

*DNR Response to
Citizen Oversight Report on
Game and Fish Fund Expenditures
Fiscal Year 2011*

December 2012

Introduction and Overview

The top three recommendations of the WOC this year are:

- Support to continue land acquisition from a variety of funding sources and partnerships in agricultural areas for wildlife habitat to provide opportunities for hunters, trappers, and other recreationists, improve water quality, reduce severity of flooding, and related prairie, wetland, and grassland benefits.

DNR RESPONSE: We agree. Acquisition of appropriate critical lands is important to enhancing habitat and public recreation opportunities. This is particularly important in the prairie/agriculture areas of Minnesota where most of the native prairie and wetland habitat has been lost and public land ownership is low. We are working with partners to implement key provisions of the prairie plan and will continue to participate in and support a “working lands” approach to other fee title and easement acquisitions to enhance prairie wetland complexes, public wildlife areas, and local communities. We will also continue to evaluate and critically assess public land assets strategically to improve efficiency of management and maximize benefits for natural resources and wildlife-related recreation.

- Take additional measures to improve the image of the DNR by making it a higher priority with existing staff. Communicate more effectively with hunters, anglers, and the public on department activities so there is a better understanding of conservation and outdoor recreation and the specific requirements of various sources of funding.

DNR RESPONSE: We are interested in continued discussions with the committee on what you think could be done to be most effective in this area. The department’s image reflects countless daily decisions made by employees that influence the quantity and quality of the state’s habitat, related outdoor experiences, and public perceptions. Our employees strive to be a part of local communities and to maintain a professional, science-based approach to their work. We understand that there many narrow or specialized interests, and often highly polarized views around those interests, making it difficult to address them in ways that will make everyone happy.

We are putting additional communication focus on “why” we do what we do rather than simply “what” we do as part of an effort to help citizens better understand our work. For example, we created a number of communications tools around the latest fishing and hunting fee initiative, including an informational brochure entitled “License Dollars at Work” that details what benefits license purchasers get from their investments. We also created customized web pages for each Fisheries, Wildlife, and Enforcement area to provide a more detailed snapshot of all of the good conservation work that occurs on the local level throughout the state. The Wildlife Section is also currently engaging a broad cross-section of stakeholders to identify improved ways to communicate with and obtain input from those groups and individuals.

- Utilize the information gleaned from the LCCMR appropriation for wildlife management area planning to develop standards to optimize game management on WMAs for habitat management, food plots, winter cover, grasslands, and wetlands to improve hunter experiences and management consistency of WMAs across landscape regions.

DNR RESPONSE: This is already underway. The WMA-AMA Work Planning System is being developed with a combination of funding from the Environment and Natural Resources Trust Fund and the Game and Fish Fund. The system development is in the first year of a 3-year development timetable. Desired future condition plans for WMAs and AMAs through this system will be available in fiscal year 2015.

The top recommendation of the FOC this year is:

- The BOC is concerned that there is currently a \$5.6 Million unobligated balance in the Federal Boating Access Grant account. It will be important for the DNR to assign sufficient resources to complete the projects for which these funds are intended in a timely manner to avoid the potential to revert Federal funding and provide additional boating and fishing access.

DNR RESPONSE: We share your concern with the growing balance and the DNR is working actively to assure that all available dollars are expended in Minnesota and Sport Fish Restoration funds allocated for boating improvements will not revert to the U. S. Fish and Wildlife Service (USFWS). Recently we have made progress in reducing the unobligated balance of \$5.6 million. Acquisition projects totaling \$1.8 million are poised to be submitted to the USFWS for reimbursement. Other land acquisition projects related to boating access are nearing completion and will soon be ready for reimbursement.

Expenditure Review and Policy Recommendations by DNR Program

Fish Management (\$32,417,000)

Budget Recommendations

- With limited dollars available for fisheries management, the committee has concerns whether the State's anglers are served best "in a long term sense" by the percentage of stocking expenditure. Is a "put-and-take" management philosophy better than a "habitat protection / improvement" philosophy? The department should evaluate cost of stocking per unit catch, and report back to the committee next year. This report will allow the committee and its stakeholder anglers to evaluate better the true cost and effectiveness of stocking efforts.

DNR RESPONSE: We would be happy to discuss this further with the committee and welcome ideas for a less intensive way to provide you with useful information on this topic. The DNR has evaluated the cost and effectiveness of stocking walleyes and steelhead, but providing this information for other species would require a substantial amount of staff time and we have not had the funding in the past few years for creels to provide needed catch data to do the analysis.

- As the department decides how to spend the newly available enhanced license revenue, the committee suggests backfilling recently cut management efforts as a priority. The committee does not support increased stocking efforts at this time.

DNR RESPONSE: The Section of Fisheries is implementing a strategic management and core staffing plan that will be directed at accomplishing the highest priority fishery management needs within available funding. This means not simply restoring efforts that were cut, but evaluating where those activities fit in the overall priorities and making decisions accordingly.

Policy/Activity Recommendations

- The committee feels the division should review its efforts at fostering partnerships between itself and anglers. Operational orders are in place that guide but seem to place boundaries on how DNR can interact. The committee would like to continue this discussion with the hope that new thinking can improve this very limited activity.

DNR RESPONSE: DNR recognizes the importance of partnerships in managing natural resources. Such partnerships do dramatically increase the amount of conservation work done in the state. The DNR policies for entering into partnerships are designed to provide compliance with state laws and policies and to provide accountability and clear direction on the roles and responsibilities of the respective partners. Many of these policies are relatively new, and the department is continuously evaluating and updating them to improve efficiency and practicality of implementation for ourselves and our partners, while maintaining transparency and accountability.

- The committee applauds the Fisheries Section's response to our discussions and look forward to a successful partnership between the State's Coldwater anglers and the Section in generating new dollars for habitat work on the State's southern trout streams.

DNR RESPONSE: Thank you. We are expanding habitat enhancement work in the State's southern trout streams through a mix of projects where DNR takes the lead

and through partner organizations. We look forward to more discussion on potential strategies to generate new habitat funding options.

- The department needs to be more aggressive in controlling invasive species that affect the long-term health of angling opportunities and water quality by partnering with other agencies and the academic community. The committee requests an assessment of the cost benefit of expenditures and various alternatives.

DNR RESPONSE: In the last two years, the legislature has passed a number of laws that allow the department to be more proactive in the AIS prevention efforts:

- Made the compliance with AIS inspection requirements an express condition of operating or transporting water-related equipment.
- Allow authorized inspectors the ability to prohibit the launching or operation of water-related equipment if a person refuses to allow an inspection or does not remove and dispose of AIS, aquatic plants and water.
- Require all water-related equipment to be drained before leaving any water body.
- Require service providers to complete training and obtain a permit from DNR before providing any services.
- An increase in civil penalties from previous amounts (most civil penalties were doubled).
- The ability for the DNR Commissioner to enter into delegation agreements with local or tribal government to employ inspectors that have been trained/authorized by DNR and conduct inspections and decontamination approved by DNR.
- The ability to create centralized inspection stations that service multiple lakes with an approved plan.
- The requirement that boat lifts, docks, swim rafts, etc. removed from any water body may not be placed in another water body for at least 21 days.

Along with the new laws and regulations comes an increase in inspections across the state. As a means of maximizing the effectiveness of the inspection program, we will increase and concentrate our inspection efforts on high use lakes currently infested by zebra mussels among other invasive species.

For information about prevention options and the associated costs, we refer you to DNR's legislative report summarizing the funding requirements needed to sustain the current level of effort for aquatic invasive species (AIS) prevention, management, and enforcement as well as funding required to increase prevention strategies significantly.

(http://files.dnr.state.mn.us/natural_resources/invasives/ais_prevention_measure_evaluation_final_report_feb_2012.pdf)

Wildlife Management (\$30,565,000)

Budget Recommendations

With the passage of increased license fees during the 2012 Legislative session, the Game and Fish Fund has been saved from insolvency in the short term. The long-term sustainability of the Game and Fish Fund, however, remains a concern. First and foremost, the fees are not tied to any index such as inflation, cost of living or even gas prices. As a result, the Department's ability to manage the state's lands proactively is hampered in the long term by an inability to increase revenues to the fund at the same time that expenses are inevitably increasing.

In addition, the long-term solvency of the Game and Fish Fund is of concern as general fund dollars allocated to the Department have been decreasing if not reduced to zero in certain Divisions. As a result, the Game and Fish Fund has been relied upon more heavily by all of the Divisions of the Department, including some by Legislative enactment. As an example, the Division of Forestry now relies on the Game and Fish Fund for forestry management on wildlife management areas (Minnesota Statutes, section 97A.055, subd. 2b) where this was previously paid for by General Fund dollars allocated to the Division of Forestry.

DNR RESPONSE: We agree that the long-term sustainability of the Game and Fish Fund as the primary support mechanism for wildlife operations, population management, research, and habitat management is a concern. Increased revenue from the 2012 hunting and fishing license restructuring legislation will help in the near term and Legacy dollars provide a welcome new source for habitat protection and management dollars. But a continued reliance on license revenues to fund the foundation of fish and wildlife program delivery is likely not sustainable long-term without significant cuts in the level of management services provided or the development of new public/private models for conservation delivery.

Other budgetary recommendations include:

- Align wildlife revenue with wildlife expenditures so increased funding that has previously been used for fisheries management (approximately \$1.5 million) is appropriated and available for wildlife management.

DNR RESPONSE: We continue to support a better balance between hunting and fishing revenues and wildlife and fisheries related expenditures. As part of the upcoming biennial budget, DNR will seek new wildlife funding initiatives that move the respective revenues and expenditures to be more balanced.

- Support continued funding for finishing the Ecological Classification System (ECS) for wildlife management of forest lands by using additional non-Game and Fish Fund sources such as the Environment and Natural Resources Trust Fund.

DNR RESPONSE: Current funding for ECS approaches to forest land management are funded from the Heritage Enhancement account, which is an account housed in the Game and Fish Fund but not derived from hunting and fishing license fees or excise taxes (it derives from a portion of state lottery sales revenues). DNR will continue to seek appropriate funding sources to accelerate availability and use of ECS information for enhanced management of forest lands for wildlife and other values.

Policy/Activity Recommendations

- Improve the coordination of BOC involvement with biennial budget development, work planning, and related annual activities to meeting statutory direction.

DNR RESPONSE: We want to improve our coordination with the BOC in regards to budget development and work planning. We believe the meeting that we had this past August to seek BOC input on potential use of new license revenues and how to address the imbalance issue in the Game and Fish Fund was a good step in that direction. We look forward to continued discussions with the committee on how to improve the strategic and forward-looking aspects of game and fish fund oversight work.

- Strongly support efforts to continue WMA acquisition in agricultural areas to provide increased wildlife habitat for hunting, trapping and other recreation, improve water quality, reduce severity of floods, and related benefits.

DNR RESPONSE: We agree and we will work with the LSOHC, LCCMR, legislature, and third party partners to identify appropriate lands for protection and prioritize WMA acquisition to improve the WMA outdoor recreation system. We are also working to improve communications and understanding among local governments related to those acquisition priorities and to raise awareness of the values and benefits of public lands to local communities. As part of that effort, we are beginning to tailor information specific to counties on the percentage of public ownership, DNR's share of that public ownership, and the workings and implications of Payment in Lieu of Taxes (PILT) that DNR pays to each local government. We hope that with a strategic and targeted approach to acquisition, and with an improved understanding by local governments, we can build stronger support for continued acquisition efforts in these areas. Clearly local stakeholders and constituencies will be critical to those efforts and we appreciate your support.

- Continue fine tuning performance management objectives and outcomes for all division activities. Evaluate the cost/benefits of wider dissemination by including them on the DNR website or other media so that hunters, anglers, and the public have access to the information to increase their understanding of accomplishments, challenges, and opportunities.

DNR RESPONSE: We agree and we will regularly review performance measures to ensure that outcome measures appropriately track progress toward department objectives. DNR will look for opportunities to inform the public of actions and progress toward objectives. DNR has been doing performance-based management through our *Strategic Conservation Agenda* and *Conservation that Works* approaches, and the Dayton administration is also a strong proponent of performance based budgeting and management. Much of this information is available on our website, but can certainly be made more user-friendly to find and understand. We look forward to continued discussions on how we can improve and strengthen this approach.

- Develop operating standards and optimize game management on WMAs for habitat management, food plots where appropriate, winter cover, grasslands, and wetlands to improve hunter experiences and management consistency of WMAs across landscape regions.

DNR RESPONSE: We agree in part. Best management habitat guidelines are useful for specific species management objectives. However, each WMA is unique in soil, moisture, slope, aspect, and management purpose. We agree that a consistent set of standards, principles, or best practices around various activities would be useful and help to provide consistency across areas, but a highly prescriptive approach to management across diverse ownerships is not practical.

DNR will create "desired future condition plans" for each WMA once planning system databases and software systems currently under development are completed. Best management guidelines for such plan elements as tall native grass nesting cover, short-mid grass nesting cover, food plots, winter cover, wetlands, user facilities, etc., will be developed to guide plans and provide increased consistency for these enhancements.

Also, WMAs in forested regions of the state are included in broader landscape vegetation plans (State Forest Resource Management Plans) that seek to achieve a diverse mix of wildlife habitat (i.e., desired future forest conditions), including habitat that benefits game species, across all DNR-administered lands.

- Support current efforts to realign section personnel resources to focus on key areas of habitat management. Evaluate this reorganization to determine the success of increasing habitat acreage in active management by 2016 and any savings realized in other areas of the operation.

DNR RESPONSE: We appreciate the support for this organizational change. The Wildlife Habitat Program Manager will develop performance measures to monitor progress for the habitat program and the new team structure around prairies, wetlands, and forest habitats. We agree that a review of this reorganization after the first few years of implementation to evaluate effectiveness and cost-efficiency will be valuable.

- Ensure that grazing on WMAs is limited to achieving specific resource management goals. Evaluate the costs and benefits of rotational grazing activities on state land and determine impacts to hunting opportunities by 2014.

DNR RESPONSE: The goal of conservation grazing on WMAs is to improve specific habitat conditions. We will only allow grazing on WMAs to accomplish habitat management objectives. We have been doing short-rotation grazing and patch-burn grazing management on some WMAs for a number of years and are gaining experience in how to use this tool to enhance habitat. Our Prairie Habitat Evaluation Biologist will also be instrumental in helping to assess and document habitat responses to this management tool. Grazing of individual WMAs is done pursuant to site-specific plans and we are in the process of completing a statewide plan for grazing management on WMAs. All of these plans address the issue of grazing impacts to hunting opportunities.

- Provide regular information through a variety of medium to better inform the public about the projects and activities of the Section of Wildlife (make this a priority using existing staff to achieve this goal).

DNR RESPONSE: We agree and we would like to hear your specific suggestions. We already utilize newspapers, radio, television, the agency website, and other communication tools to inform the public about projects and activities. We are in the process of developing a communications plan based on the state's primary habitats (forests, grasslands/prairies and wetlands). We are also interested in increasing the use of social media to reach additional audiences, particularly the more under-represented demographics like the 18 to 34-year-old crowd. Along those lines, we have two "Go Pro" video cameras that can be mounted on caps, helmets, or the hulls of boats, and can take underwater images; during the next year, field staff will download video to the website so that citizens can see first-hand the work we do and the value it generates. We hope that through DNR's YouTube site (youtube.com/MinnesotaDNR) and social media we can get the word out to broader audiences more effectively.

- Support a formal evaluation regarding the change in management of the Permanent School Trust Fund to examine cost benefit of new legislative direction and resultant impacts to hunters and anglers to the BOC by 2016.

DNR RESPONSE: We take our trustee responsibility for management of school trust lands very seriously. Over the next year, we will be doing a detailed inventory of school trust lands, their management, and any conflicts with the trust, as required by law. That information will be reported to the legislature along with recommendations on how to compensate the trust when there is an unresolvable conflict between natural resource management and long-term revenue generation. Your suggested 2016 date is consistent with the timelines of the legislation, but there will certainly be a lot of activity around this issue in the interim. We encourage your continued attention and involvement in this issue as it moves forward.

- Support current re-evaluation of population goals to increase deer populations in areas with low numbers.

DNR RESPONSE: The process of re-evaluating current deer population goals began in 2012 and will continue for another year or two. Consultation with stakeholders and analysis of recent data are essential factors for the decision making process. Thank you for your support of this process.

- Include license vendors in the development of license structures.

DNR RESPONSE: We will make an effort to include license vendors when we develop new license structures.

- Provide enhanced information to hunters, ELS vendors and other stakeholders so they are aware of the reasons for making decisions on seasons and license options.

DNR RESPONSE: We agree that we should always strive to provide more and better information, especially around the issue of why certain decisions are made or actions taken.

Other Issues

Elk, Wolf, and Moose Management

The WOC has reviewed three Big Game Management plans developed by the Section of Wildlife, for elk (*Cervus elaphus*), wolf (*Canis lupus*), and moose (*Alces alces*). Elk population surveys, depredation management, and hunt management are all funded 100% by the Game and Fish Fund (\$43,000 budgeted in FY11); wolf population management, legal fees for delisting, and depredation management are all funded from Game and Fish Fund in 2011 & 2012. Moose aerial surveys, mortality research, moose habitat management, and moose plan development were all funded by Game and Fish Fund. It is the recommendation of the WOC that Game and Fish Fund dollars continue to be spent on these three species, especially with regard to the first legal wolf harvest in Minnesota in fall 2012, continued harvest of elk in northwest Minnesota, and for the iconic moose as their population continues to decline in northeast Minnesota. The WOC will continue to monitor and assess Game and Fish Fund spending on these important species in future years.

DNR RESPONSE: We appreciate the WOC's support for using the Game and Fish Fund to fund elk, moose, and wolf management. There is now a dedicated wolf management account funded by license and application fees that may provide some reduction to the level of game and fish operations funds going to wolf management, but costs of management are also increasing as federal support for wolf damage control wanes.

Wildlife Management of Private Lands

The WOC has reviewed the Private Lands Habitat Management efforts as described in the 2011 Game and Fish Fund Report. The Game and Fish Fund Report states that the Private Lands Program is to harness the interest of private landowners to conserve wildlife populations and habitats, to maximize the use of existing private lands programs, and to guide and assist private landowners. The current Private Lands Program contributes money to a Farm Bill implementation partnership with the Board of Water and Soil resources, which fulfills the goal to maximize the use of existing private lands programs. The majority of land in Minnesota is in private ownership. In order to make significant strides toward improving and increasing habitat in the State it is critical to work with private landowners to implement habitat improvement and restoration projects. The G&FF Report also describes several DNR habitat management programs including wetland management and grasslands management. The DNR also is working to implement a moist soil management program to improve waterfowl habitat. These habitat programs are all programs that could and should be implemented on not only public land but also private lands. The current Private Lands Program does not have the staff to work with private landowners and offer technical assistance to private landowners to implement habitat projects. Wildlife management on private lands is an issue of concern and will be vetted in detail in 2011.

DNR RESPONSE: Under our new Habitat Program Team alignment, the Section of Wildlife has representation with private lands expertise on each team. These individuals and teams have been tasked with exploring alternative models to deliver private lands technical assistance with other state and federal agencies.

License Center Operations (\$4,586,000)

Policy/Activity Recommendations

- The 2011 administrative cost of generating the Game and Fish Fund revenue was about 8% of revenue. The committee asks, “*Whether \$4.6M is too high a cost for collecting \$58 million in Game and Fish Fund revenue?*”

DNR RESPONSE: We believe that the 8% figure cited by the committee is reasonable, given the service that Licensing gives to the customer in 1,500 agent locations, phone, and on-line sales. Administrative costs vary widely from 5 to 10% depending on the activity and the level of product (e.g., lottery-type licenses require more staff resources than standard, small-game licenses). The DNR issued a request for proposal in 2007 and entered into a contract in 2008 for a web-integrated, touch screen application for license buyers/sellers. The development and infrastructure for this system was slightly more expensive than its predecessor was, but provided many enhancements for customer service and for maintenance and updating. That said, we are always interested in seeking new cost-efficiencies and improving customer service. The DNR will research new technology and approaches over the next two years as we rebid the contract for implementation in March 2015.

- Utilize technology to reduce long-term costs while maintaining or enhancing high quality customer service of license center operations for all lottery processes.

DNR RESPONSE: We agree. In 2008, the DNR used technology to improve customer service with web-integrated, touch screen terminals, along with a scannable harvest tag and a telephone/internet harvest registration option. This provided improved convenience for customers and better real-time data for managers. We will continue to explore new uses of technology to reduce costs, improve customer service, and enhance management capabilities.

Ecological and Water Resources (\$3,679,000)

Budget Recommendations

- The committee was completely satisfied with the Division's report on expenditures from the Game and Fish Fund.
- However, an area of cost that needs attention is the work-up of Environmental Assessment Worksheet reports. Largely because the Responsible Government Unit is "many," it often falls on the DNR to provide this service. The committee asks, "*Whether a change in funding/statute can prevent the Game and Fish Fund from holding the tab for these costs?*"

DNR RESPONSE: Environmental review activities conducted by the Division of Ecological and Water Resources include preparation of environmental review documents when the Department of Natural Resources is the Responsible Governmental Unit (RGU) and reviewing other RGUs' environmental review (both federal and state) and permitting documents for projects having potential adverse impacts to natural resources. These activities are funded from a number of sources. In Fiscal Year 2011, environmental review activities not paid for by Environmental Impact Statement project proposers were expended from the following funds: General Fund, \$617,296; Game and Fish Fund, \$434,102; Water Recreation Account, \$71,263; and OHV Account, \$52,588.

The Department believes partial funding of environmental review by the Game and Fish Fund is legitimate because some environmental review activities directly benefit fish and wildlife resources. For example, as an RGU, DNR completed the Lake Ogechie Outlet Environmental Assessment Worksheet (EAW) in FY2011 and acted on two citizen petitions requesting EAW preparation for a muskellunge stocking plan. Staff also reviewed almost 500 project proposals, many of which included impacts to fish, wildlife, and Department-administered lands like Wildlife Management Areas. If funding from the Game and Fish Fund was eliminated, replacement funding would be needed because of the high volume of work in this program area.

One possible alternative that has been discussed previously is to require project proposers to pay for the cost of EAW preparation. This would reduce but not eliminate the need for continued Game and Fish funding. For example, such funding would only pay for some RGU work and not activities associated with review and comment on environmental review and permitting documents prepared by others. Also, approximately half of the EAWs prepared by the Department are for our own projects, and many of those are for projects proposed by the Division of Fish and Wildlife.

Enforcement (\$20,305,000)

Policy/Activity Recommendations

- DNR should assess the efficacy of the present design of its enforcement effort. The present format may not be the most cost-effective enforcement.
 - A records management system is lacking that can accurately provide violation rate.
 - A significant percentage of actual citations were in response to specific targeted group enforcement efforts.
 - 29% of budget is spent on "not direct field service hours."

The committee asks the DNR to provide a report on both the effectiveness of various patrol strategies and potential modifications to the Division's design by 2014.

DNR RESPONSE: We suggest deferring specific action on this recommendation until the Division can implement a records management system. The system would allow the Division to capture the type of real time data that would be needed to make meaningful decisions regarding activity levels, location, and violation rates that would be needed to determine changes in staffing and patrol strategies. The Division of Enforcement will initiate a strategic planning process in FY13 to analyze the current organizational structure of the division and map out goals, objectives, and strategies for the division for the next 5, 10, and 25 years. We welcome additional input from the BOC in that process.

- Continue angler and hunter enforcement activity hours at FY12 levels in spite of enhanced aquatic invasive and other enforcement needs.

DNR RESPONSE: The hours provided for angler and hunter enforcement are based on funding and are not affected by other enforcement activities. The only limiting factor is staffing. Work plans are developed at the beginning of each fiscal year with game and fish enforcement goals established for each officer. The two academies held in FY12 and FY13 will help fill staff levels, but Enforcement continues to see a high rate of retirements as well. The division is committed to implementing annual academies to address this succession issue, as funding allows.

- Research alternatives for conducting a survey to assist in determining compliance rates of angling and wildlife regulations by 2014.

DNR RESPONSE: The Division is conducting a study into the feasibility and type of records management system that, among other business needs, will provide the ability to collect the type of data required for a meaningful determination of violation and compliance rates. This study will be presented to the 2013 legislature.

Forestry (\$1,502,000)

Budget Recommendations

- Seek alternative funding such as from the Environmental Trust Fund to finish the Ecological Classification System (ECS) on the remaining 2.5 million priority acres of forested state lands.

DNR RESPONSE: We appreciate the BOC's support for completing the work of mapping native plant communities and maintaining and expanding Ecological Land Classification on DNR-administered forest lands. The Department does plan to request FY14-15 funding from the Heritage Account of the Game and Fish Fund to continue the ECS initiative. The ECS is a basic and important tool for designing and implementing forest management activities that meet the wildlife habitat goals of "improving, enhancing, or protecting fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state." Funding from the Heritage Account of the Game and Fish Fund will be critical to continuing this important work.

The Department does plan to seek additional funding, such as from the Environment and Natural Resources Trust Fund, to accelerate ECS and NPC work on forested lands in the future.

- Reduce overhead for managing commercial harvest on WMAs for wildlife habitat management to reduce Game and Fish Fund reimbursement costs.

DNR RESPONSE: We agree that we must continue to improve efficiencies and reduce costs associated with commercial harvests on all DNR lands, including WMAs. We are also seeking efficiencies in other overhead costs of timber sales such as, planning, interdisciplinary coordination, sale supervision, and third-party certification.

However, as we continue to improve efficiency it will be important not to short-change efforts in the design, administration, and supervision of commercial timber harvest. Commercial timber harvest is a critical (and extremely cost-effective) tool in creating and managing habitat to meet diverse wildlife objectives. We need to make sure we do a good job in applying that tool.

Recent analysis of costs associated with appraisal work on timber sales shows that the division's costs are very similar to other public land agencies in Minnesota.

Policy/Activity Recommendations

- Maintain DNR's dual certification program on 4.8 million state-administered forest lands.

DNR RESPONSE: DNR agrees and intends to maintain dual certification on nearly five million acres of DNR forestlands. Dual certification provides a tool for continuous improvement in DNR forest management, provides a certain level of continued market access for DNR timber, and helps meet the demands of Minnesota forest industries for certified wood/fiber. However, maintaining dual certification does come at a cost, both direct (e.g., cost of the certificates themselves, annual audit costs) and indirect (e.g., staff time involved in meeting certification standards, responding to corrective action requests). Nearly all direct costs associated with dual certification are currently borne by the General Fund. Given current budget outlooks, the DNR will need to continue evaluating the costs and benefits of dual certification.

- Monitor access and development easements on the approximately 91,000 acres of new forest legacy lands to ensure benefits are maintained for hunting and trapping.

DNR RESPONSE: We agree that monitoring is essential. Forest Legacy conservation easements are monitored annually in order to ensure that the conservation values and public benefits secured by the easement are protected in perpetuity. The right of public recreational access for fishing, hunting, trapping, and other outdoor recreational activities is included in most of Minnesota's forest legacy lands and annual monitoring helps ensure that those rights and benefits are maintained.

- Optimize outcomes from commercial harvest on state lands to achieve specific game management objectives by providing an increased level of detail in subsection resource plans.

DNR RESPONSE: Subsection Forest Resource Management Plans (SFRMPs) provide “strategic” direction in the management of DNR forestlands within each landscape. As such, there are limits as to the level of detail that is feasible, reasonable, and helpful within that context. Key goals and considerations within SFRMPs that profoundly affect wildlife (habitat) objectives, including game species habitat, are treatment levels that help achieve desired forest age-class distributions (i.e., amount of young forest, amount of older forest), forest type conversion goals, and focusing certain goals and treatments within special management areas (e.g., priority open landscapes, ruffed grouse management areas, deer yards). More specific management objectives are more appropriate at the site-level through the application of certain aspects of the Minnesota Forest Resources Council’s Site-level Forest Management Guidelines and via interdisciplinary dialogue at the area office level.

Lands and Minerals (\$1,377,000)

Budget Recommendations

- Hold the line on professional services charges and Office of Enterprise Technology overhead expenses so that the four-year multi-million dollar lands record system is completed on time and within budget.

DNR RESPONSE: DNR agrees with the objective of completing the land record system within time and budget.

Policy/Activity Recommendations

- Develop standards so that land acquisition, surveying, and related work can be completed within a timeframe that is commensurate with private and non-profit real estate transactions.

DNR RESPONSE: Process improvement projects related to land acquisition are underway. The first process improvement event was held in November 2012 and a second one will take place in calendar year 2013.

Parks and Trails (\$2,694,000)

Budget Recommendations

- The FOC examined the operations of Parks and Trails Division with regard to the Boating Access Program. There is currently a \$5.6 Million unobligated balance in the Federal Boating Access Grant account and while the State is not at immediate risk of losing these funds, the Committee requested information on Parks and Trails Division plans to expend these funds for priority projects that will benefit the angling public. The Committee received a list of projects that will result in obligations of available funds over time, provided compliance requirements are met. The list includes a large number of land acquisition projects of which 12 are in various stages of completion and 11 are under development. It will be important for the DNR to assign sufficient resources to complete these projects in a timely manner to avoid the potential to revert Federal funding and provide additional boating and fishing access.

DNR RESPONSE: We are confident that Sport Fish Restoration funds allocated for boating improvements will not revert to the U. S. Fish and Wildlife Service (USFWS). The DNR’s boating access program has a long history of successfully earning the

required amount of available funding. Success can be attributed to the collaborative working relationships within the DNR as well as with staff from the USFWS.

Recently there has been progress in reducing the unobligated balance of \$5.6 million to \$2.2 million. Acquisition projects totaling \$1.4 million are poised to be submitted to the USFWS for reimbursement soon. Other land acquisition projects are nearing completion and will soon be ready for reimbursement.

- A “bottleneck” in the process was a mandatory title review and deed clearance by the Attorney General’s Office, which often resulted in delays. This review is important to assure avoidance of problems with title adequacy. The Committee understands that this title review function was transferred back to the DNR Lands and Minerals Division. The Committee recommends that “clearance” is given a high priority within the DNR’s Lands and Mineral’s Division.

DNR RESPONSE: This change has been made. The Office of Attorney General used to provide the title review services required before land acquisition reimbursements could be completed through the USFWS Sport Fish Restoration Boat Access Program. The Division of Lands and Minerals will now provide title reviews via their own attorneys through delegated authority from the Attorney General. This new process creates an efficiency that will lead to a shortened timeframe between the date of purchase and making the request for reimbursement from the USFWS.

- The Committee also has some concerns that should be explored further by DNR regarding the adequacy of internal controls and accountability of funds that are dedicated from the Water Recreation Account for boating access. It appears that Water Recreation Account dollars may be co-mingled with other accounts. The Committee recommends that the DNR examine its financial accounting and internal control processes to ensure that both Game and Fish Fund dollars and Water Recreation Account dollars are used, consistent with legislative direction and proper accounting practices.

DNR RESPONSE: We disagree and Parks and Trails Division staff would like to meet with the committee to discuss the adequacy of financial controls. Periodic internal and external audits offer an assurance that proper accounting practices are in place to prevent the possibility of comingling. We believe that Game and Fish Fund and Water Recreation Account expenditures are consistent with legislative direction and proper accounting practices.

- The Committee recognizes that this function was transferred recently to the Parks and Trails Division from the Fish and Wildlife Division. It will be important to ensure that there is adequate training of both fiscal and program personnel in the Division and Regions to ensure proper accountability of both Game and Fish Fund and Water Recreation accounts. Division management and staff appear to be fully committed to ensuring proper accountability and process improvement for the Game and Fish Fund and the Water Recreation Account.

DNR RESPONSE: We have already ensured that Parks and Trails Division employees are capable of managing federal aid duties in collaboration with their counterparts in the Division of Fish and Wildlife and the Office of Management and Budget Services. The Division recently hired a Grants/Capitol Projects Fiscal Manager whose responsibilities include overseeing the financial components of the Sport Fish Restoration grants. The Division’s Federal Aid Coordinator has received

training through USFWS, including the Minnesota Project Leaders Course, Basic Grants Management, and Advanced Grant Management, and is scheduled for the USFWS Lands training in September. The Grants/Capitol Projects Fiscal Manager has had the Basic Grants Management training.

Policy/Activity Recommendations

- The Committee also requested a description of the strategic planning process for boating access projects to ensure that available Game and Fish Fund and Water Recreation Account monies were going to the highest priority projects. DNR staff explained that the process involves the DNR administrative regions identifying projects with decisions made for access projects based primarily on “opportunity.” When asked about overarching goals and priorities, Parks and Trails staff indicated that the description of overall priorities is outlined in program documentation but “consisted primarily of first priority given to lakes with no access, then large lakes with inadequate access.”

DNR RESPONSE The Parks and Trails Division also initiated a statewide strategic public water access plan several years ago, and intends to revitalize and finalize that plan in calendar 2013. We would be happy to discuss that planning process further at a future committee meeting.

The DNR currently plans and implements land acquisition for public water access facilities based on priorities established at the area and regional levels, which generally result from: 1) a specific, locally expressed interest; 2) addressing an identified existing user demand; or 3) improving public safety. The DNR only makes acquisitions from willing sellers and all land acquisitions are based upon the opportunity provided by a prospective seller.

About 80% of lands acquired by the DNR each year for public water access are lands necessary to expand existing facilities. Expansions are necessary to address user safety, improve facility utilization due to changes in recreational boating equipment, and to implement best management practices (BMPs) related to access design and construction.

- The Committee also requested information about public participation in the boating access planning process. DNR staff indicated that all public participation requirements are met through formal environmental review process on proposed projects. The DNR also indicated that there is no “stakeholder” group involvement in the boating access program. Therefore, little organized public participation occurs identifying boating and fishing access needs. The committee views this as a limiting weakness in today’s program.

DNR RESPONSE: Stakeholder involvement will be part of the above-mentioned strategic plan completion. While we agree that it would be simpler if there were organized interest groups on every topic, the reality is sometimes different when DNR is developing plans on specific lakes or for specific areas. We face two challenges for designing public participation around public water accesses: (a) the lack of an organized statewide stakeholder group specifically focused on the needs and interests of the recreational boater, and (b) local level priority-setting for new or improved public water access. The DNR uses methods to reach and directly involve local lakeshore and non-riparian residents, local sportsman’s and conservation clubs, civic and business organizations, and local units of government. We seek and encourage public participation at each phase of every public water

access project, including site selection associated with land acquisition and facility design/construction.

The DNR has also developed and conducted a series of regional boating studies over more than two decades to provide the public water access program an assessment of existing facilities, need for new facilities, and identification of boating facility issues and trends. These studies are structured to include the broadest range of participants, including public water access users (on-site surveys) and riparian lakeshore residents, registered boaters, and the general public (direct mail surveys).

- The Committee recommends that the Parks and Trails Division work closely with the Fish and Wildlife Division to develop a strategic planning process that outlines overall long-term goals, objectives and priorities. Furthermore, the division should publish operational plans that outline projects that are “approved,” “actively in the pipeline,” and “just completed,” as well as maintain lists of high priority projects for which future funding is needed. These two lists of funded projects and unmet project needs should be contained in an annual report of accomplishments. In addition, the Committee recommends that Parks and Trails solicit participation in a boating access stakeholders group to provide input from the boating and fishing public. This will help the DNR obtain support for this program and its budgetary requests from the Legislature.

DNR RESPONSE: We agree with this recommendation. The division will continue work on a statewide PWA strategic plan and report on its progress at a future committee meeting. The Parks and Trails Division works directly with the Fish and Wildlife Division in the selection and evaluation of specific land acquisition proposals for all new public water access facilities. During the review process for all DNR Program land acquisitions, the proposal is subject to an interdisciplinary review and concurrence by all Divisions prior to final Regional recommendation to proceed. The divisions also cooperate directly on specific projects, including land acquisitions and/or facility developments where the goals of the public water access program and the fisheries or wildlife programs cannot not be achieved separately.

The Parks and Trails Division is considering ways to improve public awareness of the public water access programs accomplishments, including the direct publication of information on facility construction and/or rehabilitation. We are considering your recommendations and we will expand the improvements in public notifications to include a notification of upcoming projects.

- The Committee requests that the Parks and Trails Division address these recommendations in a response to the Committee, and develop a detailed report next year, similar to the Game and Fish Report, on their activities paid for by both the Game and Fish Fund and the Water Recreation Account. The report should include: a description of the strategic planning process used to make decisions on boating access projects with appropriate public input, coordination mechanisms with the Fish and Wildlife Division, and a description of the management and accounting controls that are in place to ensure proper accountability of the Game and Fish Fund and the Water Recreation Account for boating and fishing access.

DNR RESPONSE: Parks and Trails staff will work with the Committee to develop a reporting process that addresses the committee’s information needs. Annual reports are available that provide a detailed accounting of how the Game and Fish account monies are spent on boat access. There is also an annual report that shows

how the DNR spends monies from the Water Recreation Account. These two resources do a great job of sharing accomplishments with stakeholders.

Operations Support (\$960,000)

Budget Recommendations

- Develop budget options for operations support consistent with division requirements of cost control strategies.

DNR RESPONSE: We would appreciate the opportunity to meet with the BOC to describe the professional business services that are provided and the oversight processes currently in place. The Operations Services Division does not receive any direct appropriations from the Game and Fish Fund. The Operations Support expenditures totaling \$960,000 from the Game and Fish Fund are associated with Leadership Services provided by the Commissioner's Office and Regional Operations.

- Include regional and commissioner's office in any budget scenarios for reductions or enhancements.

DNR RESPONSE: We agree. DNR's budget development process includes preparing various budget scenarios across all programs.

Statewide Indirect and Transfers (\$1,485,000)

This topic was not examined this year.

Game and Fish Dedicated Accounts

Deer and Bear Management and Deer Management Account (\$1,725,000)

Policy/Activity Recommendations

- Maintain deer population within goal in 78% of deer permit areas and adjust goals per current stakeholder input meetings.

DNR RESPONSE: DNR is committed to managing deer populations at goal levels established through a public process. That process takes into account both hunters and non-hunters, agricultural and forest producers, and other interests to establish objectives that fit within the social acceptance of the public. Periodic revision of deer goals is ongoing and will be considered for adjustment on a periodic basis.

- Include license vendors in the development of license structures.

DNR RESPONSE: We will make an effort to include license vendors when we develop new license structures.

- Provide enhanced information to hunters, ELS vendors and other stakeholders so they are aware of the reasons for making decisions on seasons and license options.

DNR RESPONSE: We agree, and we would like to hear your specific ideas for enhancements. We typically provide the rationale for season-setting, license options and other decisions in the press releases that make such announcements. When more detail is necessary, such as for the 2011 waterfowl season (zone splits, early opening date, earlier shooting hours) we have included longer articles or questions and answers, such as appeared in the 2011 waterfowl regulation booklet. Similarly, large amounts of information were disseminated and posted on the website related to the 2012 wolf hunting season.

- Effectively manage terrestrial invasive species for optimal winter food and cover through increased forest management efforts of 5000 acres per year.

DNR RESPONSE: We are already pursuing this management objective and would like to hear your feedback on how it is going. A number of funding sources including Deer/Bear and the Deer Management Account can be and are used for management of terrestrial invasive species. Many areas have sought funding from the Terrestrial Invasive Species grant program for inventory and management work, especially related to forest invasive species management. A total of 4,950 acres of forest stand improvement and forest openings were completed in FY11. These improvement projects include projects to treat invasive species prior to other forest stand manipulations.

- Support current re-evaluation of population goals to increase deer populations in areas with low numbers.

DNR RESPONSE: The process of re-evaluating current deer population goals began in 2012 and will continue for another year or two. Consultation with stakeholders and analysis of recent data are essential factors for the decision making process. Thank you for your support.

- Continue to explore additional non-Game and Fish Fund sources to deal with unanticipated cervid health issues.

DNR RESPONSE: We agree, but also more broadly in the need for broader support for dealing with wildlife health in birds and other species in addition to cervids. DNR continues to seek funding other than hunting license dollars to help with the costs associated with wildlife health research and management.

Waterfowl Habitat Improvement Account (\$979,000)

Budget Recommendations

- Develop a plan for incremental increases in the state waterfowl stamp to (at a minimum) keep pace with inflation.

DNR RESPONSE: There was considerable interest in higher stamp fees the last time they were raised about 8 years ago and DNR did consider increasing the cost of the state waterfowl stamp during the 2011-2012 fee initiative. However, the decision at that time was to focus on licenses and leave stamp fees unchanged. There are also active discussions around raising the cost of the federal duck stamp. We will want to make sure we are not creating a barrier to participation based on fees, particularly for waterfowl hunting, where participation rates are already a cause for concern. We continue to be interested in ways to index or otherwise more gradually adjust costs associated with hunting and fishing licenses and stamps.

Policy/Activity Recommendations

- Develop a third waterfowl season zone across southern Minnesota to allow for late season field and river hunting opportunities.

DNR RESPONSE: We agree. This was accomplished for the 2012 waterfowl season.

- Continue recruitment and retention efforts to reach a goal of 110,000 annual licensed hunters. Current estimate is approximately 90,000 participants.

DNR RESPONSE: Our efforts to recruit and retain waterfowl hunters will certainly continue. A new advisory committee is being organized around the hunter and angler recruitment and retention issue to do some inventory and analysis of existing programs, identify gaps, and agree on direction for the DNR and partners to most effectively implement and coordinate efforts going forward.

- Restore 40,000 acres of wetlands and grasslands annually through partnership efforts, RIM easement, WMA acquisitions, and various farm bill programs. This number is an ambitious target in the DNR's *Strategic Conservation Agenda* as well as a BOC recommendation in 2010.

DNR RESPONSE: While this is an ambitious target of the *Strategic Conservation Agenda* and the *Duck Recovery Plan*, it is difficult to generate a number and provide accountability across all partnership types. The acres of grassland/wetland complexes protected through WMA acquisitions of 21 parcels in FY11 totaled about 1,600 acres. An additional 1,400 acres was restored on private land. Grassland and wetland restoration/enhancement projects on existing WMAs totaled an additional 30,000 acres. Many more additional acres were managed/improved through prescribed burning. Meanwhile, BWSR and NRCS have been successful in adding

RIM WRP acreage at the same time that we are losing significant acreage of CRP. DNR has signed an MOU with other agencies to implement the Minnesota Prairie Conservation Plan in the coming years and is leading the operational planning effort for the plan. This continues to be a priority, but the ability to set realistic and accountable goals across ownerships, agencies, and organizations remains elusive.

- Establish 16,000 acres of seasonal wetlands using moist soil management techniques. The department conservation goal is 12,000 acres with some stakeholders desiring a much higher target.

DNR RESPONSE: Twelve thousand acres remains an aggressive goal. It has been made more difficult by conditions in the state that are not conducive to wetland habitat work (such as high commodity prices, extreme weather events, and invasive species threats). The DNR is committed to working towards that goal and has committed a staff position to work on moist soil management. This work will include identifying and implementing moist soil activities, seeking out funding, and working with other groups, agencies, and landowners to seek partnerships. We also will be evaluating several dozen projects that are being proposed primarily for flood damage reduction. We will identify those that have the highest potential for also providing wildlife benefits, particularly if water level management plans can be adjusted to assure water availability during migration.

- Enhance 1,800 shallow lakes for waterfowl migration habitat. This is a long-term goal first recommended by the BOC in 2010.

DNR RESPONSE: We are making progress, but this is another ambitious goal that will require creative approaches and strong partner support. Two lake designations were completed at Teal and Bolstad Lakes. This meets the Shallow Lakes Program Plan goal of designating an additional 2-3 lakes per year for the next 10 years. One hundred sixty-three lake surveys were completed. Most of these lakes were priority lakes identified in the Program Plan. To accelerate shallow lakes work in Minnesota, two additional Wildlife Lake Specialists were hired. Counting staff that was hired in 2009 and 2010, this meets the Program Plan goal for additional specialists needed to help implement management projects. Drawdowns were conducted on 75 shallow lakes, most of which fit the goal of managing designated wildlife lakes or shallow lakes within or adjacent to public lands managed for wildlife. New structures were completed on shallow lakes, including Christina, Smith, Denton, Perch, Cottonwood, Dundee Marsh, Plantation WMA, and Thielke Lake. Much of this work was done in cooperation with Ducks Unlimited. With the leadership of Ducks Unlimited, we were also successful in getting new authority for temporary water level management on undesignated lakes, with a management plan and public hearing. We will be actively looking for additional opportunities to apply this expanded authority.

- Increase Minnesota's Mississippi Flyway harvest share to 1970s level of one-sixth of the total harvest. This is an ambitious target in the DNR's *Strategic Conservation Agenda*.

DNR RESPONSE: We agree and it continues to be an ambitious target, particularly with our decline in waterfowl hunting participation.

Trout and Salmon Management Account (\$933,000)

Policy/Activity Recommendations

- The committee reviewed recent changes in the pattern of the Trout and Salmon Stamp expenditure and is *satisfied*.
- However, the 2011 Game and Fish Fund Report did not adequately define the expenditures from the stamp; we request that next year's report demonstrate in a more comprehensive manner the efficacy and use of these dollars.

DNR RESPONSE: We agree. The Section of Fisheries will work with the Fisheries Oversight Committee (FOC) to identify specific areas of the Trout and Salmon Management Account expenditures report where greater detail is needed.

Pheasant Habitat Improvement Account (\$1,182,000)

Budget Recommendations

- Develop a plan for incremental increases in the state pheasant stamp to keep pace with inflation (at a minimum).

DNR RESPONSE: There was considerable interest in higher stamp fees the last time they were raised about eight years ago and DNR did consider increasing the cost of the pheasant stamp during the 2011-2012 fee initiative. We continue to be interested in exploring new ways to increase fees incrementally in order to keep pace with inflation.

Policy/Activity Recommendations

- Reduce the use of PHIP funds for food plots on private land and reallocate funds for private land management. This was a BOC recommendation in 2010.

DNR RESPONSE: We have already significantly reduced the use of PHIP funds for private lands food plots over the last several years and would be happy to review with the committee where we currently stand on this issue compared to 2010. PHIP funds have been increased for the Farm Bill Assistance Partnership, which funds local employees that help landowners enroll into Farm Bill conservation programs such as CRP, CCRP, and RIM-WRP. It is our most effective way of putting private lands habitat on the ground and leveraging significant federal funds.

- Achieve an annual harvest of 500,000 ringnecks per year. The department target harvest is 450,000. Pheasants Forever supports a long range target of 750,000 which would require 6 million acres of grasslands.

DNR RESPONSE: Given the stressors currently at work in the agricultural landscape, we believe that a target harvest of 450,000 birds is still an ambitious and appropriate goal. However, we are willing to continue discussions on how to formulate a strategy to get to a higher goal.

- Continue to place a priority on the partnership with BWSR to continue technical support to landowners and their participation in Federal Farm Bill Conservation Programs.

DNR RESPONSE: We agree. DNR continues to participate in the Farm Bill Assistance Partnership, which funds local staff to help landowners enroll into Farm

Bill conservation programs such as CRP, CCRP, and RIM-WRP. This is our most effective way of putting private lands habitat on the ground and leveraging significant federal funds. We also have worked closely with BWSR on grassland initiatives and prairie plan implementation.

- Create a best management practice (BMP) guide for food plots on private land and develop a strategy to distribute to landowners as recommended by the BOC in 2010. The plan should be consistent with the pheasant habitat model that includes winter cover, grasslands, and food within a 9-square mile block.

DNR RESPONSE: We agree. This is on the “to do” list but has not been completed due to staffing shortages.

Wild Rice Management Account (\$111,000)

Policy/Activity Recommendations

- Continue to foster wild rice productivity by partnering with Ducks Unlimited (DU) to control negative impacts of beaver impounded wild rice areas.

DNR RESPONSE: We agree. The Section of Wildlife currently partners with DU to manage wild rice lakes primarily in the central part of the state. Some 104 lakes were directly managed in 2012 and technical assistance was provided on an additional 24 lakes.

- Manage 330 lakes by 2013. The current target in the department’s *Strategic Conservation Agenda* is 300 lakes.

DNR RESPONSE: We would like to have additional discussion with the committee around this goal and the definition of managed lakes to be included in the goal. The Section of Wildlife currently manages 307 lakes for wild rice totaling about 112,000 acres including the lakes managed in cooperation with DU. When fish barriers, water control structures, drawdowns, and other projects are also factored in, the Section of Wildlife managed 510 lakes totaling about 175,800 acres in 2011.

Wildlife Acquisition Account (Small Game License Surcharge) (\$2,520,000)

Policy/Activity Recommendations

- Continue to acquire the highest priority WMA lands to provide contiguous blocks large enough to provide hunting and trapping opportunities at a rate of 8,000 acres per year utilizing a variety of funding sources. This target is the same as the target in the DNR’s *Strategic Conservation Agenda* with expected Lessard-Sams Outdoor Heritage funding.

DNR RESPONSE: We agree with this target.

Wild Turkey Management Account (\$274,000)

Policy/Activity Recommendations

- Conduct a survey in 2014 to determine hunter satisfaction with newly created turkey zones.

DNR RESPONSE: We will certainly consider this request in the context of priority fish and wildlife surveys needed in that time period. The Wildlife Section is

interested in increasing its capacity to measure hunter satisfaction and using that information to inform decisions.

- Enhance information provided to private landowners to maximize wild turkey productivity as recommended by the BOC in 2010.

DNR RESPONSE: We are interested in ways to enhance the technical information provided to private landowners regarding wildlife habitat and management. The Section of Wildlife does not have the staff resources to deliver a landscape-wide private lands program. Instead, we have focused on providing better wildlife technical assistance through a local delivery mechanism by providing funding to increase the Farm Bill Assistance Partnership. This program funds local staff that help landowners enroll into Farm Bill conservation programs. Following this model, we are partnering to add local assistance in the East Central forested part of the state to work with Private Landowners in forested areas. We are also emphasizing through the new habitat team structure that each team have a private land technical assistance development component that can be used to help train private land service providers with better wildlife technical information.

- Pursue easements from willing sellers to access public lands open to public hunting surrounded by private land as recommended by the wild turkey management committee in 2010.

DNR RESPONSE: We are pursuing these opportunities.

Heritage Enhancement Account (\$12,521,000)

Budget Recommendations

- Conduct an audit to ensure that 87% of this account is spent in the field.

DNR RESPONSE: This item will be considered for DNR's 2013-2014 audit plan.

Policy/Activity Recommendations

- Continue "Archery in the Schools" program, hunter recruitment, and restore grants to conservation organizations for habitat improvements.

DNR RESPONSE: We agree.

Walleye Stamp Account (\$537,000)

Policy/Activity Recommendations

- Stakeholders believe that the Walleye stamp statute implies that the Walleye Stamp moneys are used for stocking beyond the stated goals set forth by DNR. The committee recommends clarification and education for stakeholders.

DNR RESPONSE: We agree that stakeholders should understand how revenues from this new stamp are intended to be spent. Purchasing walleye using revenue generated with the walleye stamp for stocking beyond the stated goals would be inconsistent with lake management plans, would not be cost efficient, and would more than likely be counterproductive. We will address this recommendation in our planning for future communications and marketing around this stamp.

- The monies collected by the program were to be used entirely for walleye stocking with the exception of a small amount for promotion of the program. The committee asks that an evaluation of the “promotion” effectiveness be done.

DNR RESPONSE: We are currently evaluating promotional techniques and considering changes. For the early years of the program, DNR used stamp sales as an indicator of promotion effectiveness. There is no longer any authorization to use walleye stamp revenues for promotion; it all must be spent “...only for stocking walleyes purchased from the private sector in waters of the state.” (Minnesota Statutes, section 97A.075, subdivision 6).

- In the original legislation, the program had no set level of non-DNR reared fish that must be purchased. We are told now that 100% must be privately reared fish. The BOC asks, “*Is that the most cost-effective use of the revenues generated by the program?*”

DNR RESPONSE: We currently use walleye stamp dollars only to purchase walleyes from the private sector because that is what the law requires and, at least up to this time, that has been the most cost-effective use of the revenue. We will continue to monitor the cost-effectiveness of this approach, but have no statutory discretion on how the funds are to be spent.

- Recognizing both the huge expenditures on walleye stocking and the success of the mandatory Salmonid stamp, the committee suggests that the DNR should evaluate the potential for making the walleye stamp mandatory. That said, the committee feels strongly that the options for stamp expenditures would need to be changed by the legislature if a mandatory stamp is used.

DNR RESPONSE: We will consider this recommendation.

- The committee requests the department investigate how often retailers ask license buyers, “*Do you want to purchase the walleye stamp?*” The department should determine whether the low numbers of stamp sales is the product of “not being asked” versus “any other reason.”

DNR RESPONSE: The Fish and Wildlife Licensing Section will continue to investigate and work with agents at the point of sale to determine the reasons for low walleye stamp sales. The DNR license sales agents are asking every fishing license buyer if they want to purchase a walleye stamp. They have a 28 percent sales rate. The state ELS agent average is 2.5 percent. We have heard of a number of reasons agents have for not asking the question, including reducing customer wait time and lines, the presence of multiple questions such as HIP and walk-in donation leads some to pick and choose or skip certain questions. This continues to be an agent management issue that we are working on.

The Division continues to look for ways to get the word out about the stamp instead of waiting for the license agent to ask, including more aggressive marketing tools that we will share with you at a future committee meeting upon request.