

Game & Fish Fund Budgetary Oversight Committee

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

Joe Duggan, Chair

Subcommittee Chairs

Dave Thompson—Fisheries Operations	Dennis Neilson—Wildlife Operations	Phil Zins—Waterfowl Stamp
Dave Bennett—Trout & Salmon Stamp	Scott Nagel—Big Game	Brad Cobb—Pheasant Stamp
John Curry—Ecological Services		Tom Glines—Turkey Stamp
Fred Boethin—Enforcement, Support Services, & Administration		

August 25, 2006

Commissioner Gene Merriam
Minnesota Department of Natural Resources

Rep. Dennis Ozment
Chair, House Agriculture, Environment & Natural Resources Finance Committee

Sen. Dallas Sams
Chair, Senate Environment, Agriculture & Economic Development Budget Division

Rep. Tom Hackbarth
Chair, House Environment & Natural Resources Committee

Sen. John Marty
Chair, Senate Environment & Natural Resources Committee

RE: Game and Fish Fund Citizen Oversight Budget Recommendations for FY 2008-09

Gentlemen:

Recommendations for FY 2008-09 budget development were prepared by the various subcommittees of the Game and Fish Fund (GFF) Budgetary Oversight Committee (BOC). These are the recommendations (not listed in order of priority):

THE FOLLOWING TOPIC WAS THE SUBJECT OF A SPECIAL REPORT APPROVED FOR DISTRIBUTION BY THE BOC ON FEBRUARY 28, 2006 ¹

Inconsistency in expenditures relative to hunting and fishing fees

The Wildlife Operations Subcommittee observes that Wildlife underspending from the Game and Fish Fund over the 8 fiscal years from 2001 thru 2008 totaled \$21.9 million. In the same period Fisheries Section overspending consumed \$10.2 million of the Wildlife surplus. We repeat the recommendations in the Budgetary Oversight Committee's special report on this matter (*Relative Distributions of Game and Fish Funds Between Fish and Wildlife Operations*) and request that the DNR immediately disclose the information to the legislature and the public, work to achieve full disclosure and make the legislative and funding changes necessary to correct this inequity.

¹ For details, please refer to the report *Relative Distributions of Game and Fish Fund Between Fishing and Hunting* and an associated exhibit posted on the DNR Web site at <http://www.dnr.state.mn.us/gamefishoversight/reports.html>

The Fisheries Operations Subcommittee endorses the fair distribution of funds generated by the Game and Fish Fund, where funds generated by fishing licenses go towards Fisheries and Funds generated by hunting licenses go towards Wildlife. We endorse fair and equal distribution of all non-dedicated funding sources. We further find that until the Minnesota Legislature passes a dedicated funding bill, Minnesota's sports men and women should not see any fee increases. All Minnesotan's benefit from our premier natural resources and all Minnesotan's should share in the burden of the cost in protection and enhancement of our natural resources.

ENFORCEMENT, SUPPORT SERVICES, AND ADMINISTRATION SUBCOMMITTEE:

We continue to support full funding for conservation officers and special investigations.

WATERFOWL STAMP AND PHEASANT STAMP SUBCOMMITTEES:

Landowners in Minnesota's prairie pothole region must get a fair shake in the 2007 Federal Farm Bill. We support allocating additional monies from the waterfowl and pheasant accounts to educate and increase awareness among decision makers regarding the critical importance to Minnesota's fish, wildlife, and environment of federal farm bill programs such as the Conservation Reserve Program, Wetlands Reserve Program, Swampbuster, and Sodsaver and others.

TURKEY STAMP SUBCOMMITTEE:

We request that additional funds be allocated from the Turkey Stamp fund to accelerate the completion of the trap and transplant program, thereby filling all available identified habitat in the state with self-sustaining populations of wild turkeys and increasing hunting opportunities in Minnesota.

We would like the agency to investigate the opportunity to cooperate with the National Wild Turkey Federation for a full time Wild Turkey Specialist/Biologist with funding from the Turkey Stamp Fund.

FISHERIES OPERATIONS SUBCOMMITTEE:

Inconsistency in expenditures relative to hunting and fishing fees

Our subcommittee endorses the fair distribution of funds generated by the Game and Fish Fund, where funds generated by fishing licenses go towards Fisheries and Funds generated by hunting licenses go towards Wildlife. We endorse fair and equal distribution of all non-dedicated funding sources. We further find that until the Minnesota Legislature passes a dedicated funding bill, Minnesota's sports men and women should not see any fee increases. All Minnesotan's benefit from our premier natural resources and all Minnesotan's should share in the burden of the cost in protection and enhancement of our natural resources.

Fisheries long range plan funding

Ensure that the Fisheries Section has adequate staff, technology and funding to achieve the Section of Fisheries Long Range Plan.

Red Lake walleye recovery funding

Fully fund the Red Lake walleye recovery initiative including careful consideration of thorough enforcement, monitoring and habitat preservation and enhancement.

Leech Lake cormorant population control funding

Fully Fund the Leech Lake cormorant population control project, monitor and restore the walleye recovery.

Fishing in Neighborhoods funding

Fund the continuation and expansion of the FiN (Fishing in Neighborhoods) program for an increase of 25% of participating waters by 2008.

Funding for aquatic plant management and exotic species management

Unmanaged exotic aquatic plants and species, like Eurasian watermilfoil, curly-leaf pondweed, and zebra mussels, can be detrimental to fish through destruction of native habitat and degradation of water quality as well as interruption of the food chain necessary for fish support. Therefore, support for exotic species management is appropriate for the Game and Fish Fund. Invasive exotic plants and animals have broad negative effects. We recommend that the Department seek supplemental funding for the Exotic Plant Management Program.

Increase funding of the Aquatic Plant Management Program. The amount of permits has greatly increased and staffing for this program has not increased leaving the present follow-up inspection process in excess of 30 days behind. As more lakeshore is developed an increased demand for this program will be needed. Our Subcommittee feels strongly that this increased funding should not come from Game and Fish Funds, but from a fee system or General Fund dollars. The lake property owners making these detrimental impacts on our shoreline impact zone should fund this effort.

The Fisheries Operations Subcommittee proposed a funding increase to the Aquatic Plant Management Program. As we stated in the funding projection for this program, the landowners requesting this permit should cover the increased costs to manage this program. We suggest one method to accomplish this goal. We request the Commissioner seek a legislative change to increase the fee for the permit and create a required follow-up inspection fee each time this property's shoreline was inspected. *The landowners are requesting a detrimental change to the shoreline impact zone. DNR Stakeholders should not be funding this invasive change to our littoral habitat.*

Alternative Shoreland Standards

We suggest the Commissioner require the Division of Waters to adopt the Alternate Shoreline Rules as a statewide minimum building standard. Our subcommittee has found that Division's strategy on this issue does not track with Division of Fisheries' and oversight subcommittee's goals for no net loss of littoral shoreline. Inappropriate aquatic plant management is often detrimental to fish habitat, and water clarity. With projected population growth on Minnesota's lakes, rivers and streams, it is paramount DNR protect and enhance the shoreline impact zone.

Change DNR's GFF report to biennial cycle

We support changing the Game and Fish Fund report to change to biennial cycle. GFF reports are currently done annually to comply with state statues. Subcommittee reports are done each year, DNR personnel spends staff time to support this activity, analyze and respond to the report. DNR works on a biennial budget system. The agency in many cases under spends in the first year, carries over a balance and spends that balance down in the second year. Analyzing this spending process is difficult. This would drastically reduce DNR expenses and would make it much easier for subcommittee work to focus on budget analysis in even numbered years and policy issues in odd numbered years. We further support the plan to maintain COC and BOC continuity and meet every year. A better understanding of policies and their effectiveness could be studied.

Oversight for boat registration fees

Create a citizen oversight committee, or assign a current oversight subcommittee the responsibility of oversight of the Trails and Waterways Division. In 2005 the Fisheries Operations Subcommittee successfully helped pass legislation to increase boat registration, with the new proceeds dedicated to public water accesses to assure safe, clean and well-maintained ramps, parking areas, and associated grounds.

WILDLIFE OPERATIONS SUBCOMMITTEE:

Inconsistency in expenditures relative to hunting and fishing fees

Wildlife underspending from the Game and Fish Fund over the 8 fiscal years from 2001 thru 2008 totaled \$21.9 million. In the same period Fisheries Section overspending consumed \$10.2 million of the Wildlife surplus. We repeat the recommendations in the Budget Operations Committee report on this matter and request that the DNR immediately disclose the information to the legislature and the public, work to achieve full disclosure and make the legislative and funding changes necessary to correct this inequity.

Forest Conservation Easements funding

The \$7 million approved by the Minnesota legislature in its 2006 bonding bill is a good start toward purchasing forest conservation easements. Due to the uncertain nature of bonding allocations, however, we believe that a separate revenue source needs to be found.

The BOC believes that the DNR should sell a small percentage of its timber holdings while retaining conservation easements on these properties. Funds received from the sales could then be leveraged into purchases of additional forest conservation easements as well as to pay for the costs associated with administering the easements.

Funding for Division of Lands and Minerals

The direct appropriation from the Game and Fish Fund to the Land and Minerals Division (\$938,000 in FY 2005) should be sharply reduced to cover support staff costs only. Professional services now lumped into the direct appropriation should instead be accounted for and billed to the Wildlife Section at an agreed hourly rate.

Wildlife Management Area Funding

The Wildlife Section has received \$24 million in bonding funds to acquire Wildlife Management Areas (WMAs) totaled only \$14 million. This huge increase in funding is causing a corresponding increase in administrative burden in identifying and acquiring quality WMA lands. The Pheasant Stamp Operating Committee joins the Wildlife Operating Committee in recommending immediate additional funding for the increased staff time necessary to handle the increased workload.

The Game and Fish Fund Budgetary Oversight Committee respectfully submits these subcommittee recommendations.

Sincerely,



Joe Duggan
Chair, Game and Fish Fund Budgetary Oversight Committee