and *A Field Guide to the Native Plant Communities of Minnesota: The Prairie Parkland and Tallgrass Aspen Parklands*.

5. Division Support

Activities

- Provide for administration and facility support for the Division.
- Fund equipment for division programs.

Outcomes:

A. Headquarters Operations/Administration

- Includes administrative support, management, and supervision, Ecological Services' share of the expenses for the Fish and Wildlife and Ecological Services administrative unit, office rent, utilities, workers compensation, office supplies, Attorney General's Office fees, and pro-rated costs for four regional liaisons.

B. Equipment

- Includes fleet charges for Division vehicles and other equipment.

Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2006

Table 24. Summary of Ecological Services' Game and Fish & Heritage Enhancement Expenditures From FY 2001 to 2006 (\$ in thousands)

Program Area	FY06	FY05	FY04	FY03	FY02	FY01
1. Lakes & Rivers						
• Lake Mapping				52	62	58
• Aquatic Plants	108	298	222	266	265	283
• Lake Assessments (aeration & water quality)	25	29	33	21	20	33
• Aquatic Invertebrates	31	51	31	20	18	24
• Stream Habitat Protection & Miss. River Mgmt	723	723	427	306	312	821
• Lake Habitat Protection	17	39				
2. Ecosystem Health						
• Fish Contaminants		6				
• Pathology Laboratory	302	338	283	288	253	273
• Natural Resource Damages	50	45	47	45	45	43
• Terrestrial Invasive Species	99	138	57			
3. Integrated Conservation Information						
• Education & Information Delivery	7	147	40	380	6	
• Environmental Review & Wetlands	485	316	133	87	76	91
• Planning & Coordination	22	114	82	141	135	138
• Information Systems ¹	144	148	77	143	165	228
4. Nongame & Rare Resources						
• Natural Heritage	2	45				
• Nongame Wildlife	146	208	128	451	190	294
• Native Prairie Stewardship	94	126	55	76	69	
• County Biological Survey	553	651	429	796	478	
5. Division Support ²						
• Administration, headquarters operations, equipment	209	261	269	203	204	276
6. Attorney Fees ³					133	130
7. Wildlife Conservation & Restoration ⁴				750	220	
Total	\$3,017	\$3,683	\$2,313	\$4,025	\$2,651	\$2,692

¹ Prior to FY04, "Information Systems" was titled "Information Systems & Communications" and included other items such as administrative support services that have since been included in "Division Support."

² Division support costs are not strictly comparable across years; in FY01 the former Section of Ecological Services became a full division

³ In FY01 and FY02 the Attorney General Office fees for all of Wildlife, Fisheries, and Ecological Services were assigned to the Division of Ecological Services' Game and Fish Fund account; in FY03 the budget and expenditures were realigned to reflect Ecological Services' proportional amount. Attorney General Office fees are combined with administration costs in FY03 - FY06.

⁴ Of the \$750 thousand reported here for the FY03 Wildlife Conservation and Restoration (WCR) expenditures, Fisheries spent a total of \$100 thousand, \$57 thousand was spent by Wildlife, and Ecological Services spent \$593 thousand. For ease of reporting on the entire WCR program, all expenses were summarized under Ecological Services' account.

**Game and Fish Fund Report
Enforcement - Fiscal Year 2006**

ENFORCEMENT: Game and Fish Fund Expenditures	\$ in thousands
Game and Fish Fund Operations (230)	16,799
Heritage Enhancement Account (239)	1,122
Total Expenditures	\$17,921

The Division of Enforcement is responsible for ensuring public safety and compliance with state game and fish, recreational vehicle and natural resource commercial operation laws in order to protect Minnesota's natural resources.

Major responsibilities include law enforcement, public safety and education in:

- Hunting and fishing seasons, methods of taking animals and fish, bag and possession limits;
- Public safety, especially where it concerns alcohol use while hunting or operating recreational vehicles and watercraft;
- Commercial use and possession of natural resources and products;
- The protection of the state's land, air and water;
- Youth and adult safety training and hunter education classes.

Enforcement expenditures totaled more than \$27.473 million in FY06. Of this total, Game & Fish Funds accounted for \$16.799 million, or 61% of total FY06 expenditures. Division goals relating to game and fish enforcement have been met or exceeded in all priority work areas. Maintaining an increased effort on fishing enforcement, specifically on experimental and special regulation waters was an especially high priority. The Enforcement Game and Fish Fund costs displayed below have been estimated based on the distribution of hours attributable to each function.

Table 25. FY06 Game and Fish Fund Expenditures
Division of Enforcement
(\$ in thousands)

Program Activity	Game & Fish	Heritage	Total
Division Support	473	0	473
Fishing Regulation	8,000	617	8,617
Hunting Regulation	6,530	505	7,035
Safety Training	816	0	816
Commercial Activities / Special Investigations	980	0	980
Total	\$16,799	\$1,122	\$17,921

* Departmental Operations Support (\$628 thousand) spread across activities.

Game and Fish Fund Report Enforcement - Fiscal Year 2006

Expenditure Analysis:

Included in the total time expended on fishing and hunting related activities, safety training activities and commercial regulation and special investigations is a pro-rated portion of costs associated with radio dispatching services, fleet vehicles, equipment maintenance, officer training and regional administrative, supervisory, support staff and operational expenses, technology, leave and indirect costs.

Division Support

The Division of Enforcement spent \$473 thousand on division support, which includes unemployment and workers compensation, five support staff and one supervisor.

Fishing Regulation (non-commercial)

The Division of Enforcement spent \$8.000 million on angler license checks, enforcement of regulations including experimental and special regulation waters, shelter house regulation, regulation of gill netting, protection of spawning fish populations, and public information/education service. Maintaining increased levels of fishing enforcement, including special efforts on Red Lake and the Rainy River, was a priority this past year.

Hunting Regulation

The Division of Enforcement spent \$6,530 million in support of this activity includes hunting license checks, enforcement of regulations relating to big game, small game, migratory waterfowl, taking wild animals with the use of a light, public information and education services, and assistance to wildlife with survey and census of animal populations. Recent priorities have included the Waterfowl Task Force and Chronic Wasting Disease in elk and deer populations. Maintaining increased levels of waterfowl enforcement was a priority this year, and the division was very effective as Minnesota led the member states of the Mississippi Flyway in enforcement activity.

Safety Training

The Division of Enforcement spent \$816 thousand in support of Youth Firearm Safety Program and Advanced Hunter Education Program. These programs certified 26,098 Minnesota youth and adults in programs that taught safe firearm handling, basic law information, game identification, hunter ethics, and hunter/landowner relations. Other education programs this year include Bowhunter Education, and Bear and Turkey clinics and involved 1,916 students.

Commercial Activities/Special Investigations

The Division of Enforcement spent \$980 thousand in support of commercial regulatory activities and special investigations. Special investigations are geared toward the identification and apprehension of individuals involved in large-scale poaching activities or commercializing fish and game for their own profit and benefit. Other activities include the regulation of the fur industry, commercial fishing, illegal taking and transportation of big game across state lines, minnow harvest, shooting preserves, ginseng harvest, game farms and illegal sale of protected species. The Lake Superior Marine Unit is focusing on commercial fishing regulations as well as sport fishing efforts.

Dedicated Accounts - Heritage Enhancement

The Division of Enforcement spent \$1.122 million from the Heritage Enhancement Account on:

- (1) Equipment - Unserviceable equipment was replaced for Conservation Officers use in the performance of their duties in game and fish enforcement work. These items include boats, motors, trailers, binoculars, cameras, spotting scopes, canoes, safety equipment, and other miscellaneous items.
- (2) Fuel Costs - The division maintained mileage allotments for Conservation Officers. Officers were provided with adequate fleet funding to maintain effective patrol.
- (3) Vacant Field Stations - The division is in the process of hiring up to eighteen additional officers and plans on holding an academy in February 2007. This will bring the Division to full complement.

**Game and Fish Fund Report
Enforcement - Fiscal Year 2006**

Table 26. Historical Enforcement Game and Fish Fund Expenditures
(\$ in thousands)

	FY06	FY05	FY04
Division Support	473	433	552
Fishing Regulation	8,617	8,330	7,278
Hunting Regulation	7,035	6,802	5,708
Safety Training	816	753	1,085
Commercial Activities/Special Investigations	980	904	200
Total	\$17,921	\$17,221	\$14,823

Enforcement Outcomes by Activity:

Activity	Outcomes
Licensed Game Farm Operators	583
Firearm Safety / Advance Education Program Graduates	26,098
Bowhunter Education, Bear & Turkey Clinics	1,916
Game & Fish Law Violations Written	11,813
Game & Fish Law Warnings Written	16,330

**Game and Fish Fund Report
Trails & Waterways - Fiscal Year 2006**

Trails and Waterways – Water Recreation Program	\$ in thousands
Game and Fish Fund Operations (230)	\$1,312
Total Expenditures	\$1,312

The purpose of the Water Recreation Program is to provide the public with water-based recreational boating and fishing opportunities and services. These activities provide the public with access (M.S. 97A.141) to lakes, streams, river corridors and designated canoe and boating routes (M.S. 85.32) for boaters, anglers, paddlers and other users. Safe harbors (M.S. 86A20-24) on Lake Superior provide trailerable boat access and boat slips for larger boats in a protected harbor.

In fiscal year 2006, the Game and Fish Fund provided \$1.3 million or 19% of the total funds expended in the water recreation program. Federal funds for the Federal Sport Fish Restoration Program are provided by boaters through the federal gas tax based on boater usage, an excise tax on boating equipment, fishing tackle, and other related funding sources. The federal law requires that at least 15% of the funds apportioned to the state each year be spent for acquisition, development, and renovation or improvement of motorboat access for recreational boating purposes. Authorization for the acquisition, development and maintenance of water access sites is provided for in M.S. 97A.141. State law requires that federal reimbursement for boat access projects be deposited to the Game and Fish Fund.

The Water Recreation Program utilizes Game and Fish Funds to accelerate efforts to improve the quantity and quality of boating access throughout the state. These funds are used primarily for the purchase of land for new access sites or the expansion of existing sites, construction of new access sites, rehabilitation of existing sites and for purchasing site amenities.

Additional expenses from this fund include site amenities and professional services. Site amenities are boat ramp planks, boat docks, access maps and signs. Professional services include contract expenses for archaeological work relating to the acquisition and development of public water access projects. Other professional services are for land acquisition and site development expenses paid to the Lands & Minerals Division and the Management Resources Bureau.

For the first time in FY06, Game and Fish funds were used for the maintenance and operation of fishing piers (previously paid from the Water Recreation account). The new Game and Fish funds for fishing piers were distributed throughout the state to provide much needed maintenance dollars for over 300 piers and shorefishing sites statewide.

Land acquisition, development projects, and site amenities and professional services funded in FY06 are listed in Table 27. Land acquisition costs totaled \$429 thousand. Development projects totaled \$350 thousand. Site amenities and professional services totaled \$444 thousand. Table 28 displays outcomes for Water Recreation activities for FY06. Table 29 highlights the historical Game & Fish Fund expenditures from FY01 through FY06.

**Game and Fish Fund Report
Trails & Waterways - Fiscal Year 2006**

Table 27. Trails & Waterways FY06 Projects
(\$ in thousands)

	Program	County	Amount
	Land Acquisition		
1	Stalker Lake	Otter Tail	197
2	Leighton Lake	Itasca	231
3	Stanchfield Lake	Morrison	1
	Subtotal		429
	Development Projects		
1	Minnesota River (City of Shakopee)	Scott	100
2	Forest Lake (City of Forest Lake)	Washington	75
3	Tamarac River/Upper Red Lake	Beltrami	5
4	Belle Lake	Meeker	53
5	Clearwater Lake	Stearns	81
6	Mississippi River (City of Red Wing – Bay Point Park)	Goodhue	1
7	Roberds Lake	Rice	7
8	Long Lake	Cass	5
9	Lake Minnetonka (Hennepin Co. – North Arm)	Hennepin	10
10	Lake Minnetonka (Hennepin Co. – Spring Park)	Hennepin	12
	Subtotal		349
	Site Amenities and Professional Services		
1	Concrete Boat Ramp Planks	Statewide	50
2	Courtesy Docks	Statewide	60
3	Access Maps	Statewide	11
4	Access Signs/Posts	Statewide	9
5	Program Archaeology	Statewide	76
6	Lands and Minerals Division professional services	Statewide	45
7	Management Resources Bureau professional services	Statewide	33
8	Miscellaneous acquisition fees/charges	Statewide	14
9	Miscellaneous development expenses	Statewide	2
10	Miscellaneous administrative expenses	Statewide	143
	Subtotal		443
	Fishing Pier Program		
1	Fishing Pier Program Maintenance	Statewide	88
2	Fishing Pier Maps	Statewide	3
	Subtotal		91
	TOTAL		\$1,312

*Total projects costs for some land acquisition and development projects are not reflected in this table because some projects were paid over two fiscal years or partially funded from other funding sources.

**Game and Fish Fund Report
Trails & Waterways - Fiscal Year 2006**

Table 28. Trails and Waterways Outcomes:

Activities	Number Completed
Concrete Boat Ramp Planks/Connectors	768 / 2113
Courtesy Docks/Dock Parts	28 / 160
Access Maps	24,000
Fishing Pier Maps	6,000
Access Signs/Posts	782 / 110

* Some activity outcomes are estimated because they were paid over two fiscal years or partially funded from other funding sources.

Table 29. Historical Trails and Waterways Game and Fish Fund Expenditures
(\$ in thousands)

	FY06	FY05	FY04	FY03	FY02	FY01
Water Recreation Program	\$1,312	\$2,109	\$1,701	\$1,626	\$690	\$2,163

**Game and Fish Fund Report
Forestry - Fiscal Year 2006**

Forestry	\$ in thousands
Heritage Enhancement (239)	\$250
Total Expenditures	\$250

Forestry spent \$250 thousand from the Heritage Enhancement Account in FY06. Accomplishments include:

- Funded one full-time and one part-time forest ecologist, a soil scientist, and a student worker.
- Provided funding for conducting training and for training materials.
- Completed and distribute the publication, "A Field Guide to Native Plant Communities of Minnesota: The Eastern Broadleaf Forest Province (EBF). This guide covers plant communities in the west-central and southeastern parts of the state.
- Completed introductory training in the St. Cloud Area and in Whitewater State Park for more than 50 field staff from the Divisions of Forestry, and Fish and Wildlife. Training focused on how to apply ecological principles for resource management decision-making.
- Provided advanced training to approximately 40 Divisions of Forestry and Wildlife field staff focusing on field applications using the guide.
- Conducted plant identification training in each of the four regions covering both the plants from the LMF and EBF Field Guides.
- Developed a five-day, ECS training session to replace the 2-day introductory courses. Entry Level Professional Foresters (ELPFs) were the target audience.
- Conducted two, five-day ELPF training sessions and trained 20 new staff.
- Developed a prototype web-based silviculture interpretation for a Mesic Hardwood Native Plant Community.
- Conducted an analysis for 9 additional Native Plant Communities in preparation for further development of silviculture interpretation materials.

Table 30: Historical Game and Fish Fund Expenditures
Division of Forestry
(\$ in thousands)

	FY06	FY05	FY04
Ecological Classification System	\$ 250	\$316	\$159

**Game and Fish Fund Report
Lands and Minerals - Fiscal Year 2006**

Lands and Minerals	\$ in thousands
Game and Fish Fund Operations (230)	\$843
Total Expenditures	\$843

The Division of Lands and Minerals implements state land policy for the department and manages real estate transactions on approximately 5.6 million acres of state-owned land. About 1.2 million acres are administered by the Division of Fish and Wildlife, most of which are designated as Wildlife Management Areas (WMAs), Aquatic Management Areas (AMAs), and Fish Management Areas (FMAs).

The division is responsible for managing land surveys on game and fish lands and managing various real estate transactions for the Division of Fish and Wildlife, including acquisitions, sales, exchanges, easements, permits, licenses, and leases. The cost of acquisition services is billed directly to the Division of Fish and Wildlife through a professional services account. The other services are paid for from Land and Mineral's Game and Fish Fund appropriation. The FY06 Game and Fish Fund appropriation to Lands and Minerals was \$983 thousand; the division expended \$843 thousand, which includes \$74 thousand of Departmental Operations Support

Land surveys done for management purposes are coded to the Game and Fish Fund Appropriation. Fish and Wildlife staff set the priority for the land surveys through work orders or requisitions submitted to the land survey staff. Fish and Wildlife staff can change work priorities at any time and can track the survey work progress on the intranet. The Division of Lands and Minerals also provides the Division of Fish and Wildlife a quarterly report of survey completed during the quarter. Lists containing work completed by the land survey staff in FY06 is available upon request. The cost of these services for the year was \$449 thousand.

Specific real estate transactions completed by the division are not coded in a manner that can be reported as the land surveys. As of November 1, 2006, the department was managing 1,445 Fish and Wildlife real estate contracts of various types, including 612 cooperative farm agreements. During the fiscal year, these real estate contracts generated revenue of \$124,421, which was deposited into the Game and Fish Fund.

**Game and Fish Fund Report
Operations Support - Fiscal Year 2006**

Operations Support	\$ in thousands
Game and Fish Fund Operations (230)	\$2,641
Total Expenditures	\$2,641

**Table 31. Game and Fish Fund Expenditures
Operations Support Program**
(\$ in thousands)

Management Resources *	0
Human Resources *	0
Regional Operations	581
Commissioner's Office, Office of Management and Budget Services, and Information and Education	2,060
Operations Support Total	\$2,641

* Receives no direct appropriation; operates on a fee for service basis.

Operations Support Program spent a total of \$13.4 million in FY06 from all its funding sources, excluding spending on projects recommended by the LCCMR from the Environmental Trust Fund, and local recreation grants from the Natural Resources Fund. The \$2.641 million spent from the Game and Fish Fund is 20% of total Operations Support Program spending.

Management Resources

The Management Resources Bureau provides the following services to the agency:

- Centralized management of capital assets – acquisition, maintenance, operation, and disposal of all fleet equipment;
- Facilities management – assessment, maintenance and improvement of all buildings, space leasing, and disposal of unneeded structures;
- Design, engineering, and construction services – for all types of facilities and infrastructure;
- Materials management services – including purchasing, inventory, and disposal;
- Safety consultant services – including technical expertise, training, and worker's compensation management;
- Radio – purchase and maintenance of all radio base stations, mobile, and hand-held radios;
- Network applications, connectivity, telecommunications, software development, systems management, and computer support services.

The services provided by Management Resources assure DNR's management of natural resources is accomplished efficiently, cost effectively, and safely. The bureau ensures the equipment used is appropriate for the work to be done; facilities of all types are well designed and constructed; and the assets and interests of the state and the DNR are protected. In FY 06, the fleet program paid off the last of a series of loans used to purchase equipment. Future purchases will be for cash, saving about \$500,000 per year in interest. In addition, the bureau ensures goods and services are purchased in compliance with all applicable policies and procedures. Finally, the bureau is the principal safety consultant to the agency, providing a policy and practice framework as well as technical expertise to DNR employees.

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As an example of the importance of fleet management to game and fish programs, Fish and Wildlife employees drove over 3.6 million miles or about 22% of DNR's total mileage in FY 06. Enforcement employees drove more than 4.1 million miles, almost 26% of DNR's total FY 06 mileage, the majority of these miles attributed to enforcing game and fish laws. These two divisions also occupied over 650,000 square feet in DNR buildings, requiring property management services. Procurement of goods and services by Management Resources for Fish and Wildlife and Enforcement accounted for 16% of Management Resources' total procurement for the DNR in FY 06.

Management Resources also provides DNR staff with essential computer, information (data) management and telecommunications. The MIS section provided technical assistance and expertise to resource managers on projects such as evaluating field data entry devices for lake survey applications, developing standard management reports for Fisheries managers, designing and implementing a common animal web-mapping application (AniMap), and installing a state-of-the art telephone system. MIS also manages the DNR Web site, maintaining a wealth of data and information for hunters and anglers such as lake surveys, lake depth maps, hunting and fishing regulations, hunting lottery results, and Garmin GPS software.

Regional Operations	\$581 thousand
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Regional Operations is responsible for integrating DNR work at the regional level and for providing technical assistance, planning, information and education services in the DNR's four regions. Regional Operations staff includes the regional director, planners, information officers, community coordinators and administrative support. Examples of activities and accomplishments in FY06 include:

- Coordinate DNR's role in the 2006 Governor's fishing opener and hunting;
- Involved in fish and wildlife management issues with Bois Forte, Fond du Lac, Mille Lacs, Grand Portage, Red Lake, Leech Lake, and White Earth Indian Reservations, including the pending phase II treaty negotiations with the Fond du Lac Band;
- Assist Fisheries and Enforcement staff as the DNR prepares to reopen the sport fishery on Red Lake;
- Increase access to wildlife management areas (WMA's) in Marshall and Kittson Counties;
- Assist Fisheries with sturgeon management on the Rainy, Bigfork and Littlefork Rivers, and with preparing a plan to reroute and remove obstacles on the Sturgeon River;
- Develop rules for determining ditch benefits on the consolidated conservation lands;
- Work with Enforcement and the 1854 Authority on an agreement allowing 1854 conservation officers to enforce state game and fish laws and for DNR COs to enforce 1854 Authority conservation codes;
- Lead DNR's efforts to work with the University of Minnesota and Dakota County as we begin joint management of the UMORE property in Dakota County. This includes opening hunting opportunities and restoration of natural resources;
- Provide technical support for the new Vermillion River Watershed Joint Powers Organization, Dakota Habitat Alliance, and stream restoration projects, coordinating environmental review, contributing to trout and macro-invertebrate stream monitoring;
- Manage Metro Greenways and Metro Conservation Corridors programs, completing the restoration of 1,690 acres and acquisition of 800 acres of habitat with work underway on dozens of restoration and acquisition projects;
- Partner with the National Guard and others to implement the Army Compatible Use Buffer (ACUB) program to protect wildlife and fisheries habitat within a 3-mile buffer around Camp Ripley, to include negotiating acquisition of properties;

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- Coordinate planning and implementation of two drawdowns on Mississippi River Pool 5 with other agency partners;
- Provide storm water management and water quality improvement technical assistance to counties, municipalities, and special interest groups resulting in the restoration of 200 ft. of shoreland, construction of rain gardens and training for LGU staff;
- Provide technical assistance to counties in southeastern and south central Minnesota on GIS modeling for land use decision making in county planning and zoning offices; and
- Work with the Regional Enforcement Supervisor, BWSR, and DNR Wetland Enforcement Officers to develop a wetland project involving the use of aircraft to identify potential violations.

Commissioner’s Office, Office of Management and Budget Services, Human Resources and Information and Education Bureaus	\$2,060 thousand
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This portion of the Operations Support Program provides support services such as agency management and leadership; developing legislative issues and processes; working with media and the distribution of news releases; strategic and operational planning; financial management and reporting; budgeting and accounting; grant oversight and contract management; payroll and personnel management; training; citizen input and involvement; public information and outreach through the information center.

The Office of Management and Budget Services (OMBS) provided support in the areas of strategic and operational planning, budgeting, accounting and financial management, grant oversight, contract management, citizen input and involvement. Through its financial operations, OMBS has organized authorized Game and Fish fund spending into about thirty-two appropriations and over 735 allotment accounts, roughly 23% of the total allotment accounts in all funds. More than 250,000 accounting transactions were processed in the fund, about one third of the DNR’s total accounting transactions for the year. OMBS prepares Game and Fish fund statements a minimum of four times each year and prepares the annual financial statements for this fund as part of the state’s government-wide financial reporting.

In FY06, the Fish and Wildlife Division funded 574 full-time equivalents (FTEs) paid from the Game and Fish Fund; the Ecological Services Division funded 29; and the Enforcement Division funded 162. This total of 765 FTEs represents a greater number of people because it includes part time and seasonal employees. Business office staff in the regional offices and Human Resources in central and regional offices, support these employees by: processing payroll and business expenses, providing information on employee benefits, providing training, staffing, conservation officer recruitment and selection, and offering a wide range of human resource services to individual employees, managers, and supervisors.

In FY06, the DNR’s Information Center spent more than 70% of its time answering questions and providing information on hunting, angling, game and fish enforcement and licensing topics. The Information Center answered about 138,000 telephone and voice mail inquiries, responded to over 31,000 e-mail messages, worked with over 14,000 walk-in customers, and distributed 898,000 pieces of literature. The Information Center is essential to communicating with constituents, providing timely information and receiving feedback important to DNR operations.

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Operations Support - Fiscal Year 2006**

Expenditures for Operations Support, Lands and Minerals and Statewide Indirect costs—which historically have been categorized as general support activities—total \$4.319 million. This amount is 5.1% of total Game and Fish Fund expenditures of \$84.115 million in FY06. The table below shows the same calculation for the past five years.

Table 32: Historic Operations Support – Lands & Minerals and Statewide Indirect Costs
(\$ in thousands)

	FY06	FY05	FY04	FY03	FY02
Operations Support (excludes License Center)	2,641	6,434	6,432	7,075	6,421
Lands and Minerals	843	938	828	894	856
Statewide Indirect Costs	835	804	725	1,138	856
Total General Support	\$4,319	\$8,176	\$7,985	\$9,107	\$8,133
Total Fund Expenditures	\$84,115	\$90,418	\$77,158	\$89,708	\$72,715
General Support as Percent of Total Game and Fish Fund Expenditures	5.1%	9.0%	10.3%	10.2%	11.2%

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Statewide Indirect Costs - Fiscal Year 2006

Statewide Indirect Costs - Fish and Game Fund Operations (230)	\$835 thousand
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Minnesota Statutes 16A.125 requires that each fund pay its share of statewide indirect costs. These are services provided by the Departments of Employee Relations, Finance, Administration, and the Offices of Mediation Services, the Legislative Auditor and the State Auditor. Specific services include real estate management; resource recovery; materials management; central mail; communication/IT project development and management; budget systems and operations; payroll; accounting and financial reporting; treasury management; mediation; and program and financial audits. These expenditures represent less than 1% of Fund expenditures.

The Department of Finance develops an annual plan that allocates service costs by agency and fund, and bills each state agency annually. DNR's Office of Management and Budget Services receives this bill for statewide indirect costs and pays it from the Game and Fish Operations account. Statewide Indirect costs are reviewed annually by Federal auditors.

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DEDICATED ACCOUNTS REPORTS

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Deer/Bear Management; Computerized Licensing (231)

M.S. 97A.075, subd. 1(c) specifies that at least \$1.00 from the sale of each annual deer license and each annual bear license, and \$1.00 from each validated lifetime deer license be used for deer and bear management programs, including a computerized licensing system. The funds generated in this manner are deposited to a Deer/Bear Management Account in the Game and Fish Fund. Fifty cents from each deer license is appropriated for emergency deer feeding and wild cervid health management.

Resources. At the beginning of the fiscal year the balance in this account was \$1.080 million including all appropriations. Additional receipts of \$649 thousand were deposited during the year.

Appropriation and Expenditures. The authority to spend annual direct and statutory appropriations and actual expenditures are given below:

FY06 Spending Authority (\$ in thousands)	
FY06 Direct Appropriation	397
Total Available	\$397
FY06 Expenditures	
Deer and Bear Management	171
Computerized Licensing	6
Total	\$177
Spending authority carried forward to FY07	\$220

FY06 Spending Authority (\$ in thousands)	
FY06 Statutory (FY06 Beginning Balance)	604
Receipts	318
Total Available	\$922
FY06 Expenditures	
Cervidae Health Management (Statutory)	89
Total	\$89
Spending authority carried forward to FY07	\$833

Money in the account may only be used for deer and bear management programs, including a computerized licensing system. Examples of deer and bear management expenditures include census and surveys; data management; deer and bear hunting season management; animal management; urban deer projects; and related coordination, personnel and support costs. Examples of expenditures for computerized licensing include operating the electronic licensing system (ELS) and implementing the deer and bear lotteries.

In 2002 and 2003, the Legislature broadened the allowable use of the emergency deer feeding appropriation to allow for wild cervid health management including management of chronic wasting disease (CWD). It also required a report on expenditures from this appropriation every two years. Minnesota Statutes Section 97A.075, Subdivision 1 (c) provides:

Fifty cents from each deer license is appropriated for emergency deer feeding and wild cervidae health management. Money appropriated for emergency deer feeding and wild cervidae health management is available until expended. When the unencumbered balance in the appropriation for emergency deer feeding and wild cervidae health management at the end of a fiscal year exceeds \$2,500,000 for the first time, \$750,000 is canceled to the unappropriated balance of the game and fish fund. The commissioner must inform the legislative chairs of the natural resources finance committees every two years on how the money for emergency deer feeding and wild cervidae health management has been spent.

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The Minnesota Department of Natural Resources (DNR) has designed a surveillance program for Chronic Wasting Disease in free-ranging white-tailed deer within Minnesota. In 2004, the DNR completed a 3-year statewide surveillance program for chronic wasting disease, which generated over 28,000 samples; all of which were negative for the disease. Sampling wild deer for CWD includes the collection of medial retropharyngeal lymph nodes from hunter-harvested or suspect deer. These tissues are submitted to the Minnesota Veterinary Diagnostic Laboratory in Saint Paul, Minnesota. Any suspects detected by Bio-Rad ELISA are serially tested by immunohistochemistry for confirmation of the presence of prion protein. During 2005, a limited amount of CWD surveillance was conducted. As the statewide investigation had been completed, DNR was only conducting targeted surveillance of suspect animals. In total, 100 suspect samples were submitted, which were all negative.

DNR has also created a Wildlife Health program that currently staffs 2 biologists to oversee the CWD surveillance program, as well as other wildlife disease issues including bovine tuberculosis and avian influenza.

In July 2005, the Minnesota Board of Animal Health (BAH), in conjunction with the United States Department of Agriculture, Animal Plant Health Inspection Service, Veterinary Services (USDA), detected bovine tuberculosis (TB) in a beef cattle herd in northwestern Minnesota. The epidemiological investigation led to the discovery of four additional infected herds, all in northwest Minnesota. Following this discovery, DNR conducted bovine TB surveillance of hunter-harvested white-tailed deer in the fall of 2005 in northwest Minnesota. The eviscerated carcasses of deer shot within a 15-mile radius of the first four infected farms were examined and sampled at deer registration stations. Trained veterinary students worked with DNR staff to extract six cranial lymph nodes from each deer submitted at nine registration stations in northwest MN, and samples were submitted to the Minnesota Veterinary Diagnostic Laboratory for histological screening. All samples were then pooled and forwarded to the National Veterinary Services Laboratory in Ames, Iowa for culturing. One of the 474 deer tested was positive for bovine TB, indicating an initial disease prevalence of 0.2 percent. The infected deer was harvested within one mile of an infected cattle herd. Subsequently, the DNR issued shooting permits to landowners with infected cattle in an effort to reduce the deer population in those areas where deer are most likely to have been exposed to bovine TB. As a result, 90 additional deer were sampled from January to May 2006. This additional sampling resulted in one positive deer. The infected deer was shot within one mile of the first infected deer, detected in fall 2005. The TB strain from each of the infected cattle herds and both infected deer were DNA-typed. The strains are similar and consistent with bovine TB found in cattle throughout the southwestern United States and Mexico. To date, the source of the Minnesota infection has not been identified.

In addition to the \$89 thousand spent from this dedicated fund, an additional \$85 thousand of Game and Fish Funds, General Funds appropriated for cervid management in response to a cattle bovine tuberculosis outbreak, and Beltrami Island Funds were expended for CWD and TB efforts for a total of \$174 thousand from all funding sources in FY06 (see Tables 33 and 34 for a comparison by fund of expenditures).

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**Table 33: FY06 Effort to Manage and Monitor Chronic Wasting Disease
and Tuberculosis in the White-Tailed Deer Population by Activity**
(\$ in thousands)

Spending Category	Wild Cervid Health Mgmt Fund (231 D01) - Expenditures
Salaries	18
Professional/Technical Services with Outside Vendors	52
Communications*	0
Travel and Subsistence - In State	5
Travel and Subsistence - Out of State	2
Supplies*	0
Equipment	2
Fleet	4
Other Operating Costs	5
Totals	\$89

* Note: Less than \$1,000 spent.

**Table 34: FY06 Effort to Manage and Monitor Chronic Wasting Disease
and Tuberculosis in the White-Tailed Deer Population
by DNR Funding Source**
(\$ in thousands)

Fund	Appropriation Name	Amount	% Spent
100	General Fund – Bovine Tuberculosis	78	45%
200	Beltrami Island Fund*	0	0.0
230	Game & Fish Fund - Operations and Maintenance	7	4%
231	Emergency Deer Feeding/Wild Cervid Health Management Fund	89	51%
Totals		\$174	100%

* Note: Less than \$1,000 spent from Beltrami Island Fund.

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Deer Management Account (232)

M.S. 97A.075, subd. 1(b) specifies that at least \$2.00 from the sale of each annual deer license and \$2.00 from each validated lifetime deer license be used for deer habitat improvement or deer management programs. The funds generated in this manner are deposited to a Deer Habitat Improvement Account in the Game and Fish Fund.

Resources. At the beginning of the fiscal year the available balance in this account was \$605 thousand. Additional receipts of \$1.272 million were deposited during the year.

Appropriation and Expenditures. The authority to spend the annual direct appropriation and actual expenditures are given below:

FY06 Spending Authority (\$ in thousands)	
FY06 Direct Appropriation	1,411
Total	\$1,411
FY06 Expenditures	
Habitat Improvement	391
Deer Management	904
Total	\$1,295
Spending authority carried forward to FY07	\$116

According to statute money in the account may only be used for deer habitat improvement or deer management programs.

Specific examples of deer habitat improvement expenditures include habitat evaluation, data management, private and public land food plot development, forest habitat maintenance, prescribed burns, forest opening development and related coordination, personnel and support costs.

Examples of deer management expenditures include census and surveys, season management, animal management population research and evaluation activities, and related coordination, personnel and support costs.

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Waterfowl Habitat Improvement Account (233)
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The creation of the Waterfowl Habitat Improvement Account and how money in the fund can be used is described in M.S. 97A.075, subd. 2. The annual fee for the migratory waterfowl stamp, currently \$7.50, is found in M.S. 97A.475, subd. 5.

Resources. At the beginning of the fiscal year the available balance in this account was \$315 thousand. Ninety percent of the proceeds from the sale of migratory waterfowl stamps are deposited to the account, a total of \$695 thousand during the fiscal year.

Appropriation and Expenditures. The authority to spend the annual direct appropriation and actual expenditures are given below:

FY06 Spending Authority (\$ in thousands)	
FY06 Direct Appropriation	851
Total	\$851
FY06 Expenditures	
Wetland Development	207
Waterfowl Management	117
Habitat Development, Restoration, Maintenance	309
Land Acquisition	7
Promotion of Waterfowl Habitat	25
Total	\$666
Spending authority carried forward to FY07	\$185

According to statute money in the account may only be used for:

- 1) Development of wetlands and lakes in the state and designated waterfowl management lakes for maximum migratory waterfowl production including habitat evaluation, the construction of dikes, water control structures and impoundments, nest cover, rough fish barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the designation of waters under section 97A.101; in addition to the expenditure items listed above, this category includes costs for related coordination and operational support;
- 2) Management of migratory waterfowl; examples of migratory waterfowl management expenditures include public information, census and surveys, special hunt management, and related coordination and operational support;
- 3) Development, restoration, maintenance, or preservation of migratory waterfowl habitat; examples of expenditures in this category include wetland maintenance, wetland restoration, food plot development, planting nesting cover, prescribed burns, and related coordination and operational support;
- 4) Acquisition of and access to structure sites;
- 5) the promotion of waterfowl habitat development and maintenance, including promotion and evaluation of government farm program benefits for waterfowl habitat.

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Trout and Salmon Management Account (234)
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The creation of the Trout and Salmon Management Account and how money in the fund can be used is described in M.S. 97A.075, subd. 3. The annual fee for the trout and salmon validation stamp, currently \$10.00, is found in M.S. 97A.475, subd. 10.

Resources. At the beginning of the fiscal year the available balance in this account was \$326 thousand. Ninety percent of the proceeds from the sale of trout and salmon stamps are deposited to the account, a total of \$842 thousand during the fiscal year.

Appropriation and Expenditures. The authority to spend--the annual direct appropriation--and actual expenditures are given below:

FY06 Spending Authority (\$ in thousands)	
FY05 Direct Appropriation	1,030
Total	\$1,030
FY06 Expenditures	
Habitat Improvement	313
Fish culture and stocking	433
Easement acquisition and identification	83
Lake Superior	127
Total	\$956
Spending authority carried forward to FY07	\$74

According to statute money in the account may only be used for:

- 1) The development, restoration, maintenance and preservation of trout streams and lakes; specific examples of habitat improvement expenditures include salaries of part-time stream improvement personnel, the purchase of rock and construction materials for stabilization of stream banks, installation of stream improvement structures, fleet costs for trucks and heavy equipment, fish barrier maintenance costs, and maintenance costs for completed habitat improvement projects;
- 2) Rearing of trout and salmon and stocking of trout and salmon in streams and lakes and Lake Superior; specific examples of culture and stocking expenditures include salaries for part-time hatchery personnel, upkeep and utility costs for hatchery buildings, fish food, fleet costs for hatchery vehicles, purchase and repair of fishing rearing equipment, supplies and chemicals for disease prevention and treatment, and contaminant monitoring;
- 3) Acquisition of easements and fee title along trout waters;
- 4) identifying easement and fee title areas along trout waters; examples include posting signs on easement boundaries, using GPS to obtain fixed locations at each easement boundary, and producing maps that show trout stream easement locations;
- 5) research and special management projects on Lake Superior and the anadromous portions of its tributaries.

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Pheasant Habitat Improvement Account (235)

The creation of the Pheasant Habitat Improvement Account and how money can be used is described in M.S. 97A.075, subd. 4. The annual fee for the Pheasant Stamp, currently \$7.50, is found in M.S. 97A.475, subd. 5.

Resources. At the beginning of the fiscal year the available balance in this account was \$495 thousand. Ninety percent of the proceeds from the sale of pheasant stamps are deposited to the account, a total of \$802 thousand during the fiscal year.

Appropriation and Expenditures. The authority to spend the annual direct appropriation and actual expenditures are given below:

FY06 Spending Authority (\$ in thousands)	
FY06 Direct Appropriation	890
Total	\$890
FY06 Expenditures	
Habitat Development, Restoration, Maintenance	195
Re-imburement for Habitat Development	260
Promotion and Evaluation	118
Acquisition	0
Total	\$572
Spending authority carried forward to FY07	\$318

By statute money in the account may only be used for:

- 1) The development, restoration and maintenance of suitable habitat for ring-necked pheasants on public and private land including the establishment of nesting cover, winter cover, and reliable food sources; examples include private land technical assistance, noxious weed control, food plot development, woody cover development, and grassland development;
- 2) Reimbursement of landowners for setting aside lands for pheasant habitat;
- 3) Reimbursement of expenditures to provide pheasant habitat on public and private land; examples include reimbursement for food plots, woody cover development, grassland development and wetland restoration projects;
- 4) The promotion of pheasant habitat development and maintenance, including promotion and evaluation of government farm program benefits for pheasant habitat; examples include public information for roadside and farmland programs and federal Conservation Reserve Program evaluation;
- 5) and the acquisition of lands suitable for pheasant habitat management and public hunting.

Money in the account may not be used for:

- 1) costs unless they are directly related to a specific parcel of land under clause (1), (3), or (5) [referring to five clauses listed above or to specific promotional or evaluative activities under clause (4)]; or
- 2) any personnel costs, except that prior to July 1, 2009, personnel may be hired to provide technical and promotional assistance for private landowners to implement conservation provisions of state and federal programs

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Wild Rice Management Account (236)

The establishment of the Wild Rice Management Account and the use of funds in the account are described in M.S. 84.0911.

Resources. At the beginning of the fiscal year the available balance in this account was \$52 thousand. Additional receipts of \$20 thousand were deposited during FY06.

Appropriation and Expenditures. This account has been established with statutory authority to spend all available receipts. In FY06, the Division of Fish & Wildlife expended \$35 thousand in this account. The balance remaining at the end of FY06 was \$37 thousand.

By statute money in the account may only be used for:
Management of designated public waters to improve natural wild rice production.

FY06 Spending Authority (\$ in thousand)	
FY06 Direct Appropriation	52
Receipts	20
Total	\$72
FY06 Expenditures	
Acquisition	35
Total	\$35
Spending authority carried forward to FY07	\$37

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Wildlife Acquisition Account (237)

The Wildlife Acquisition Account is established as an account in the Game and Fish Fund under M.S. 97A.071, subd 1. The small game surcharge is established under M.S. 97A.475, subd. 4 and is currently \$6.50.

Resources. The beginning balance in this account was \$903 thousand and additional receipts of \$1.794 million were deposited during the fiscal year.

Appropriation and Expenditures. The authority to spend (the annual direct appropriation) and actual expenditures are given below:

FY06 revenues did not meet projections with current appropriation levels, the account will be in the negative.

FY06 Spending Authority (\$ in thousand)	
FY06 Direct Appropriation	3,013
Actual Spending plan reduction	(234)
Total	\$2,779
FY06 Expenditures	
Acquisition	1,624
Development including maintenance	1,029
North American Waterfowl Plan	15
Total	\$2,668
Spending authority carried forward to FY07	\$111

By statute of the money available and annually appropriated:

- 1) At least 50 percent must be used for land costs; land cost is defined as the purchase price of land acquired by the commissioner;
- 2) The remainder may only be used for other land acquisition costs, development and maintenance of wildlife lands: examples of other land acquisition costs include acquisition-related fees, real estate taxes and assessments paid at the time of acquisition, salaries for acquisition coordination, and other acquisition-related personnel and support costs. Examples of development and maintenance include habitat and user facility development; enhancement and maintenance of farmland, forest, grassland and wetland habitats; development and maintenance of access sites; noxious weed control; prescribed burns; and the costs of fleet, supplies and salaries for full-time and seasonal wildlife personnel engaged in directly-related activities;
- 3) And activities described in M.S. 97A.071, subd 3: developing, preserving, restoring and maintaining waterfowl breeding grounds in Canada under agreement or contract with any nonprofit organization dedicated to the construction, maintenance, and repair of projects that are acceptable to the governmental agency having jurisdiction over the land and water affected by the projects. The commissioner may execute agreements and contracts if the commissioner determines that the use of the funds will benefit the migration of waterfowl into the state.

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Wild Turkey Management Account (238)

Establishing the Wild Turkey Management Account and the use of funds in the account are described in M.S. 97A.075, subd. 5. The annual fee for the wild turkey stamp is set in M.S. 97A.475, subd.5, currently at \$5.00.

Resources. At the beginning of the fiscal year the available balance in this account was \$183 thousand. Ninety percent of the proceeds from the sale of wild turkey stamps are deposited to the account, a total of \$132 thousand during the fiscal year. An additional \$8 thousand was transferred in from the Game and Fish Fund (230).

Appropriation and Expenditures. The authority to spend the annual direct appropriation and actual expenditures are given below:

FY06 Spending Authority (\$ in thousands)	
FY 06 Direct Appropriation	142
Transfer in from Game and Fish Fund	8
Total	\$150
FY06 Expenditures	
Habitat Development, Restoration, Maintenance	21
Acquisition	42
Re-imburement for Habitat Improvement	9
Trapping and Translocation	21
Promotion, Surveys and Research	29
Total	\$123
Spending authority carried forward to FY07	\$27

By statute money in the account may only be used for:

- 1) the development, restoration and maintenance of suitable habitat for wild turkeys on public and private land including forest stand improvement and establishment of nesting cover, winter roost area, and reliable food sources; examples include prairie and grassland management and forest stand improvements.
- 2) acquisitions of, or easements on, critical wild turkey habitat; examples include land acquisition and related costs.
- 3) reimbursement of expenditures to provide wild turkey habitat on public and private land; examples include food plots on private land.
- 4) trapping and translocation of wild turkeys; examples include wild turkey capture and release;
- 5) and the promotion of turkey habitat development and maintenance, population surveys and monitoring, and research. examples include population trend monitoring.

Money in the account may not be used for:

- 1) costs unless they are directly related to a specific parcel of land under clause (1) to (3) [clauses listed above], a specific trap and transplant project under clause (4), or to specific promotional or evaluative activities under clause (5);
- 2) or any permanent personnel costs.

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Heritage Enhancement Account (239)

M.S. 297A.94, paragraph (e)

Revenue in the Heritage Enhancement Account comes from the in-lieu-of-sales tax on the sale of lottery tickets. Of total in-lieu-of-sales tax receipts, 72.43% are currently deposited to accounts spent for environmental and natural resource purposes. Fifty percent of the 72.43% are directed to the Heritage Enhancement Account for spending on activities that improve, enhance or protect fish and wildlife resources, including conservation, restoration, and the enhancement of land, water and other natural resources.

The percentage of in-lieu-of-sales tax receipts deposited to accounts for environmental and natural resource spending purposes has statutorily decreased during the past five years. The tables below show the history of receipts deposited and expenditures from the Heritage Enhancement Account since FY01, the first year the account existed.

Table 35: Lottery in-Lieu-of-Sales Tax Receipts
(\$ in thousands)

	FY06	FY05	FY04	FY03	FY02	FY01
Total Lottery in-lieu receipts	29,231	26,521	25,150	22,868	24,514	23,802
Percent distributed to environmental and natural resources accounts	x 72.43%	x 72.43%	x 72.43%	x 87.00%	x 87.00%	x 97.00%
Subtotal	\$21,172	\$19,209	\$18,216	\$19,895	\$21,327	\$23,088
Percent deposited to Heritage Enhancement Account	x 50%	x 50%	x 50%	x 50%	x 50%	x 50%
Lottery in-lieu receipts to Heritage Enhancement Account	\$ 10,586	\$9,604	\$9,108	\$9,948	\$10,663	\$11,544

Table 36: Heritage Enhancement Account Expenditures
(\$ in thousands)

Division	FY06	FY05	FY04	FY03	FY02	FY01
Forestry	250	316	159	223	228	
Fisheries	3,992	4,346	3,690	6,298	3,032	4,494
Wildlife	2,296	3,328	1,933	3,465	1,950	4,407
Ecological Services	1,226	1,689	777	1,703	743	877
Enforcement	1,122	1,724	552	1,352	1,272	1,618
Annual Total	\$8,886	\$11,403	\$7,111	\$13,041	\$7,225	\$11,396

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Lifetime Fish & Wildlife Trust Fund (23A)

M.S. 97A.4742, subd 1

The DNR deposits receipts from the sale of lifetime fishing, hunting, small game, archery deer and sports licenses to the Lifetime Fish and Wildlife Trust Fund. Interest and investment earnings on fund resources are also credited to this account. Each year the DNR transfers from the Lifetime Fish & Wildlife Trust Fund the amount that otherwise would have been collected and deposited from the sale of annual hunting and angling licenses. The DNR does not spend on game and fish programs from the trust fund.

The Table 37 below shows lifetime license sales by fiscal year and license category since lifetime licenses were first offered in FY01.

Table 37: Lifetime License Sales
(Number of license sold)

Lifetime License Category	FY06	FY05	FY04	FY03	FY02	FY01	All Years
Angling	591	605	615	585	579	475	2,859
Small game	43	52	49	49	51	17	218
Firearm deer	377	342	302	303	375	168	1,490
Individual sports	733	703	666	671	637	499	3,176
Non-resident angling	2	3	6	5	2	0	16
Archery	74	54	59	53	0	0	166
Annual Total	1,820	1,759	1,697	1,666	1,644	1,159	7,925

M.S. Chapter 97A.4742, subdivision 2, states in part: “Money in the Lifetime Fish And Wildlife Trust Fund shall be invested by the state investment board to secure the maximum return consistent with the maintenance of the perpetuity of the fund. The income received and accruing from investments of the fund shall be deposited in the lifetime fish and wildlife trust fund”. On June 30, 2006 the balance of the trust fund was \$3.533 million. SBI invests cash from the trust fund in stocks and bonds outside the state treasury. Since SBI began investing for the fund, trust fund investments have increased in value.

Table 38: Annual Activity in Lifetime License Trust Fund
(\$ in thousands)

	FY06	FY05	FY04	FY03	FY02	FY01	All Years
Lifetime license receipts	748	710	680	675	673	478	3,216
Less: transfer to Game and Fish Operations, and other stamp and surcharge accounts	(148)	(120)	(90)	(60)	(34)	0	(304)
Interest income credited to the trust fund	4	2	1	1	8	5	17
Net Annual Increase to Trust Fund	\$604	\$592	\$591	\$616	\$647	\$483	\$2,929

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A lifetime license holder receives a current year license by validating the use of the lifetime license. Validation enables the DNR to know which license holders have activated the use of their lifetime license for the current hunting or angling season. A lifetime license holder can validate at a sales agent location or the License Center in St. Paul. License validation is a non-monetary transaction.

In FY06 a total of 6,656 lifetime license holders validated the use of their license. Based on the number of validations the DNR calculates the amount to transfer to Game and Fish Operations and the dedicated accounts. Table 39 below shows the amount transferred from the Lifetime License Trust Fund in the last five fiscal years.

Table 39: Annual Transfer from Lifetime License Trust Fund
(\$ in thousands)

	FY06	FY05	FY04	FY03	FY02
Transfer to Game and Fish Operations Account	127.9	104.1	80.6	54.4	31.1
Transfer to Deer / Bear Management Account	1.3	1.0	.9	.6	.3
Transfer to Deer Habitat Improvement Account	2.6	2.0	1.8	1.2	.6
Transfer to Wildlife Acquisition Account	15.7	13.0	6.3	4.2	2.5
Annual Transfer Total	\$147.5	\$120.2	\$89.6	\$60.4	\$34.5

APPENDIX A

Game and Fish Fund Statement

APPENDIX B

Game and Fish Fund Allocation to Hunting and Fishing Activity