



DNR Response to

Citizen Oversight Report on Game and Fish Fund Expenditures Fiscal Year 2017

October 2018

Response to Top Findings and Recommendations from the Citizen Oversight Report on Game and Fish Fund Expenditures Fiscal Year 2017

Division of Fish & Wildlife

Finding/Recommendation #1:

Continue to develop a comprehensive funding plan by broadening the base of consumptive and non-consumptive recreational users that will ensure the long-term solvency of the Game and Fish Fund (GFF). This should include increases in license fees, user fees, stamp fees and permit fees. It should also return to the practice of appropriating General Fund dollars to the Game and Fish Division funding, as all Minnesotans benefit from the work the DNR does on public and private lands and waters. Part of GFF solvency must include an increased effort with outreach and Recruitment, Retention, and Reactivation (R3) initiatives to keep the number of outdoor participants at levels that can continue to sustain fund the DNR and its important programs.

DNR Response: The DNR agrees that long-term solvency of the Game and Fish Fund is a key strategic issue that requires a comprehensive funding plan that considers all existing funding sources as well as new ones. DNR would like to engage conservation stakeholders in the discussion about long-term funding, and we are planning to devote time at the 2019 DNR Roundtable to kick-off those discussions. In the meantime, DNR continues to strengthen R3 efforts. In 2017, the divisions of Fish and Wildlife and Parks and Trails piloted a joint program aimed at promoting multi-generational fishing opportunities to Minnesota's Hispanic/Latino community. The program continued successfully in 2018 with special programs at Ft. Snelling and Whitewater state parks. Also during 2018, DNR established a R3 council composed of private citizens, outdoor industry representatives, and non-profit conservation organizations, to assist with recruiting new hunters and anglers.

Finding/Recommendation #2:

In the spirit of Teddy Roosevelt, continue efforts to educate and promote long-standing policies supporting public land purchases. Of particular concern are policies and actions that promote "no net gain" resolutions that prevent the state and its citizens from purchasing new holdings for many varied uses such as WMAs, AMAs, SNAs, public water accesses and easements. These restrictions will also have negative impacts on DNR goals as they relate to Prairie Plan initiatives.

DNR Response: The DNR agrees that Minnesotans value their public lands. The recent debate over acquisition of public lands spurred DNR to make that topic a major theme at the 2018 Roundtable. Based on feedback from those Roundtable discussions and peoples' desire to have easy access to information about public lands, DNR developed a new website for, "[Your State-managed Public Lands.](#)" This new site provides information on School Trust Lands, payment in lieu of taxes (PILT), strategic land asset management, as well as acres and types of public lands. It also showcases photos from a Public Lands Photo Contest and videos of Minnesotans talking about why they value public lands. DNR also highlighted public lands at the State Fair by featuring Governor Dayton's proclamation of August 31,

2018, as “Public Lands Day” in Minnesota and announcing the winners of the Public Lands Photo Contest.

Finding/Recommendation #3:

With chronic wasting disease (CWD) now a long-term management challenge that may also impact moose and elk in the future, it is recommended DNR make the following changes within the Emergency Deer Feeding and Wild Cervidae Health Management Account: (see also further discussion in section starting on page 6)

- Significantly raise the targeted reserve balance in the Account to exceed the current \$1 million
- Request the legislature remove the \$2.5 million unencumbered cap that would require the excess be returned to the Deer and Bear Management Account
- Develop additional funding sources for the account, such as an increase in the \$0.50 contribution from all deer and super sports licenses, General Fund dollars, and contributions from other agencies also affected by CWD including Board of Animal Health and the Department of Agriculture

DNR Response: DNR agrees with the concept of raising the targeted reserve balance, but annual revenues averaging \$325K per year and current CWD expenditures of nearly \$1M make this difficult. The DNR is pursuing use of other funds, including existing Game and Fish appropriations to support reserves. Past efforts to remove the \$2.5M unencumbered cap have not been advanced through the legislature. Given recent outbreaks of CWD, we don’t anticipate reaching the \$2.5M cap in the near future. DNR agrees with the need to increase and broaden funding for CWD response. In particular, we agree that surveillance around farmed cervid facilities should not be funded solely by license buyers. DNR requested but did not receive a general fund appropriation for CWD related work during the 2018 legislative session.

Additional Findings/Recommendations Related to Fish Management:

(see Fish Management, pages 3-4 of BOC Report)

Although the BOC did not request a written response from DNR on these items, we wanted to take this opportunity to clarify these operating policies.

The BOC identified two significant changes in Section Operating Policy that will negatively affect Fisheries field programs.

1. The new Fleet Insurance Policy to reduce costs for accidents includes the following proposed language:

The Division of the driver will be financially responsible for all costs or value of loss when:

- Damage results from backing.
- Accident/damage has not been reported within 48 hours.

The BOC opposes taking funds from fisheries field programs by penalizing stakeholders through this new language. The BOC finds this new language will not reduce backing accidents and

negatively impacts Fisheries Division field programs. In addition, the BOC recommends amending the language to indicate that the Division would be financially responsible for “damage within 48 hours from the time of discovery.” We find it is important to acknowledge that in many cases, damage is not discovered directly at the time of the incident and that the current language is unnecessarily rigid. We recommend amending the language to damage within 48 hours from the time of discovery.”

2. New electronic card entry systems are planned to be installed in all DNR Area offices and two additional Regional Safety Offices/Officers are being added. These new safety features and positions will be funded by the Fish and Wildlife Operating accounts. The BOC opposes funding any building, security, or maintenance improvements from dedicated funds like the GFF and instead recommends that these enhancements be funded by the Asset Preservation and/or Building Maintenance accounts.

DNR Response: There are legitimate overhead and administrative costs, including fleet management and safety that are necessary to run any program, and the Game and Fish Fund pays its share of these costs, as do all other funds. More specifically:

Insurance: The recent change in the fleet insurance policy was designed to reduce the costs charged to the Division of Fish and Wildlife (including the Section of Fisheries) by focusing charges on backing incidents, most of which are preventable. In this way, the division experiencing the incident is the one paying the cost. Before this change, the division was financially responsible for all incident costs between \$1,000 and \$2,000, regardless of incident type. For example, on a \$1,700 incident, the division would be billed \$700. The new policy puts the division in direct control of those expenses. If the operator is trained, follows policy and laws, and reports an incident when it occurs, the division will no longer be financially responsible for any of the incident costs. With respect to incidents not reported within 48 hours, the fleet policy does require daily inspections of the vehicle before use, so it would be unusual for damage to go unnoticed and so the requirement to report within 48 hours of the incident should be a rare occurrence.

Card Reader Systems: The Fisheries Section has offices in several types of locations: Fisheries-only offices, Fisheries and Wildlife offices, and “co-located” offices that include more than one division. Operational costs of the first two locations are covered through section budgets, while operational costs of co-located facilities are covered through a direct cost plan proportionally shared among the divisions. These costs are allocated based on number of employees and space allocation among the divisions. The department policy is that enhancements to facilities, including card readers, are covered through direct cost plans. Asset preservation funds are used for capital projects to address maintenance issues; these funds are not used for building enhancement. Similarly, facility maintenance funds are utilized for maintenance of existing facilities, not expansions/enhancements of services. Furthermore, even if the facility maintenance fund were to be used for card readers, this fund is comprised of payments from divisions and therefore doesn’t represent a distinct funding source from the one chosen. We can provide further information if requested.