Response from Minnesota Department of Natural Resources To the Budgetary Oversight Committee's Citizen Oversight Report on Game and Fish Fund Expenditures – Fiscal Year 2008

November 2009



Minnesota Department of Natural Resources

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November 20, 2009

Mr. Brad Cobb, Chair Budgetary Oversight Committee 333 - 4th Ave SE St. Joseph, MN 56374

Subject: Response to Citizen Oversight Review of DNR Game and Fish Fund Report Fiscal Year 2008

Dear Brad:

Thank you for your thorough review of DNR's Game and Fish Fund Report for Fiscal Year 2008. The DNR has prepared written responses for many of the issues identified by the subcommittees.

The imbalance of revenues and expenditures and the short and long-term balance of the Game and Fish Fund are ongoing concerns. We look to our stakeholder partners and the legislature to support policies and initiatives that enable a more balanced management of available funds.

From the *Game and Fish Fund Hunting and Fishing Revenue/Expenditure Allocations, November 15, 2008* report to the legislature, the DNR has implemented these short-term strategies:

- a) Considered Game and Fish Fund allocation ratios as a factor when determining funding priorities with existing funding.
- b) Leverage new funding opportunities to close the gap when developing funding packages.
- c) Research and analyze fishing fee increases and license structure modifications.
- d) Introduce and support legislation that eliminated the debt to the Game and Fish fund from the Wild Cervid Health Account of \$750,000.

The DNR continues to work on these long-term strategies:

- a) Continues to monitor and analyze of ratios.
- b) Discusses annual allocations with the BOC and with the Legislature.
- c) Evaluates program funding portfolios with the current Game and Fish Fund allocation as a factor.
- d) Monitors the balance of the Game and Fish Fund. Any future adjustments should take the allocation into consideration.
- e) Considers additional funding sources to broaden funding portfolios.

Our thanks to everyone for their dedication in providing citizen oversight of the Game and Fish Fund.

Sincerely,

Mark Holsten Commissioner

Copies: Game and Fish Fund Citizen Oversight Appointees

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RESPONSE TO FISHERIES OPERATIONS SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Loss of Shoreline Habitat

The committee asks the DNR to identify and define the biggest hurdles that must be addressed, and report back to the angling public.

DNR response: Please see cover letter.

Let's Go Fishing Funding

These efforts need to show success at revenue generation. If we are spending money that does not generate more dollars to the fund than are being spent, we would be wasting dollars that could be better spent on improving the fisheries resource.

DNR response: Please see cover letter.

Treaty Costs

The committee requests a thorough review of these efforts with an eye towards changing process to achieve cost savings.

DNR response: Included in the treaty planning/coordination cost coding are costs associated with survey and assessment work and creel surveys in addition to the modeling work conducted by research staff. In future reports we will segregate planning/coordination costs and the field work. During FY2008, the 1837 Treaty Assessment Unit was involved in two large-scale research projects on Mille Lacs Lake, including a tagging study to estimate walleye abundance and a walleye predator-prey dynamics study. This information is pertinent to managing Mille Lacs and is being used to inform research and analysis on other lakes. Other treaty-related work, such as hooking mortality studies, has also benefited management of other waters. Budget reductions will preclude large magnitude projects in the near future, and the Treaty Assessment Unit is looking at ways to increase efficiency.

Fishing Tournament Cost

The committee believes answers need to be found for two separate issues: reduction of tournament management costs/process within the DNR, and appropriate fee structures for all tournaments to recover this cost. We continue to believe that tournaments must cover the cost of their management expenses.

DNR response: DNR staff has worked extensively with tournament organizers, the Fisheries Operations Subcommittee, and the legislature to develop a mechanism to recover administrative costs related to issuing tournament permits. Different options have been discussed, including varying fee structures and individual participant endorsements. DNR staff testified during the 2009 legislative session that a reduction in permit fees by 50% would result in administrative costs not being recovered, even with the elimination of the fee waiver for charitable organizations, but the legislation was enacted. DNR will continue efforts to increase efficiencies and reduce administrative costs associated with tournament permitting. Development of an online application process as directed by the 2009 legislature will add some convenience to applicants, but based on Wisconsin's experience is unlikely to reduce administrative costs.

<u>Division support costs</u>

We are concerned that an entire year went by with little effort in this regard. Since fisheries is charged as much as 4 times as much as other divisions for support costs, we are deeply concerned by the lack of success at understanding the imbalance and await the DNR's response.

DNR response: The division has developed a system for consistently reporting administrative costs between fisheries and wildlife that will be reflected in the FY2009 Game and Fish Fund Report.

In addition, for FY10 the department has implemented guidelines regarding the allocation of shared services costs across all appropriate funding sources. Divisions were required to document their allocation methodology and review with the Commissioner's Office. Actual cost allocations will be reviewed at the internal guarterly reporting meetings.

Next License Fee increase

The committee understands that an inflationary increase in the cost of angling licenses is due in the next year or two, and support discussions in this regard. We remind DNR managers and legislators that funding from other sources [LCCMR, bonding, Legacy funding, etc] need to pay their fair share of the fisheries management costs.

DNR response: Please see cover letter.

NEW ISSUES

Stocking

The committee wants the DNR to review the cost effectiveness of stocking various species in regards to "effort compared to fish caught within the creel." The changes in funding for fisheries activities means that dollars spent on effort must be maximized for enhancement of angling experience. The committee is beginning to believe that we are unwisely spending dollars on stocking at the loss of spending on other efforts. A better understanding of the cost per fish caught may impact opinions as to the value of stocking. We also believe that stocking efforts are beginning to be decided by political pressures instead of fisheries science.

DNR response: Stocking will continue to be an important strategy to provide quality angling opportunities in the state. The DNR shares your desire to deliver a science-based, cost effective fish stocking program for all species. We have just completed a long range plan for muskellunge management, are working with an advisory group of stakeholders and DNR staff to update our walleye stocking guidelines, and are undergoing a program review of the trout propagation/stocking program. We would welcome the opportunity to have staff provide informati0on to the subcommittee on recent efforts related to stocking programs.

Environmental review

The DNR should consider cost saving measures, perhaps cross-interdisciplinary training, to reduce these costs. Another potential option is to charge developers to recover the total costs of these activities. This committee would like to see a plan presented that makes these efforts both more successful and at the same time less costly.

DNR response: The DNR agrees with your recommendations to increase efficiency of environmental review efforts. Field staff participation in environmental reviews is important as it applies local site knowledge and experience to impact identification and mitigation. During the past year, DNR received federal funding to develop environmental review guidelines to assist staff with project reviews. By statute, DNR is reimbursed for all expenses incurred during preparation of Environmental Impact Statements. A bill requiring reimbursement for preparation of Environmental Assessment Worksheets was introduced last legislative session but did not pass. The environmental review workloads and associated costs have been increasing in recent years due, in part, to the number of energy-related projects. We will strive to prioritize environmental review work and minimize the number of individual staff needed to review specific projects.

Angling enforcement

Fisheries management should review the effectiveness of these efforts, and make a report back to the committee on its enforcement needs.

DNR response: The percentage of Enforcement expenditures on fishing regulations has been relatively stable since FY2004, ranging from 48-52%, while Enforcement expenditures for wildlife regulations have varied from 39-40%. While there was an increase in Enforcement expenditures for fishing regulations from FY2007 to FY2008, similar increases and decreases have occurred in the past. Fisheries staff coordinates with Enforcement to establish work priorities each year, and overall Enforcement effort is tied to the amount of fisheries-related funding available. Fisheries and Enforcement staff will continue to work together on developing work priorities and to track fisheries-related expenditures. Staff will discuss enforcement needs and effectiveness with the Subcommittee.

Concluding remarks: DNR staff is interested in discussing the subcommittee's concern regarding decision making. Fisheries staff is involved in workshops or advisory groups for walleye, bass, panfish, Southeast Asian issues, esocids, trout, tournaments, and aquaculture. In addition to the Fisheries Operations Subcommittee, staff is engaged with the Trout and Salmon Stamp Subcommittee, a new Walleye Stamp Subcommittee, and the Budget Oversight Committee. Issues are openly discussed at the annual Fisheries Roundtable and in numerous local forums around the state, including advisory groups for Lake Superior, Red Lake, Leech Lake, Mille Lacs Lake, and others. Input on a number of issues has been solicited on the internet. DNR staff strives to be open and transparent, and there are public opportunities to have input on agency decisions statewide. We look forward to an open dialogue with the Subcommittee on these topics.

RESPONSE TO TROUT & SALMON STAMP SUBCOMMITTEE REPORT

NEW ISSUES

Policy Issues

Ongoing Efforts to Control Invasive Species

The TSSC urges the MNDNR, the MPCA, and the Minnesota Legislature, to work together to find solutions (technical, political, or other) to the imminent threat which VHS and other aquatic invasive species pose. Specifically, ballast water treatment standards should be strengthened and the timetable for compliance shortened, via legislation and/or the MPCA's rulemaking. We urge that the two ballast water treatment research/testing proposals recommended for funding by the LCCMR be so funded without delay. We further urge the MNDNR to continue to do all it can, through regulations and other means to further protect Lake Superior fishery.

DNR response: DNR efforts to curb the spread and manage aquatic invasive species in inland waters has been increased significantly with more regional invasive species staff, enforcement officers, watercraft inspectors, and prevention grants during 2009 (see invasive species annual report for 2009 available in January 2010 at www.dnr.state.mn.us/eco/invasives/index.html).

While data from the Great Lakes Aquatic Non-indigenous Species Information System -- shows the last new invader to establish in the Great Lakes was in 2006 (see attached GLANSIS database from their web site at http://www.glerl.noaa.gov/res/Programs/ncrais/glansis.html), preventing new introductions of aquatic invasive species in the state and Lake Superior remains a concern of DNR and MPCA. DNR and MPCA continue to work together on state ballast water regulatory issues and monitoring federal ballast water initiatives. The U.S. Coast Guard announced proposed rules on this issue, and the MPCA and DNR will prepare comments from the state.

Better Timber Harvesting Guidelines for Riparian Areas

Last year the TSSC recommended that the MNDNR take two very different steps to address this problem: (1) request the MFRC revise the guidelines to incorporate the conclusions and recommendations of the technical committee, at least in those watersheds which contain trout streams and lakes; and (2) have the Fisheries Section contract with the same scientists who served on the technical committee to have them draft a landowner guide which provides real guidance for those landowners and land managers who wish to improve (not merely lessen negative impacts to) the trout fisheries in forested watersheds. It was suggested that the guide be provided in an easy to understand format and mailed to all owners and managers of land in forested watersheds that support trout populations, and that separate guidance be developed for the Lake Superior basin, given its unique combination of topography, geology, and hydrology. The MNDNR's written response of October 2008 suggests that the agency has taken neither action. The TSSC is not satisfied with this "response" and renews its requests. MNDNR Fisheries should act quickly to seize and build upon the expert judgment already developed at taxpayer expense, so that Minnesotans can improve their local trout water.

DNR response: We concur that a landowner's guide to managing riparian forest would be a valuable educational tool. The DNR will work with other agencies that manage forest on the details for developing a guide. We will also continue to urge the MFRC to incorporate the riparian technical committee recommendations into site-level guidelines.

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 and water resources of northeast MN. 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 reference to other 'clean' sulfide mining sites, by conducting the appropriate effect estimation/mitigation tests, and by requiring that the protective measures indicated by these examples or tests will indeed be implemented by PolyMet. The state should also obtain assurances in any permit that is granted that PolyMet can provide monetary resources to pay for all recovery or other remedial measures that are necessary to prevent or stop any AMD or heavy metal pollution of ground or surface waters that might occur after completion of mining activities.

DNR response: The DNR is preparing a joint state-federal draft Environmental Impact Statement (DEIS) for the PolyMet project. Once complete, the DEIS will undergo a public review process. 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 to reduce or avoid these impacts. DNR and other regulators will use EIS recommendations as they issue permits.

RESPONSE TO WILDLIFE OPERATIONS SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Fishing Overspending and Wildlife Underspending

Please note that in the new issues section of this report we are recommending that both hunting and fishing license fees be increased to ensure the financial wellness of the Game and Fish Fund. In addition to this increase, we are recommending that any increases or decreases in appropriations to the Fish and Wildlife Division of the DNR take into account the current imbalance and be used to reduce this imbalance.

DNR response: Please see cover letter.

Excess Fund Balance in Wild Rice Account

We recommend that the DNR expand this program into lakes that traditionally have been wild rice lakes but no longer contain wild rice and/or accelerate traditional uses of funds for wild rice management.

DNR response: The fee structure for wild rice harvest license has recently changed and DNR has been monitoring revenue into the wild rice account and expenditures from the account. Wild rice account funds are granted to partner organizations to assist DNR in managing wild rice lakes and these grants require year-to-year stability for effective management. The DNR agrees that some of the surplus balance in the account should be spent on additional wild rice management. DNR Wetland Wildlife Program Leader will work with the Wild Rice Steering Committee to identify appropriate projects.

School Trust Lands

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 been identifying WMA land tracts with school trust fund status and making a determination if we have limited the income potential to the trust fund through our management actions. After this review is complete, DNR will determine options for enhancing revenue, exchanging, or compensating the school trust fund for these lands within WMAs. No dedicated funding is available and school trust land actions will be evaluated within the overall scope of land acquisition priorities.

NEW ISSUES

Fishing and Hunting License Fee Increase

The Wildlife Operations Subcommittee recommends to the BOC that the DNR propose a package of license fee increases sufficient to restore the Game and Fish Fund balance, provide for sufficient carry-over balances, and provide for inflationary increases for the next 4 bienniums. We are recommending a time period of 4 bienniums (8 years) because historically license fee increases occur on average about every 8 years.

DNR response: Please see cover letter.

PILT Funding

We recommend that PILT payments be restored to a 100% level. In addition we recommend that the formulas for PILT payments be re-evaluated. This committee strongly recommends the PILT

payments be made out of the General Fund due to the wide and varied usages for lands qualified for PILT payments.

DNR response: Payments in-lieu of taxes were not reduced in the 2010/2011 biennial budget approved by the 2009 Legislature. DNR does not administer the PILT payments. We will pass on the BOC's comments to the Department of Revenue.

WMA Acquisitions Goals

We recommend that the Legislature increase funding for WMA acquisition from all available sources (Game and Fish Fund, Small Game Surcharge Account, RIM, Bonding, LOHC, LCCMR) to the \$20 million dollar level which would better align actual WMA acquisitions with the Citizen's Advisory Committee recommendation and also recognize the current capacity of the DNR to properly develop WMAs.

DNR response: DNR will continue to seek funding from all available sources for WMA acquisition to address the recommendations in the 2002 Citizens report and will develop the administrative capacity to meet the funding opportunities available.

RESPONSE TO BIG GAME SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Ongoing Issues

The MDNR should be encouraged to continue their efforts to:

1. Ban big game shooting preserves throughout Minnesota. As evidenced by the recently infected elk farm in Cannon Falls, it is becoming increasingly apparent these facilities represent a risk to wild cervids. The revenues generated by a small group of individuals who kill these animals are minor compared to the economic value of wild deer and elk.

DNR response: Please see cover letter

2. Pursue funding and cooperative research and management programs that benefit moose populations.

DNR response: In 2009, the Legislature mandated DNR consult with stakeholders on the development of a moose management and research plan for Minnesota. To that end, DNR convened an advisory committee that is charged with making recommendations on statewide moose management. The recommendations from this committee have been received and DNR staff will write a moose plan that will include funding and research needs. In addition, DNR is a cooperator on a proposed LCCMR moose research project that is being proposed by UMN-Duluth and the Tribal Authorities. That project is currently under LCCMR review and may be funded.

3. Improve and develop new WMA maintenance programs.

DNR response: DNR is accelerating its emphasis on WMA maintenance and has maintained or initiated several efforts. Examples include: design and implementation of a new Web based reporting tool for users of WMAs to help us identify maintenance issues; development of best management practices for several management procedures; successfully securing an Outdoor Heritage Fund grant for WMA Prairie management; and continuing our successful Heritage Enhancement Grants to Local Outdoors Clubs program to partner with groups to accomplish development and maintenance needs on WMAs. DNR will continue to seek opportunities to improve our maintenance program.

NEW ISSUES

Fiscal Issues

Deer Feeding / Cervid Health future balance

- 1. Enhance the cervid health dedicated account so that it provides sufficient funds for future surveillance.
- 2. Maintain current funding allocation for deer feeding, separate from the cervid health portion, and maintain a minimum balance of \$250,000.
- 3. Refund all reimbursements from outside sources back into the DO1 account.

DNR response:

1. Dedicated account. DNR staff is challenged with addressing a multitude of cervid health issues, such as bovine TB and CWD. During 2009, the Governor and Legislature recognized wildlife health issues are important and approved \$600,000 general fund spending for wildlife health for each year of next biennium (FY10-11). This appropriation will help offset spending from the account and allow the fund balance to grow over the next 2 years.

- 2. Deer feeding. Separation of deer feeding from cervid health would require Legislative action. In FY09, the fund had \$1.1 million available for expenditure. The requirement to repay the Game and Fish Fund was also eliminated during the 2009 Legislative session. The deer license simplification changes added unexpected revenue to the account.
- 3. Reimbursements. We agree with the BOC recommendation and starting in FY10 will work on alternatives ways to refund reimbursements to the appropriate accounts

Game and Fish Fund Imbalance

Fisheries revenues need to be increased to align expenditures with revenues. The committee recommends DNR work with stakeholders to formulate a plan to correct the imbalance.

DNR response: Please see cover letter.

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).
- That an appropriate amount of PHIP funds be used to continue the FBAP program at current or expanded levels.
- The DNR offer various opportunities (workshops, etc) where landowners can learn different habitat management techniques and how to conduct best practices.

The PSOC believes incorporating a wildlife friendly rotational grazing plan into the "Farm Bill supported grasslands" as a contract management option or as a standalone Grazing/CRP program will help maintain grassland complexes thus supporting the rural community and protecting pheasant habitat.

DNR response: We concur that lobbying is important and will continue to work with Pheasants Forever and other groups to do so. With the passage of the new Farm Bill, our lobbying dollars have been directed to the Farm Bill Assistance Partnership. The DNR's contribution to the FBAP is now entirely from PHIP funds. The FY10 contribution will be \$150,000. The FY09 contribution was \$287,500, \$112,500 of which was from PHIP.

DNR offers several private lands workshops each year as well as giving presentations at the PF state convention and providing landowner assistance at Farm Fest and through our Private Lands program.

DNR agrees that grazing can be an effective grasslands management tool and supports a grazing option (under an approved management plan) for Farm Bill supported grasslands. Ultimately, however, this is a USDA decision.

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. In addition, we recommend private land food plots demonstrate a significant public benefit. The PSOC recommends reducing or eliminating the use of PHIP dollars for food plots on private lands and reallocating these funds for private land management, increased FBAP, and/or Roadside Habitat funding.

DNR response: DNR has developed a database application to record farming activity including food plots on both public and private lands. Research staff has drafted a paper summarizing the impact of food plots on wildlife populations and we are preparing best management practice guidelines for establishment food plots on public and private land. DNR has and will continue to refine the private land food plot program based on these BMPs.

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: We are continuing to allocate PHIP funds towards the Roadsides Program at past levels. The 2009 Legislature appropriated \$150,000 per year through FY11 from the Game and Fish Fund for the Roadside program. In addition, a grant from the Outdoor Heritage Fund for public land prairie management includes project funds for roadside habitat. We will continue to use PHIP funds are for demonstration restorations using native plants.

RESPONSE TO WATERFOWL STAMP SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Ongoing Issues

Waterfowl Stamp

The WSS would like to go back and make the physical stamp available to everyone who buys a stamp for \$7.50. We don't agree that charging \$2 to purchase the physical stamp is appropriate, when the cost to produce is around \$0.76. Minnesota has a very rich history with the duck stamp and we would like to see it stay that way.

DNR response: DNR concurs that the fee should reflect the cost of issuing the stamp. The DNR will re-evaluate actual issuance costs of production and fulfillment and propose changes.

NEW ISSUES

Declining revenue in Waterfowl Stamp Account

The WSS feels that it is too premature to recommend a stamp increase now. 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 continue to develop and implement a marketing strategy to recruit new waterfowl hunters in a similar fashion to what has been done for fishing.

DNR response: We share your concern about declining revenue in the Waterfowl Stamp Account. The current purchasing power of the price of a state waterfowl stamp validation is 60% of what it was in 1977. The state waterfowl stamp is particularly important for funding the management and maintenance of waterfowl habitat including repair of water management structures. Recent declines in the number of waterfowl hunters have added to the problem. These declines have occurred throughout the U.S. Many states have incurred greater declines than Minnesota including South Dakota and Arkansas.

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.

CONCLUDING REMARKS

The WSS believes the DNR should continue to implement aggressively and promptly 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. Bringing new hunters into the sport will help ensure a continuation of the proud waterfowling tradition in Minnesota as well as provide new revenue to offset inflationary pressures currently eroding the buying power of the stamp fund.

DNR response: See the response above.

The WSS would like to see the DNR do another hunter survey again in the FY09. The WSS believes that it is time again to do this as it will help to gain information on how to best recruit hunters as well as learning what is working currently and how we can start to turn the tables on how to best get more people involved in the outdoors.

DNR response: The DNR, in cooperation with the Minnesota Fish and Wildlife Cooperative Research Unit, conducted waterfowl hunter surveys following the 2000, 2002, 2005, and 2007 waterfowl seasons. Originally, we proposed to conduct these surveys every 3 years, but this schedule has been adjusted. We plan to conduct a complete waterfowl hunter survey following the 2010 waterfowl season.

RESPONSE TO WILD TURKEY MANAGEMENT SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Ongoing Issues

Turkey Habitat Increase

Cooperate with DNR and NWTF Wild Turkey Biologists to develop a wild turkey habitat management and restoration plan and implementation strategy. This plan should focus especially on the riparian corridors in the above named areas as well as the blufflands of southeastern Minnesota as identified in the North American Wild Turkey Management Plan.

Provide and identify training for SWCD and others in wild turkey habitat management. Local SWCDs and partners could then provide workshops and field days for interested private landowners located along river/stream corridors, riparian areas, and historically wooded areas to complement grassland and wetland management providing additional turkey habitat. Funding for training, workshops, fieldwork, and staff should be pursued through the Clean Water, Land, and Legacy amendment.

Farm Bill Assistance grants should include opportunities to promote wild turkey habitat management. We strongly encourage interagency (DNR, BWSR, USFWS, USDA FSA, USDA NRCS, SWCD, NWTF, and others) cooperation in wild turkey habitat management.

DNR response: DNR has a Long-Range Action Plan for the Wild Turkey. We are interested in cooperating on the North American plan and in the mean time continue to operate under the existing plan. Additionally DNR has forest management plans for all subsections (including Blufflands) that consider turkey habitat needs.

Turkey workshops are conducted as opportunities arise and as time allows. We do integrate turkey information sessions into SWCD sponsored workshops and field days when we can. We will provide training to SWCD staff and stewardship plan writers.

We will continue to work cooperatively with other agencies in turkey management. The single role of the Farm Bill Assistance Partnership is to encourage and facilitate landowners to enroll into federal farm conservation programs. To the extent that turkey management practices and federal farm conservation programs overlap, promoting turkey habitat management is an appropriate activity.

<u>Information & Education about Wild Turkey Management</u>

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. Develop new wild turkey management information that schoolteachers could use in the classroom. Produce media releases for mass distribution. Also, the wild turkey success story should be told in the DNR Conservation Volunteer magazine and other media outlets.

DNR response: We agree and we continue to look for additional opportunities. There was a major piece in the March/April 2006 Volunteer titled "Gobbler Therapy." This piece has been posted on the DNR web site in the turkey hunting section.

Turkey Habitat Acquisition

Continue to identify and acquire prime parcels and improve existing public land open to hunting for wild turkeys.

DNR response: We will continue to do so.

Public Lands Inaccessible for Public Recreation

Develop a program to purchase "walk in" access easements to the landlocked public parcels to provide wild turkey hunters and others access to the landlocked public Forestry lands.

DNR response: We expect that this may develop as part of a larger access program in the future. We did recommend to the state legislature in the 2008 Access to Minnesota Outdoors report that this could be an important component of a larger walk in program. The DNR is also immersed in a strategic asset management plan for lands and access is a consideration in the process.

NEW ISSUES

Fiscal Issues

Budget plans

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: DNR staff will send a summary of the FY 2010 budget to the TSOC.

RESPONSE TO ECOLOGICAL RESOURCES SUBCOMMITTEE REPORT

PREVIOUSLY REPORTED ISSUES

Ongoing Issues

Lakes and Rivers

Identifying Sensitive Lakeshores

DNR should leverage its recent pilot project with Cass County to look for strategic opportunities to work with counties to establish sensitive shoreline districts in their jurisdiction that would provide additional habitat protection from the potential impacts of shoreland development. Game and Fish Fund dollars should be considered as a source of partial funding for this effort.

DNR response: The DNR's pilot project with Cass County continues and is being used as a springboard for work with other local units of government. In Cass County, 9 of the 17 final sensitive shoreland assessments have been delivered. Incorporating sensitive shoreland designations in county zoning rules is the critical next step. The DNR has provided technical assistance on this approach to other local governments (e.g., Cook County) and will propose to expand mapping efforts into Itasca County. Game & Fish Fund dollars support a portion of this work; State Wildlife Grant and LCCMR funds are the major funding sources.

Ecosystem Health

Terrestrial Invasive Species Management

Funding from non-General Fund sources at amounts above current levels is needed to allow the planning and implementation of comprehensive, cooperative projects with local land managers. Given the role that motorized trail use and off-trail OHV travel can play in the spread of terrestrial invasive species, consideration should be given to enacting OHV license surcharges, utility trailer license surcharges, or other sources of funding for terrestrial invasive species management.

DNR response: DNR agrees that additional funding is needed for terrestrial invasive species management and that a dedicated funding source would be desirable. The DNR will consider options such as a utility trailer license surcharge during the next biennial budget proposal process.

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, public water access fees, out-of-state angling license surcharges, or other sources.

DNR response: DNR received additional funding for aquatic invasive species for FY 2008-2009. This was supported by an out-of-state angling license surcharge and increased General Fund appropriation. This elevated funding level is being maintained for the current biennium, in spite of General Fund cuts that were made to Ecological Resources. The DNR will consider options such as increasing the watercraft license surcharge during the next biennial budget proposal process.

Nongame and Rare Resources

Biofuels

DNR should continue to exercise its permitting and environmental review authority (i.e. groundwater appropriations and EAW/EIS preparation) in a manner than ensures that the potential affects to fish, wildlife habitats (both immediate and cumulative) are adequately identified, evaluated, and

minimized, and that water conservation strategies are required in all biofuels-related groundwater appropriation permits and EAW/EIS documents.

DNR response: DNR staff will continue to thoroughly assess environmental effects of biofuel use in environmental review documents for which it is the Responsible Government Unit (RGU) and consult with other state and federal RGUs to ensure their assessments are complete and accurate. Minnesota leads the nation in benchmarking water used in ethanol production and will continue to evaluate carefully biofuel water appropriation permit applications.

Protection of High Significance, Biologically Diverse Habitats

A comprehensive plan for private lands of high biodiversity significance is needed. To achieve the multiple goals of increasing outdoor recreation opportunities while protecting lands of significant biodiversity value, future acquisition decisions by DNR should become more proactive by targeting the lands with the highest biodiversity value for each category of recreational lands. A tracking and reporting system is also needed to understand how well lands acquired by DNR protect the identified lands with biodiversity significance.

DNR response: The DNR agrees that a comprehensive approach needs to be applied to acquisition. The agency strives to develop acquisition plans that reflect broad conservation goals, including biodiversity significance, fish and wildlife habitat, healthy watersheds and riparian areas, and recreational opportunities. The DNR is doing a GAP analysis of the protected status (by each type of state and federal ownership) of each Native Plant Community by Ecological Section using all available data, with 4 of the 10 sections in the state completed to date. This will help the DNR identify acquisition priorities based on biodiversity significance.

NEW ISSUES

Policy Issues

Lakes and Rivers

Updating Minnesota's Shoreland Rules

DNR should complete rule development without delay and move to hearings by December 31, 2009.

DNR response: Some of the timeframes for the rulemaking process are beyond the control of the DNR and budget reductions have eliminated funding that supported staffing for development of draft rules and other documents required for the rule hearings. It will not be possible to initiate the rule hearings by the end of this calendar year, but it is our goal to complete the hearings and finalized the rules by June 30, 2010.

Ecosystem Health

Lead as an Environmental Pollutant

DNR should expand its current educational campaign aimed at changing public and industry attitudes about the use of lead in hunting and fishing activities. The eventual goal should be to greatly reduce or eliminate the release of lead into the aquatic environment.

DNR response: DNR has taken a lead role in providing information on lead ammunition and fishing tackle. The MinnAqua and Project Wild education programs provide information on the effects of lead in the environment and non-toxic alternatives. Ecological Resources' nongame wildlife program works with PCA to provide similar information. It is not clear that an expansion of DNR educational efforts is what is needed to increase use of non-toxic ammunition and fishing tackle. DNR believes that industry leaders, conservation groups, and the sporting public need to become more involved in the use and advocacy of non-toxic ammunition and fishing tackle.

Nongame and Rare Resources

Prairie Landscape Protection and Restoration

To meet the goal of prairie protection in Minnesota, concentrations of native prairie and grasslands across the state have been identified. DNR now needs to undertake a multi-divisional and multi-partner planning process to develop a protection and restoration plan for each identified prairie landscape area with the goal to protect remnants of high-quality native habitats, reduce fragmentation, and improve wildlife populations within a working system.

DNR response: The Minnesota County Biological Survey (MCBS) has made significant progress towards identifying Minnesota's remaining prairie, with the last 8 counties in the prairie province nearly finished. The DNR agrees the MCBS information has proven invaluable for identifying priority targets and the next step is to turn this data into action plans to protect and reconnect fragmented prairie landscapes. One recent example is the DNR's partnership with The Nature Conservancy on a "Reconnecting Minnesota's Fragmented Prairie Landscapes" project – the beginning of a collaborative planning process for the protection and restoration of functional prairie landscapes.

Fire Management and Training

DNR should develop a training program in conjunction with its own prescribed fire activities that would allow individuals to develop the necessary skills and certifications to be a fire crew member and advance to burn leader status. DNR should also work with the Legislature to evaluate the benefits of establishing a "Prescribed Fire Insurance Fund" and to change statutes to reduce potential liabilities for properly trained individuals using approved prescribed fire practices.

DNR response: The DNR has a wildfire and prescribed fire training program in place that allows individuals to develop the necessary skills to become a fire crew member and advance to Prescribed Fire Burn Boss status. This program is presently available to DNR employees, the DNR's partners in wildfire suppression and prescribed burning, and to contractors and members of the public as space allows. Training is also available from several avenues including the annual Wildfire Academy held each year in conjunction with the Minnesota Incident Command System (MNICS) and the Minnesota Community College System. Over 1,300 firefighters and prescribed burners were trained through this system thus far in 2009. To allow for expanded training and tracking of qualifications of additional non-agency personnel would require additional staff and dollars dedicated to prescribed fire training and qualification tracking.

The DNR would be willing to consult with the Legislature in the establishment of a "Prescribed Fire Insurance Fund" and to work on statute changes that would reduce potential liability for properly trained individuals using approved prescribed fire practices. Private prescribed fire contractors should also be involved in this endeavor.

Wildlife Management Planning

DNR should convene an interdisciplinary planning group to develop a 5-year plan that would begin to prioritize the goals and strategies identified in the state wildlife plan, identifying opportunities for other organizations and partners to assist in working towards the specified state goals, and implementing as funding permits the strategies identified in the report

DNR response: The DNR agrees there is a need to prioritize the goals and strategies of the State Wildlife Action Plan (SWAP). The Division of Ecological Resources has been actively implementing SWAP and this fall will reconvene the Partnership Team formed during the development of SWAP to discuss implementation activities, accomplishments, and partnership opportunities. Because the plan must be revised by 2015, the DNR envisions the partners prioritizing the current goals and strategies as a foundation for the next iteration of the plan.

Endangered Species

DNR needs to complete the review of species on this list in a timely fashion and formally approve the updated listing.

DNR response: The DNR agrees that Minnesota's List of Endangered, Threatened, and Specials Concern Special Concerns Species needs to be updated and has made the rule revision a high priority. In response to 423 comments received, the DNR has adjusted the proposed rule amendments. The goal is to have the revised rule and accompanying Statement of Need and Reasonableness ready for submission by September 30, 2009 and to complete the rule process by early to mid-2010.

RESPONSE TO ENFORCEMENT AND OPERATIONS SUPPORT SUBCOMMITTEE REPORT

NEW ISSUES

Fiscal Issues

Conservation Officer Attrition:

Understanding the budget concerns the DNR should consider replacing 50% of the Conservation Officer deficit. This would get some replacement Officers back in the field while reflecting FTE cost savings for Officers not replaced. Several open positions could reflect poorly on the department and may be very difficult to fund a full complement of 211 Conservation Officers in the future.

DNR response: The Division of Enforcement has been evaluating staffing structure and exploring administrative ways of addressing the issue of Conservation Officer vacancies. We continue to explore funding options for a Conservation Officer academy to facilitate filling vacant stations.

Fleet Costs

Extend the time frame between fleet purchases. Consider vehicles that are more economical to operate and better match the daily needs of the Division of Enforcement fleet operators.

DNR response: Fleet rotation is determined on optimal cost structure as determined by our Management Resources Bureau. The Department currently operates one of the top 10 fleets in the country. Our fleet composition is based not only on cost but also on providing the best vehicle for the job as well as officer safety considerations. Changes in the Division's fleet have already occurred using the above criteria and have provided savings in acquisition and operating costs.