

**Response from Minnesota Department of Natural Resources To
The Budgetary Oversight Committee's Citizen Oversight Report
on Game and Fish Fund Expenditures – Fiscal Year 2007**

October 31, 2008

RESPONSE TO FISHERIES OPERATIONS SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Loss of Shoreline

We are still losing shoreline habitat at an alarming rate statewide. Both the DNR and legislature must address this serious loss of habitat and come up with solutions.

DNR response: The Shoreland Habitat Program is addressing the issue of shoreline development by meeting with lake association and watershed districts, conducting site visits with landowners, providing grant funds to restore shorelines, conducting workshops for LGUs' zoning staff and private citizens, conducting research into social and economic barriers keeping people from leaving shorelines natural, and working with private landscape companies to encourage them to practice lake friendly landscaping of shorelines. The DNR is also, among other efforts: working on a process to revise shoreland rules; will protect five miles of shoreline on Lake Vermillion by the creation of the new state park; joined the federal Forest Legacy Program in 1999 (the Rice County Big Woods Legacy Project has protected 23,000 feet of river shoreline and the Koochiching-Washington project has protected almost 19,000 acres of wetlands, 3 lakes, over 90 ponds, and 43 miles of rivers and streams).

Let's Go Fishing Funding

The Fisheries Operations Subcommittee strongly believes that this program should under no conditions be funded from Game and Fish dollars. Recruitment efforts by the DNR to increase angler number must be accurately assessed to their effectiveness at increasing long and moderate aged anglers and cost efficiency.

DNR response: If the Legislature intends to fund grants for recruitment and retention efforts to non-profit groups, it should be part of a competitive process, and that process should include a predetermined set of priorities, program review, and outcome measure.

Treaty Costs

We had previously asked for Funding from General Fund dollars for Fiscal Years 2007 and 2008, which the Governor has proposed at \$258,000 per year. Legislation has changed this back to funding from the Game and Fish Fund. The states anglers are unfairly covering this cost.

DNR response: The DNR position continues to be that treaty costs should not be borne by the Game and Fish Fund. The DNR did propose to the 2007 Legislature to fund these costs from the General Fund through internal reallocation. At the conclusion of the legislative process, this recommendation was not adopted.

Fishing Tournament Cost

The Fisheries Operations Subcommittee continues to believe that the DNR needs to assess fees on tournament anglers/organizers that adequately cover the cost of their management activities. Discussions should continue with tournament anglers and organizers on how best to achieve this. A three year plan should be drawn up that gets these events in compliance with covering their own costs.

DNR response: The 2007 legislature amended *Minnesota Statutes*, section 97C.081 to require Fisheries to recover costs to administer the program from tournament organizers through a permit fee beginning August 1, 2007. Charitable organizations were exempted from tournament fees. In FY08, permit fees generated \$71,215 in revenues. At the time this response was prepared, we are not yet able to calculate final FY08 expenditures and will have a better sense of how the current fee structures is working after another season or two. The issue of creating a three year

plan and other options will be included on the agenda for our yearly tournament organizers meeting.

Aquatic Plant FIN

The subcommittee would like to see a proposal to find funding for the maintaining of keeping Piers fishable.

DNR response: The Fisheries Management Section will actively work with LGUs, Sportsman's Clubs, and Service groups to fund or cost-share aquatic plant treatments at FIN-sponsored sites and other DNR fishing piers around the state to insure improved angling opportunities. The need, method of treatment, and funding will be the result of discussions with local sponsors.

NEW ISSUES

Division Support Costs

When comparing Division support costs charged to Game and Fish fund across the various groups within DNR, an imbalance appears to be found. We respectfully submit that all lines within the report that are like named should be calculated with the same mechanism from each management group. An explanation should be made immediately.

DNR response: The DNR will work with the full BOC to address cost coding issues.

License Fees

The Fisheries Operations Subcommittee believes that anglers should cover the management costs of their activities. Fees need to be structured so that several things are accomplished: fees generate required management dollars, changes in fees should not reduce dollars coming in, changes should not add to confusion at time of purchase, the life time license fee structure needs to be in balance with any changes.

DNR response: The DNR is currently preparing FY10-11 biennial budgets. In doing so, the imbalance remains a factor in determining revenue and expenditure recommendations. The Governor's biennial budget will be presented to the Legislature in January 2009.

The DNR is also drafting the legislatively mandated report on the imbalance issue. The DNR will be in consultation with the BOC in meeting the November 15, 2008 deadline.

Hunting & Angling Fees

The Fisheries COC committee wants a well thought out draft response to this dilemma to be made public prior to the DNR proposing anything to the legislature.

If and when cuts are made to fisheries management, they should be tracked and evaluated for "in the field lost opportunity," and reported back to this committee.

Our committee strongly feels that funding from other sources [like LCCMR, bonding, General fund, etc] be sought to help fix this imbalance. We should also make sure that the constitutional amendment language and statutory appropriation language for these new potential funds avoid this in the future.

DNR response: The DNR is currently preparing FY10-11 biennial budgets. In doing so, the imbalance remains a factor in determining revenue and expenditure recommendations. The Governor's biennial budget will be presented to the Legislature in January 2009.

The DNR is also drafting the legislatively mandated report on the imbalance issue. The DNR will be in consultation with the BOC in meeting the November 15, 2008 deadline.

Walleye Stocking

Within a year, the Fisheries Operations Subcommittee wants a draft report compiled that accurately reflects the cost of each caught stocked fish.

Discussions between anglers and managers should be started that will determine the extent to which we try to make lakes walleye lakes. Fisheries dollars are limited, and this committee demands that we efficiently use the limited dollars we have to best manage the resource. We are becoming concerned that walleye stocking costs are consuming more dollars than can be efficiently spent.

DNR response: Within the next year DNR will prepare a report with our estimate of costs for the walleye stocking program and a preliminary evaluation of walleye available to be caught by anglers. The cost of each stocked fish caught by anglers will be estimated based on the number of walleye captured in lake survey nets and a limited number of creel surveys. Creel surveys are the best way to accurately assess angler catch, but they are expensive to conduct and therefore limited to a small number of lakes. We will discuss this report with BOC when it is available.

Clean Water

The Fisheries Operations Subcommittee would like a report compiled that accurately examines whether the DNR and related agencies are accomplishing all that can be cost effectively done.

DNR response: The DNR agrees that water management is a very important issue. There are numerous agencies, organizations and private individuals involved in managing our waters, and there have been a number of efforts over the past decade to try to better identify and coordinate water management activities. The DNR will meet with the committee to discuss some of these previous efforts and how the committee would suggest we would approach their request. DNR is represented on the Clean Water Council and will continue working with this group in partnership to implement clean water initiatives.

VHS Virus

The department should accurately compile the cost of this virus to management activities and report back to this committee. A long term plan to cover the needed expenses should be prepared. Appropriate funding should be identified.

DNR response: The DNR implemented a plan in the spring of 2007 that addressed monitoring and other efforts to prevent the occurrence of the virus as well as actions that would be taken if the virus were detected. The DNR received grants in 2007 and 2008 from the USDA-APHIS to conduct surveillance for VHS on 90 water bodies located throughout the state, to purchase hatchery equipment for state hatcheries, to certify individuals as fish collectors, and to implement changes to fish production practices. In 2008 the legislature appropriated supplemental budget monies toward VHS monitoring. The legislature also passed policy legislation that directed the DNR to work with the departments of Agriculture and Health to develop a plan for detecting and responding to the presence of VHS and to determine how the joint laboratory facility at these departments may be used to provide needed testing. We will continue to document costs of VHS management and report to the committee.

RESPONSE TO TROUT & SALMON STAMP SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Ongoing Issues

Lake Superior Cormorant Control

Control of cormorants on Knife Island was first addressed by the TSSC in its FY04 Report. To date, no lethal control efforts have been implemented despite repeated recommendations and support by the Lake Superior Steelhead Association, TSSC, BOC, and now the Knife River Citizens Committee (KRCC).

DNR response: The DNR plans on revisiting these efforts with federal agencies to look for broader cormorant controls.

Minntac Discharge to the Dark River and St. Louis River Watersheds

The subcommittee supports continued monitoring and careful review of Minntac's water management plan in order to protect the aquatic resources at risk from tailings pond discharges and seepages.

DNR response: The MPCA is responsible for monitoring and regulating discharges from the tailings pond.

ATV Use of the North Shore State Snowmobile Trail

The TSSC recommends the laws and regulations that govern ATV use be revised to restore the provision that ATV use is allowed only on those trails which are posted as "open" to such use.

DNR response:

The North Shore State Trail crosses a mixture of state, county-administered, and private lands. The trail is primarily located on county land, so the Subcommittee may wish to direct their comments regarding other uses to the appropriate county.

NEW ISSUES

Policy Issues

VHS and other Exotics

We urge the DNR to continue to do whatever it can to promote or enact appropriate regulatory measures to protect Lake Superior and its fisheries resources.

DNR response: DNR staff are working with the MPCA on the ballast water issue. The MPCA is developing a discharge permit for commercial vessels that discharge ballast water into Lake Superior and its harbors. The topic was on the MPCA board meeting agenda for September 23, 2008; check their program information online for further developments (<http://www.pca.state.mn.us/programs/ballastwater.html>).

DNR's efforts to contain invasive species in the state are expanding, including hiring new conservation officers who will spend half their time enforcing Minnesota's invasive species laws, three new aquatic invasive species specialists (for a total of six statewide) to implement

prevention and management strategies statewide, 75 watercraft inspectors for the 2008 field season, compared to the 50 inspectors in 2007, and offering new prevention grants to local organizations and local governments. DNR also produced a new brochure on VHS. A PDF of it is available at http://www.dnr.state.mn.us/fish_diseases/vhs.html.

Riparian Buffer Zones – Timber Harvesting Guidelines in Riparian Management Zones

The DNR, including the Division of Forestry, should request that the MFRC revise the guidelines to incorporate the revisions recommended by the technical committee in its August 2007 report, at least in those watersheds that contain trout streams and lakes. Furthermore, the DNR Fisheries Section should retain the same riparian science technical committee to draft guidance for those landowners and land managers who wish to improve the trout fisheries in their watersheds. This guidance should be provided in an easy to understand format and mailed to all owners and managers of land in forested watersheds that support trout waters. A separate guidance document should be developed for the Lake Superior basin, given its unique combination of topography, geology, and hydrology.

DNR response: The primary responsibility of the Riparian Science Technical Committee was to assist the Minnesota Forest Resources Council (MFRC) by compiling the scientific information relevant to revising the riparian guidelines. The MFRC has indicated that they will consider these findings and recommendations during the next comprehensive guideline revision, likely beginning in 2009.

Copper, Nickel & Other Metal Mining

The TSSC urges the DNR to apply the greatest possible oversight and expertise in reviewing the adequacy of the company's estimates of the potential impact of this mining on the environment of northeast Minnesota. Furthermore, the requisite mining permits should not be granted until the current and future protection of aquatic ecosystems in the vicinity of the mine or waste rock deposits are shown to be possible by conducting the appropriate effect estimation/mitigation tests, and by requiring that the protective measures indicated by these tests will indeed be implemented by PolyMet. One should also ask if it will cost more to remediate the harmful effects of the mining than the state will gain in permitting it.

DNR response: The DNR is the responsible state governmental unit for a joint state-federal draft Environmental Impact Statement (DEIS) being prepared for the PolyMet project. Once complete, the DEIS will undergo a public review process. Any additional information obtained during this phase will be carefully evaluated before the Final EIS is completed. The Final EIS will provide a description of significant environmental impacts along with mitigation and alternatives that would reduce or eliminate these impacts.

Eyota Ethanol

The TSSC understands an Environmental Assessment Worksheet (EAW) is due to be completed/published on or about May 12. Upon review of the EAW, the TSSC may recommend moving this project to an Environmental Impact Statement (EIS).

DNR response: The MPCA Board is the regulating authority for the MinnErgy project. The TSSC should direct its recommendations to that agency.

To track this issue, see MPCA's Web site at <http://www.pca.state.mn.us/energy/fuels/project-ethanol-minnenergy.html>. The MinnErgy EAW and water permit will be presented at one of the upcoming MPCA Board meetings.

RESPONSE TO WILDLIFE OPERATIONS SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Fishing Overspending and Wildlife Underspending

In order to remedy this inequity, either Fishing license fees need to be increased to better align with their expenditures or expenditures for hunting need to be increased. We recommend an increase in Fishing license fees in order to maintain the current level of programs and services provided by both Fishing and Wildlife.

DNR response: The DNR is currently preparing FY10-11 biennial budgets. In doing so, the imbalance remains a factor in determining revenue and expenditure recommendations. The Governor's biennial budget will be presented to the Legislature in January 2009.

The DNR is also drafting the legislatively mandated report on the imbalance issue. The DNR will be in consultation with the BOC in meeting the November 15, 2008 deadline.

Heritage Enhancement Reporting

According to *Minnesota Statutes*, section 297A.65, "the money must be treated as other proceeds of the sales tax." We again recommend that the DNR, along with the Department of Finance treat the Heritage Enhancement receipts accordingly.

DNR response: DNR has again shared these comments with the Department of Finance and Employee Relations. They have determined that DNR will continue to report Heritage Enhancement receipts as revenue into the Game and Fish Fund consistent with past reports.

Wildlife Management Areas

A Long Range Plan (50-year) for WMA acquisition has been adopted and, in 2002, a Ten-Year goal of 210,000 acres was established. We feel it is important to provide stakeholders and legislators with reasons why these goals are not being met. We acknowledge that the biennial WMA acquisition report gives detailed acquisition results; however, we feel the GFF Report (under the section "Land Acquisition; long term trends") should provide insight into whatever issues are impeding the achievement of desired goals.

DNR response: We agree and will be including in the GFF Report a narrative describing our assessment of any limiting factors we have identified that would hinder us from reaching the goals established by the Citizens WMA acquisition report.

Development Funds for Wildlife Management Areas

Since our recommendation from last year, the DNR has implemented an interactive web site that allows for users to comment on the conditions of WMAs. While we think that this monitoring program is a step in the right direction, we are still very concerned because it doesn't address an approach on how to assess the feedback and fund the necessary improvements.

DNR response:

Information obtained from comments submitted through the web site are forwarded to Area Wildlife Supervisors who will use the information to prioritize their annual WMA maintenance and development funding to address needs as appropriate. In addition, summaries of all comments received will be reviewed by Section of Wildlife Managers to identify trends, assess unmet needs, and propose funding allocations or new funding initiatives to address the identified management issues.

Land and Minerals Division

Since last year's recommendation, the Division of Lands and Minerals has implemented a time reporting system that will provide sufficient information on how the Game and Fish Fund appropriations are being spent. We recommend a review of the data in early CY 2009, with a full review in early CY 2010. Recommended adjustments will be made, if appropriate, after the full review.

DNR response: The department agrees with the committee's recommendation.

NEW ISSUES

Shallow Lakes

If the Game and Fish year-end balances continue to show an increase, we recommend an increase in appropriations for the Shallow Lakes Program to help alleviate the current imbalance between fishing and wildlife, and to accelerate the recovery of our shallow lakes.

DNR response: The current projections for the GFF may not allow an increased appropriation for this purpose at this time. However, we agree that shallow lakes program is a high priority for existing and new funding. The DNR has accelerated the Shallow Lakes Program using a combination of Game and Fish funding, Prairie Wetland Management initiatives and Habitat Corridors Partnership funding. We will continue to look for ways to advance shallow lake habitat management as a core function of the Section of Wildlife.

Excess Fund Balance in Wild Rice Account

We recommend a temporary increase in spending from the Wild Rice Management Account to extend the number of publicly designated managed waters for wild rice while at the same time lower the fund balance carry-over to no more than \$10,000.

DNR response: The DNR has established an interagency committee of wild rice experts to consider the management challenges and appropriate strategic actions to restore and protect wild rice in Minnesota. It is prudent to delay spending down the account balance until this committee has had an opportunity to make recommendations on appropriate management actions.

School Trust Lands

Currently, some of the DNR land is being managed primarily for the environment and not for the long-term economic return. Because of this, there currently exists a threat whereby the DNR may lose administrative responsibility for some School Trust Land parcels within WMAs and State Forests due to this "mis-management." We recommend the DNR acquire fee-title interest in the high-priority parcels. Funding sources need to be identified so that high-priority parcels can be preserved for the benefit of the environment and at the same time provide improved benefits for the School Trust.

DNR response: The DNR has and will continue to identify school trust fund parcels that have reduced income potential due to legislative or DNR administrative actions and acquire those parcels in fee by condemning the trust, exchanging trust lands for other land that can generate revenue, or establish a lease to compensate the trust. The legislature has established the Permanent School Fund Advisory Committee to advise the DNR on management of trust fund land.

RESPONSE TO BIG GAME SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Disease Management

In 2005 and 2006, we suggested that the Farmed Cervid Industry needed to have strict regulations over movement and handling of their animals; this problem has still not been resolved. We would also like to renew our 2005 request for the DNR to fund CWD and TB efforts from sources other than hunter dollars.

DNR response: We agree. Currently, regulation of farmed cervids falls under the jurisdiction of the Board of Animal Health. DNR continues to work closely with the Board and has provided input since the responsibility shifted to them in 2004.

During FY2007, a total of 2,230 deer were tested for bovine tuberculosis (TB). Surveillance and management for this disease has been both time and cost intensive and DNR has secured from other sources approximately 30% of the \$579,000 that was spent during FY07.

DNR has and will continue to seek additional state or Federal funding. Even though Bovine TB is of a principle concern of the cattle industry, it is also a wildlife health issue and therefore warrants continued use of the cervid health account.

NEW ISSUES

Fiscal/Policy Issues

Use of Hunter License Dollars for Other Purposes

We propose that a greater percentage of hunter license dollars be spent on wildlife programs, including venison donation and Wildlife Management Area acquisition and maintenance.

DNR response: The DNR is currently preparing FY10-11 biennial budgets. In doing so, the imbalance remains a factor in determining revenue and expenditure recommendations. The Governor's biennial budget will be presented to the Legislature in January 2009.

The DNR is also drafting the legislatively mandated report on the imbalance issue. The DNR will be in consultation with the BOC in meeting the November 15, 2008 deadline.

RESPONSE TO PHEASANT STAMP SUBCOMMITTEE REPORT

NEW ISSUES

Policy Issues

Farm Bill Promotion

The PSOC recommends that the PHIP account maintains the current level of funding for lobbying and promotion efforts (used by PF).

The PSOC recommends that an appropriate amount of PHIP funds be used to The Farm bill Assistance Program.

Due to current commodity pricing and in an effort to protect targeted high priority land, the PSOC recommends that the DNR provide additional incentives toward existing State and Federal conservation programs.

The PSOC recommends the DNR offer various opportunities (workshops, etc) where landowners can learn different habitat management techniques and how to conduct best practices.

DNR response: We agree that this is an important expenditure from the PHIP account. Legislation was passed in 2008 extended this as an eligible expense. We will be evaluating this level of support now that the Farm Bill has been successfully negotiated.

Farm Bill Assistance Program (FBAP) was fully funded from PHIP, Duck Stamp, and the from the Heritage Enhancement account.

We agree that market conditions are unfavorable for land-owner sign-up at this time. The legislature approved a \$1.75 million per year for the 2008/09 biennium for implementation of the Prairie Wetlands Working Lands initiative. This initiative works with multiple federal, state, and local partners to focus a variety of conservation programs on working farmlands in targeted areas to enhance the delivery of wildlife habitat. One tool used by this program is “market adjustment” contracts that encourage landowners to participate in eligible habitat programs through incentives. We will continue to promote private lands conservation programs and new practices such as CP-38, will provide some opportunity to replace acres being converted to row crops. In addition, the Department acquires high priority land for Wildlife Management Areas within targeted prairie grassland and wetland complexes within the pheasant range.

The FBAP puts on twice-per-year training for natural resource professionals including; FBAP technicians, and SWCD, FSA, NRCS, DNR, PF, and USFWS employees. In addition the Private Lands Specialists work with local jurisdictions such as SWCDs to sponsor several landowner workshops each year. We also gave presentations at Farm Fest and the Pheasants Forever State convention.

Pheasant Stamp Increase

The PSOC recommends that the DNR continue to consider the idea of another license fee increase (pending the dedicated funding decision) and begin the process of educating the public on the need for additional funds to achieve the goals of the Long-Range Pheasant Plan.

DNR response: Adjusting revenues and expenditures will be considered in formulating the FY 2010-11 biennial budget recommendations.

Food Plot Guidance

The PSOC recommends that DNR continue their effort to study the effectiveness of food plots and create best practice guides designed to maximize the effectiveness of food plots.

DNR response: We are in the final stages of testing and then implementing a GIS based application to track food plots. Location, size, purpose, and costs will be tracked. This will enable us to make better decisions regarding food plot expenditures. Development of BMPs for food plots will also continue.

Roadside Habitat Management

The PSOC recommends a continued study of roadside habitat in relation to wildlife production. The PSOC recommends continuing or increasing funding of roadside habitat with an emphasis of restoration back to native grass forb mix and a continuation of the media campaign meant to educate landowners on the benefits of roadsides.

DNR response: The DNR recognizes the benefit of roadside habitats and will be implementing a long-range roadside management plan in 2011 that will identify management, education, and research priorities.

RESPONSE TO WILD TURKEY MANAGEMENT SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Ongoing Issues

Trap & Transplant Program

Using DNR GIS mapping of land cover, snow fall depths and data bases of information the priority range of wild turkeys has been evaluated. Look at what the unstocked area is, and determine how many releases it will take to stock. Trap at least 200 birds a year until the unfilled area is stocked. Trapping is discontinued by the DNR until hunter surveys are in this fall. This may be premature and is disappointing.

DNR response: All areas identified in the habitat analysis have been stocked. At a 3/19/2008 meeting between DNR and NWTF Directors, Board members and biologists we agreed to suspend trapping in Minnesota for the near future and monitor the health and success of transplant sites in the northwest and do what's necessary to ensure their viability. We have assessed the success of each transplant site and will be supplementing one site with wild-trapped birds from Wisconsin this winter. A Hunter survey of wild turkey sightings will be conducted in winter of 2008-09 to assess range expansion.

Turkey Habitat Increase

Cooperate with new DNR biologist to identify turkey habitat improvement plan and strategy.

Promote hardwood restoration & management on private, state, and federal lands along river/stream corridors, riparian areas, and historically wooded areas to complement grassland and wetland management to provide additional turkey habitat.

Possibly leverage the DNR and BWSR Farm Bill Assistance Grant for additional staff activity to promote wild turkey habitat. Promote Conservation Easements (habitat protection) on private lands; key concern is protection of Oak Savannah and Big Woods habitats that existed in pre-settlement times.

DNR response:

The DNR will coordinate with NWTF in completing bird conservation plan and use as a springboard in habitat management and direct turkey funds for cost share

During FY09 we will be involved in developing the Minnesota portion of the National Wild Turkey Plan. Through these efforts habitat work will be focused in high priority areas and maximize effectiveness limited Turkey Stamp appropriations. Additionally, \$15,000 has been reserved to create "challenge grants" as an incentive for local NWTF chapters to generate habitat projects. Local chapters will be asked to match these grants from NWTF's Superfunds thus leveraging Turkey Stamp dollars.

DNR and partners continue to actively develop and fund conservation easements to protect working forests through the Forest Legacy Program.

Information & Education About Wild Turkey Management

Increase the number of landowner workshops/land owner appreciation days. Continue to hold hunter education classes and provide wild turkey information to press and other media aimed at the general public. Update on wild turkey related brochures.

DNR response: DNR will continue to partner with NWTF and others to conduct landowner workshops, and continue to send out press releases to generate positive PR for the wild turkey. The Managing Your Woodlands for Wild Turkeys brochure has been scheduled for revision for

some time now. Currently, Private Lands staff are working on revising the content. The brochure is significantly out of date and major revisions are necessary.

Turkey Habitat Acquisition

Continue to seek out and acquire public lands that have turkey habitat.

DNR response: We will continue to do so.

NEW ISSUES

Fiscal Issues

FY08-09 Budget

The FY08-09 Biennium will have a \$172,000 budget; we would like to know how the DNR Turkey Committee plans to budget that money.

DNR response: The FY09 Turkey Stamp budget has been provided to Chair Glines.

Turkey Stamp and ELS Sales

The committee came to find during the course of the meetings, that turkey stamp funds could be affected by the current situation at ELS terminals that hunters purchasing turkey licenses may not have purchased turkey stamps. (Note: The DNR is addressing this issue in the current Game and Fish Bill.)

DNR response: The 2008 Legislature combined the turkey stamp with the turkey license (for a total of \$23) thus eliminating this problem. Additionally fall hunters will need to purchase the full \$23 license even if they purchased a spring license. A new reduced price youth license has also been created. These changes will go into effect for the spring 2009 season.

Policy Issues

Public Lands Inaccessible for Public Recreation

Develop a program to purchase “walk in” access easements to the landlocked public parcels to provide turkey hunters and others access to many landlocked public Forestry lands. What is the status of this solution? We have had no response on this topic that directly relates to this issue

DNR response: We currently have no implementation dollars for this activity. In January of 2008 the Section of Wildlife submitted a report to the Legislature on creating a statewide hunter access program. Purchasing access easements to landlocked and difficult to access parcels was one component of the recommendations. The Legislature did not take up or discuss the report this past session. However, should dedicated funding pass this seems like it would be a likely program for funding.

Regarding access to Forestry administered lands, the Division of Forestry is actively working on a strategic land asset management plan. This plan identifies these mentioned landlocked parcels, and through Departmental processes, makes decisions regarding the disposition or retention of such parcels. The value of these parcels for hunting and other recreation are being considered, as are options to improve access.

RESPONSE TO WATERFOWL STAMP SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Ongoing Issues

Electronic licensing and concerns over disappearance of waterfowl stamp

The WSS supports making the hard copy stamp available to those who request it (at the time of purchasing) for no additional charge. We feel that by making the stamp available for no charge, a majority of stamp purchasers will choose to receive a copy and thus continue the time-honored tradition of collecting the stamp as an integral part of waterfowl hunting.

DNR response: The DNR remains committed to maintaining a pictorial state waterfowl stamp. Providing the pictorial stamp at no charge would create a liability to the Game and Fish Fund that would be borne by all license funds.

NEW ISSUES

Declining revenue in Waterfowl Stamp Account and Hunter Recruitment

The WSS feels that it is too premature to recommend a stamp increase at this juncture. Given the DNR has a stated goal of retaining 140,000 waterfowl hunters, we believe the potential exists to generate additional revenue by selling more stamps (i.e. recruiting more hunters) rather than charging existing hunters a higher price. The WSS recommends the DNR develop and implement a marketing strategy to recruit new waterfowl hunters in a similar fashion to what has been done for fishing.

The WSS believes the DNR should aggressively and promptly implement a recruitment strategy to reverse the decline in waterfowl hunter numbers. The DNR should also acknowledge the potential loss of current hunters as “baby-boomers” continue to age and eventually stop waterfowl hunting.

DNR response: Hunter retention and recruitment remains a top priority. The DNR is always looking for opportunities to expand and improve those efforts. The DNR has a draft plan for implementing hunter retention and recruitment strategies.

In addition, the DNR has been an active participant through the Mississippi Flyway Council in the crafting of a national strategic plan for recruitment and retention of waterfowl hunters. That plan is currently in draft form and undergoing review by all four flyway councils.

Riparian Easements

The WSS suggests the DNR modify the administrative rule in chapter 6115.0271 – (C)(2) to change the requirement from written consent to written notification of all riparian owners. The WSS believes there is other precedent in state statute where the DNR is only required to provide notification and not receive consent for actions that impact public waters.

DNR response: Water level management is a critical part of DNR’s ability to manage waterfowl lakes and the DNR has a long history of managing water levels on public waters for a variety of reasons. Riparian rights are a property right that we treat with respect in the course of that work.

DNR’s formal policy is to fully inform riparian landowners of their rights when we pursue designation of Wildlife Lakes under *Minnesota Statutes*, section 97A.101. DNR prefers to work together with landowners and the public to benefit both public waters and public recreation. That

approach can enhance good projects and can better inform decision making about all proposed projects.

DNR prefers to work together with landowners and the public to benefit both public waters and public recreation. That approach can enhance good projects and can better inform decision making about all proposed projects.

Waterfowl Production in Canada

The DNR should also examine ways to continue and increase supporting conservation work in Canada given the importance of those landscapes to producing waterfowl harvested by Minnesota hunters.

DNR response: The Department has committed funds toward wetland habitat conservation efforts in Canada. The Department has and will continue to meet this pledge.

RESPONSE TO ECOLOGICAL RESOURCES SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Ongoing Issues

Lakes and Rivers

A. Identifying Sensitive Lakeshores

The DNR Division of Ecological Resources is currently conducting a pilot project with Cass County using state and federal dollars through the FY 2010-2011 biennium, with DNR surveys completed in FY 2009-2010. An expanded program would allow other local units of government to establish sensitive shoreline districts in their jurisdiction that would provide additional habitat protection from the potential impacts of shoreland development. If, upon completion of the pilot project with Cass County, additional local units of government express interest in this program, Game and Fish Fund dollars should be used to provide part of the funding for the effort.

DNR response: While the Game and Fish Fund may be a legitimate source of partial funding for this project, it should not be the only source of funding because this project has broad environmental benefits. If additional local units of government want this program to expand, the DNR will consider funding a portion of it with Game and Fish Fund dollars, but would also expect other funding sources to be used.

Ecosystem Health

A. Terrestrial Invasive Species Management

Increased, ongoing funding is needed to allow the planning and implementation of cooperative projects with local land managers.

DNR response: The DNR agrees that terrestrial invasive species are a significant and growing problem that needs attention. Ecological Resources currently funds this program with General Fund dollars.

B. Aquatic Invasive Species (AIS) Management

Additional sources of ongoing funding for management, prevention, enforcement, and rapid response to AIS must be secured through such means as increased boat license surcharges, access fees, out-of-state angling license surcharges, or other sources. Because of the impacts of AIS on fish and wildlife habitat, Game and Fish Funds should be considered to be a legitimate partial funding source for AIS prevention, management, and rapid response.

DNR response: The 2007 legislature added a \$2 surcharge to non-resident fishing licenses for AIS management. This revenue is deposited into the Game and Fish Fund and transferred to the Invasive Species Account. The DNR does consider the Game and Fish Fund to be a legitimate partial funding source for AIS.

Nongame and Rare Resources

A. Biofuels

Until commercial biofuels production technologies reduce the reliance on conventional row crops and use of groundwater, the DNR should exercise its permitting and environmental review authority (i.e. groundwater appropriations and EAW/EIS preparation) in a manner that ensures

that the potential impacts to fish and wildlife habitats are adequately identified, evaluated, and minimized and that water conservation strategies are included in all biofuels-related groundwater appropriation permit applications and EAW/EIS documents.

When and if commercial biofuels production technologies reduce the need for conventional row crops, the DNR should then work with the Minnesota Department of Agriculture to encourage agricultural producers to plant mixed perennial native prairie grasses that can be harvested for biofuel production. The DNR should also continue to educate the public concerning the higher value of mixed perennial native prairie grasses relative to monoculture plantings of row crops and/or perennials for both wildlife habitat and biofuel production.

DNR response: DNR exercises authority and jurisdiction over all high-volume water users and much of the funding for this activity comes from General Fund. DNR helps ensure adequate groundwater availability, water use reductions, water quality protection, and surface water/habitat protection. Staff also participated in a series of discussions with the industry to better incorporate water use into project planning and development.

The DNR recognizes that natural resource benefits of cellulosic biofuel development will depend largely on what is planted, where fields are grown, and how the biofuel crop is managed and harvested. Example biofuel activities for FY07 include the Prairie Seed Production and Bioenergy Project report and the Best Management Practices for Bioenergy Production and Harvest report. Current DNR priorities include continued collaborations with partner agencies, producers, and the academic community. This includes participation in the RIM-Clean Energy work group to help integrate conservation into biofuel production and several pilot projects that promote use of grasses for biofuel.

B. Scientific and Natural Areas (SNAs)

DNR needs to promote SNAs more effectively to a broader segment of the public. Working with other partners, the Department should identify opportunities to increase public activities on SNAs — such as recreation, research, and education — without diminishing the ecological values that SNAs were purchased and established to protect. The Department may wish to consider social science research for citizen perceptions of SNAs, successful models from other states, recognition programs for SNA supporters and volunteers, and DNR communication opportunities.

DNR response: The DNR is in complete agreement with this comment. We have been focusing on reorganizing and regionalizing SNA programs over the past two years, but now that we are completing that effort our next priority is to look at marketing and increasing recreational opportunities on SNAs.

NEW ISSUES

Policy Issues

Lakes and Rivers

A. Shoreland Environmental Review Thresholds

The thresholds for triggering state environmental review of projects involving development of shorelands are currently based upon the size of the proposed development, not the nature or quality of the fish and wildlife habitat that may be impacted by the proposed development. The state has drafted proposed changes in the thresholds that would better account for fish and wildlife habitat value, but has not begun the official rule making process to implement the changes. This lack of action has resulted in additional sensitive shoreland areas undergoing development without adequate environmental review by the state. Concurrent with completing its pilot project with Cass County to identify and protect sensitive lakeshore areas via zoning, the

DNR should also request that the official rulemaking process be restarted so that the revised thresholds for environmental review of proposed projects that include shoreland development can be adopted and implemented.

DNR response: The EQB is responsible for promulgating rules for shoreland environmental review thresholds. The DNR will contact the EQB to see if we can help move the rules forward.

Integrated Conservation Information

A. Information on Habitats of High Biodiversity Significance

Minnesota needs a comprehensive inventory of the state's natural lands. The inventory field work needs to be completed as soon as possible and equally important, the data needs to be rapidly compiled and made readily accessible for use in natural resource planning.

DNR response: In collaboration with other agencies and organizations, DNR has compiled data on the state's natural lands organized largely by Ecological subsections or watersheds. The Minnesota County Biological Survey will complete the identification of sites of Biodiversity Significance by 2018. Data from the survey are available but the format could be improved to make it more accessible. The DNR recognizes the need to continuously improve information delivery to stakeholders and is looking at increasing its investment in information technology to help accomplish this.

Nongame and Rare Resources

A. Protection of High Significance, Biologically Diverse Habitats

A comprehensive plan for private lands of high biodiversity significance is needed. Many of these significant lands also have high natural resources value. Such a plan would describe which of these lands can become part of the state's outdoor recreation system where hunting, fishing, and selective logging is allowed and promoted. Only a small percentage of the most sensitive and significant lands will need the added protection of SNA designation.

DNR response: Private lands are included in analyses to determine rankings of sites of biodiversity by MCBS. Guidance provided in the Minnesota Statewide Conservation and Preservation Plan, the Conservation Agenda, the State Wildlife Action Plan, and State Parks Plans further helps to identify private lands to add to the outdoor recreation system. Sites of biodiversity significance are important criteria in the planning processes for wildlife management areas and aquatic management areas. The DNR is committed to considering multiple values and uses of land that may be acquired for the outdoor recreation system.