

Game and Fish Fund Budgetary Oversight Committee

Authorized under *Minnesota Statutes*, section 97A.055, subd. 4b

Citizen Oversight Report on Game and Fish Fund Expenditures Fiscal Year 2022

July 2023

Game and Fish Fund Budgetary Oversight Committee

—Authorized under Minnesota Statutes, section 97A.055, subd. 4b—

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Subject: Game and Fish Fund Budgetary Oversight Committee Report on FY2022

Commissioner, Representatives, and Senators:

I am pleased to present the Fiscal Year 2022 Report of the Game and Fish Fund Budgetary Oversight Committee (BOC), approved by an email vote completed on 07/28/2023 and now published. The BOC and its two subcommittees determined that FY2022 Game and Fish Fund expenditures complied with the overall requirements of the Game and Fish Fund. I'd like to thank all committee members for their time and efforts in their service as well as DNR staff for providing information, support, and updates to the committees.

The report begins with our top recommendations, and we look forward to a timely written response from the DNR on those topics. The report also includes recommendations for consideration by the legislature. The detailed section of our report identifies account-specific concerns and recommendations that do not require a written response, and we ask fisheries and wildlife managers to follow up on these items in meetings and discussions with the Fisheries Oversight Committee (FOC) and Wildlife Oversight Committee (WOC). We look forward to our future meetings with the DNR staff regarding our report.

Within the 2022 Fiscal Year (FY2022) we've seen some exciting responses from the DNR in regard to our top recommendations. The BOC has mentioned the need for our hatcheries to receive more funding for repairs and updates. This year there has been some funding set aside for at least two hatcheries who are in desperate

need of enhancements. Mitigating potential issues that could impact the growth and stocking of various fish species are extremely important to the DNR's work to manage a vital natural resource across our state's more than 10,000 lakes. In addition, another huge step forward has been the Licensing Center changes that impact Minnesotan's being able to purchase licenses, pay fees and sign-up for courses through a new online interface. This process has been many years in the making and each update ignites more excitement within the BOC. We are looking forward to seeing these essential updates to bring user-friendly "at your fingertip" access to Minnesotan's and visitors alike.

In regard to the FY2022 Game and Fish Fund Report, I want to reiterate the continued need for transparency, clarity, and more detail on behalf of the BOC. While we are glad to see the DNR developing a framework and best management practices for tracking projects within the DNR, the BOC and supporting committees cannot function properly without being provided an accurate accounting of how money is allocated within each account. The agency's complex cost coding structure, the subjective nature in which tasks and work are classified, projects being billed across multiple accounts and the overall desire for flexibility in spending across the Fish and Wildlife Division accounts make it very difficult to discern where the money is going and what projects, work, maintenance, etc. the funds are being spent on. As such, the BOC is often forced to spend much time simply requesting this information in order to complete our analysis. We strenuously recommend that the GFF Report should include the major project expenditures *within each account* as well as the objective targets, estimated project timelines, and measurable outcomes for each project within each account. Instead of listing all of the major accomplishments and outcomes at the beginning of the report, the BOC would like to see more project details, outcomes, and expenditures directly in each account's section. By doing so, the DNR would be providing more transparency for both the public and the various citizen committees tasked with providing oversight and recommendations for the future.

Yours truly,

A handwritten signature in black ink that reads "Jessica Paulson". The signature is written in a cursive, flowing style.

Jess Paulson, Chair, Game and Fish Fund Budgetary Oversight Committee

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WRITTEN RESPONSE REQUESTED FROM DNR ON THESE ITEMS

HATCHERIES FUNDING

The BOC was very excited to learn about the funds the DNR received to update two of the hatcheries during the 2023 Legislative session. The BOC recognizes that while funds were approved to update and modernize Crystal Springs and Waterville hatcheries there are additional hatcheries that would benefit from updates and needed renovations. For the existing hatcheries, maintenance fees keep increasing due to the aging infrastructure. Hatcheries provide an essential support system to a variety of fish species which are some of our state's most important aquatic ecological and recreational natural resource assets.

The BOC is requesting a breakdown of how the \$60 million appropriated from the 2023 Legislative session will be spent and timelines to complete the work. In addition, the BOC recommends the DNR continue advocating for the additional hatcheries that will need updating in the near future.

SHOTGUN-ONLY ZONE

The Budgetary Oversight Committee (BOC) requests feedback from the DNR on legislation proposed during the 2023 legislative session regarding the removal of the historical shotgun zone. The BOC acknowledges this legislation did not pass and is requesting information on how the DNR is preparing if this legislation is introduced again in the 2024 session and passes.

The concept of converting shotgun deer hunting zones to rifle hunting zones has complex and diverse opinions amongst hunters and non-hunters. Rifle hunting may provide a higher hunter-success ratio as rifle rounds tend to be more accurate at longer distances than shotgun rounds. With accuracy and ballistics, there may be less wounding loss. However, with rifle cartridges carrying further, there may be a pause for safety concerns.

There is also a substantial social component to the removal of the shotgun zone. The majority of the state population resides in the current shotgun-only zone. Other states have made changes from shotgun to rifle zones. Has the DNR been in contact with those states to see what kind of social impact they have had, specifically hunting-related accidents. Outside of social concerns, we ask if the has DNR received data from those other states providing harvest statistics (Ex. Are new rifle zones harvesting more deer than when it was a shotgun zone?).

Additionally, the BOC is requesting the DNR provide guidance on how enforcement may look in the event this legislation passes. The BOC realizes that due to population density, rifles will still need to be restricted in some areas. The BOC is respectfully requesting the DNR provide feedback on what the DNR would propose to keep as shotgun-only areas and what preparations the DNR is making to enforce these changes if this legislation is passed.

FEEDING BAN DUE TO CWD AFFECTING DEER SURVIVAL

The BOC requests the DNR provide an update on how the feeding bans implemented to control Chronic Wasting Disease (CWD) may be affecting the deer herd survival. The BOC is concerned that the Winter Severity Index (WSI) is impacting deer survival. There have been anecdotal reports of winter kill in areas of northern specifically northwestern Minnesota. Some of these areas with reported winter kill are within the boundaries of a CWD feeding ban.

The northern 2/3 of the state has had moderate to severe WSIs for the past two years and the northern 1/3 has several areas with a WSI greater than 106. These numbers begin impacting winter mortality and spring fawning success. The BOC acknowledges these are not high CWD areas but is concerned that the supplemental feeding bans may be impacting individual animal survival.

Does the DNR see any correlation between increased winter kill and the CWD Feeding Ban areas? Does the DNR believe if those areas were allowed to supplement feed throughout the winter months of late 2022 and early 2023 would there have been better survival rates?

STATUTORY REQUIREMENTS

The BOC respectfully requests assistance from the DNR in finding ways of meeting the statutory requirement in Minnesota Statutes, section 97A.055, subd. 4b, to “review the proposed work plans and budgets for the coming year.” Multiple members of the citizen oversight committees raised concerns that as a committee we are not meeting the statutory requirements.

The BOC acknowledges that the final bi-annual budget cannot be set in even number years due to the Legislative budgeting process. In odd number years, the budget is less dependent on the Legislative process and the BOC feels more in-depth funding can be provided.

The BOC hopes that by working with the DNR a compromise can be reached. On even number years a high-level budget can be provided to the BOC at the beginning of the annual review cycle for general review by members. This budget would be reviewed with the understanding that until the bi-annual budget is passed the numbers are preliminary. In odd number years a more comprehensive preliminary budget would be presented to the BOC on the same timeline.

The BOC also acknowledges that the DNR is still in the process of creating work plans. The BOC is requesting an update on the progress of creating work plans and is requesting annual updates until the successful implementation of work plans within the DNR.

ONGOING ISSUES

GFF FUNDING

The BOC gratefully acknowledges the work the DNR has done on the *4 the Outdoors* strategic vision. We realize that GFF funding is an ongoing and sensitive subject and the *4 the Outdoors* framework is a positive first step. The BOC respectfully requests annual updates on the progress being made on the *4 the Outdoors* program including the following:

- Annual goals and objectives
- Timelines for the remainder of the *4 the Outdoors* plan
- Milestones achieved in the past year
- Cost savings identified
- Any additional revenues identified

The BOC recommends the DNR continue to search out all possible revenue streams identified in addition to the *4 the Outdoors* program. Additional revenue streams considered should include but not be limited to application, user, and license fees. Ongoing funding of the GFF is a great benefit to all residents of Minnesota and the BOC wants to see these efforts continue.

CWD

The BOC acknowledges the hard work the DNR and other agencies have put into researching and attempting to control the spread of CWD. The BOC is not requesting a formal response from the DNR at this time but respectfully requests updates on any major developments made as the DNR continues to work on containing this disease.

LICENSE CENTER

The BOC acknowledges that a contract has been signed and that the MNIT staff is hard at work with the new vendor to get the new system up and running in Q1 or early Q2 2025. The BOC respectfully requests an update on progress at our first meeting for the FY 2023 review cycle and that accurate tracking can be demonstrated on the proposed progress vs the actual progress.

EMERGING ISSUES

The BOC identified these topics for possible discussion in the future:

- Moose mortality studies and health of the overall moose herd.
- Wolf hunting seasons and the ongoing legislation to ban hunting in the state of Minnesota.
- Equity in outdoor recreation has been listed as a top priority for the DNR (2022 Game and Fish Fund Annual Report). Information regarding the demographics of the different users of MINNESOTA DNR programs and activities is needed to measure this major DNR goal. It is recommended that DNR leadership support a large-scale independent evaluation of user demographics as it reviews meeting the needs of all Minnesotans.
- Given the increased projects, activities, and funding available, it is recommended that the DNR leadership review and evaluate the various department efforts that may overlap or influence other divisions within the agency. The review should also identify areas with an established user base that may experience negative impacts due to user conflict and displacement from other user groups (Engage with DNR).

ACCOUNTS

Game and Fish Operations Account (Fund 2200)

OVERVIEW

The Operations account (2200) is the general operations account and, as such, provides support to a wide variety of wildlife-related activities and constitutes the largest share of Division expenditures of any dedicated account. The primary activities related to wildlife funded by the Operations account focus on habitat management and population management. Other activities include general planning and coordination of wildlife management activities, education and outreach, and support services for the Wildlife Division and the DNR.

ISSUES AND TRENDS

- 2022 produced a significant change in the trajectory of the GFF Operations Account. Higher than anticipated apportionments for Pittman-Robertson along with federal law changes on state expenditure matching improved the balance by \$7.2M per year with a projected balance of \$3.2M in FY27. This will have a positive \$10M impact on 2023.
- The decline in fishing license revenue accelerated in 2022 with a (\$3,126,831) or -10%.
- There is a lack of clarity over the Heritage Fund

FINDINGS

- Total receipts and transfers in totaled \$90,912,989, a decrease of (\$4,139,286) or -4.3%, with total resources available of \$134,418,574, an increase of \$1,436,474 or 1% over 2021. This is due to the biennial break where the amounts cancelled/carried forward total \$43,505,584. [*Game and Fish Fund Annual Report Fiscal Year 2022*, pg. 80]
- Legislatively appropriated funds in 2200 were the same for Fish and Wildlife across FY21 and FY22.
- Total expenditures and transfers out totaled \$93,944,015, an increase of \$3,742,063 or 4%.
 - In FY 20/21 the DNR spent less due to the pandemic imbued hiring freeze.
 - In FY 22/23 the DNR is slowly resuming normal spending patterns and resuming hiring of staff.
 - The Game & Fish fund appropriations had an overall increase in spending from legislature contributing towards increased expenditures.
 - Shooting range grants and NCLI were appropriated in the General Fund (1000) and Heritage Enhancement (2209). Disease outbreak response funding started in FY20 but spending varied through FY22 (see appropriation ID R296193).
- The Fund Balance dropped by (\$2,305,559) or -5.3% to \$40,474,558 due to appropriations that required increased spending.
 - This drop is partly due to a combination of increased spending on Enforcement salaries and reduced license sales and PR revenue.
- Notable changes in receipts: Sports Licenses fell by \$400K, Pittman-Robertson fell by \$1.2M, Agency Indirect cost Reimbursement increased by \$1.1M
 - Post-pandemic activities and people returning to their normal behaviors have resulted in a slight decline in sales.
 - The Game and Fish Fund (2200 only) received a higher indirect cost reimbursement in FY22 mostly due to the Enforcement salary supplement and related roll-forward.
 - Note that this was a one-time receipt, and the DNR expects future reimbursements to be more similar to prior biennia.

- Notable changes in expenditures: Reduction of \$1.5M in Parks & Trails, Fish and Wildlife Management decreased \$500K, and appropriations for Enforcement were increased by \$2.5M, and several FY21 appropriations for Enforcement salary increases were rolled forward and spent in FY22 estimated at \$1.1M.
 - As this is the first year of a biennium, the DNR typically spends less as there is an anticipation of spending increases, whereas the 2nd year is typically higher because of rollover funding from the 1st year to the 2nd year.
 - Most increases related to Enforcement’s spending is due to legislatively mandated salary increases and supplements as discussed above. Most enforcement officers received a 13.2% increase to their base wage, some of which were retroactive to FY21. Additionally, there were supplemental salary increases for certain cohorts who were already at the top of their pay range. See Laws of 2021 Special Session 1, Chapter 6, Article 4 for reference.

COMPLIANCE

The FY2022 expenditures from the Game and Fish Operations Account (Fund 2200) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- Prioritization on finalizing and implementing “4 The Outdoors” to develop a fully sustainable funding structure for the DNR.
- Clarity on proposed 2023 spending. Highest ever for the DNR.
- A strong conversion and implementation plan is developed and tracked to ensure successful implementation.

Fish Management

OVERVIEW

Account 2200 for fishery activities records those revenues and expenditures that meet the requirements of the Federal Aid in Sports Fish Restoration Act known as the Dingell-Johnson Act.

While this section reflects that the Game and Fish Fund Account 2200 is the backbone of the revenue and spending, fishery projects draw from many revenue sources to ensure the work required by legislative action and Fisheries Section needs are met. Therefore, a summation of revenue and expenditures for Account 2200 only will be reflected in this section. Please see Fish Management under Functions to get a full accounting of expenditures for Fisheries.

FINDINGS

Revenue for the Fisheries section of Account 2200 GFF are:

\$28,259,075 from fishing license sales account for 31% of the GFF’s total revenue.

\$14,933,308 obtained in FY 22 from the federal government by DNR Fisheries surpassing the requirements of the Dingell-Johnson Act, or about 16% of GFF’s total revenue.

Other revenue resources for Fisheries account for the balance are noted in the rest of the report.

- Account 2200 is the general operations account and, as such, provides support to a wide variety of fisheries-related activities. For FY 22, over 85% of expenditures for fisheries management were funded from this account.
- Total Expenditures from the account for fisheries management activities for FY 2022 were \$37,268,395. Expenditures by fisheries management activity were as follows, based on additional data provided by fisheries staff:

Activity	Amount	Percentage
Population Management	\$13,120,586	35.2%
Planning and Coordination	5,692,659	15.3%
Fish Culture and Stocking	7,601,571	20.4%
Habitat Improvement	4,017,815	10.8%
Department Services	3,566,369	9.6%
Division Support	1,618,576	4.3%
Education and Outreach	1,650,820	4.4%

- The BOC has reviewed the major activities related to fisheries that are funded by Account 2200 and other accounts required to perform Fisheries’ activities. Committee activities of the FY 22 Game and Fish Fund Report are explained in more detail in the report that follows. The primary areas of concern for fisheries discussed in this report include financial support for hatcheries infrastructure, habitat improvements, support to bolster declining revenue sources.

Wildlife Management

OVERVIEW

As noted in the section on the Wildlife Management Function, 48% of the expenditures by the Wildlife Section are funded from the Operations Account 2200. The primary activities related to wildlife funded by Account 2200 focus on habitat management and population management. Other activities include general planning and coordination of wildlife management activities, education and outreach, and support services for the Wildlife Section and the DNR.

ISSUES AND TRENDS

- The Game and Fish Operations Account (2200) balance is expected to decline over time due to anticipated expenses exceeding projected revenues. Current projections have the account going negative in FY2028. It was noted that the DNR assumes no increases in Fish and Wildlife Management and Enforcement salaries starting in FY2024. With the recent inflation, especially in payroll expenses, the BOC anticipates the fund will go negative before FY2028.
- The DNR expects Wildlife Restoration Act (Pittman-Robertson) revenues to increase approximately \$10 million to a total of \$29 million for FY2023. For FY2024 forward the DNR expects these funds to level out to \$25 million annually.
 - During COVID there was a surge in the purchasing of outdoor recreation related items (guns, ammo, etc.) which increased the amount of Pittman-Robertson grant dollars available to the state. Minnesota was made aware of the additional funding and began incorporating additional activities that were accomplished in order to fully utilize all the funding that was available to the State.

- An additional \$7.2 million was captured and the DNR is looking at similar amounts if not more over the next biennium that would be available to apply for reimbursement on. A staff member was hired to help with seeking these grants from the available PR funds.
- Perception of barriers from existing and/or new hunters and anglers due to the perceived monetary investment needed to participate and/or how outdoor recreational activities are portrayed by the sports industry and outdoor influencers.
- In alignment with the DNR's Future Funding Initiative, there is a greater need for exploring additional fee structures for the non-consumptive audience as it pertains to the access and benefits currently paid for by license fees, such as boat ramps, fishing piers, hunter accesses, etc.

FINDINGS

- Revenue for the Wildlife section of Account 2200 GFF are:
 - \$14,657,991 from hunting license sales account for 16% of the GFF's total revenue.
 - \$18,942,397 was obtained in FY2022 from the federal government by DNR Fisheries surpassing the requirements of the Dingell-Johnson Act, or about 21% of GFF's total revenue.
- Account 2200 is the general operations account and, as such, provides support to a wide variety of wildlife-related activities.
- Total Expenditures from the Account for wildlife management activities for FY2022 were \$19,981,540. Expenditures by major wildlife management activity were as follows:

Activity	Amount	Percentage
Population Management	\$8,973,874	45%
Habitat Management	\$4,880,708	24%
Planning and Coordination	\$2,163,729	11%
Education and Outreach	\$1,838,702	9%
Department Services	\$1,720,315	9%
Division Support	\$403,995	2%

These percentages were consistent with those for previous years.

- Total Expenditures from the Account in FY2022 were approximately \$3,200,000 more than for FY2021. The major factors driving was the DNR completing work that had been postponed due to pandemic restrictions.
- The BOC has reviewed the major activities related to wildlife that are funded by Account 2200. Committee activities of the FY2022 Game and Fish Fund Report are explained in more detail in the report that follows.
- Total Expenditures and Transfers out from the Operations account for wildlife management activities for FY 22 were \$93,944,015.
- Total Revenues and Transfers into the Operations account for wildlife management activities for FY 22 were \$90,912,989.
- Operations Account ended with a lower fund balance in FY 22 (\$40.5 million) than in FY 21 (\$42.8 million) due to decreases in hunting and fishing licenses and federal reimbursements.

COMPLIANCE

The FY2022 expenditures from the Game and Fish Operations Account (Fund 2200) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- Prioritization on finalizing and implementing 4 the Outdoors to develop a fully sustainable funding structure for the DNR.
- Continue to seek diverse input and support the DNR's deer goal setting process.
- Research and monitor the moose population and improve understanding of stabilization that has been observed in recent years.
- The BOC recommends updating the [License Dollars at Work](https://www.dnr.state.mn.us/licensedollarsatwork/index.html) webpage (https://www.dnr.state.mn.us/licensedollarsatwork/index.html). The DNR is doing a great job showing projects for the Heritage Enhancement funds and the BOC recommends a similar approach for the G&FF dollars for major projects. The BOC noted that several of the sections under the DNR Wildlife at work for you section were dead links or the information was several years old. The links under DNF Fisheries at work for you appear to be accurate.
- Prioritize R3 efforts to reach out to underserved and immigrant communities. Many of the immigrant communities have a history of hunting in their home countries and may need assistance understanding Minnesota Regulations and seasons. Working with existing partners will enhance these efforts.

Deer and Bear Management Account (Fund 2201)

OVERVIEW

The deer and bear management account is for deer and bear management programs and can also be used for a computerized licensing system. There is also a separate deer account that can only be used for habitat improvement or deer management programs. These two accounts are funded from different sources.

ISSUES AND TRENDS

- This account balance decreased from FY2021 to FY2022 in line with the statement in the report that the DNR plans to “spend down the current balance over time while maintaining sufficient funds to cover cash flow” and there was a slight increase in account balance from FY2020 to FY2021.
- The account balance is forecasted to increase significantly through FY2025 increasing in the DNR's planning estimate from \$807,303 in FY2023 to \$1,040,303 in FY2025
- Expenditures have remained relatively steady from FY2010 to FY2022, with a few spikes in FY2018, FY2019 and FY2020 to an increase in license purchase and a slight decrease in expenditures.
- It is anticipated that there will be an overall decline in hunters according to the DNR's reporting. The DNR plans to spend down the current balance over time while maintaining sufficient funds to cover cash flow. This forecast of decreased hunters is not reflected in the Revenues and Transfers or the Fund Balance since the planning estimates actually increase.

FINDINGS

- Total expenditures for FY2022 were \$498,850 with a FY2022 ending fund balance of \$807,303
- The majority of expenses were for salary and travel which is consistent with previous year expenditures.
- \$693,735 or total receipts were from hunting license purchase, a 1.96% decrease from FY2021's total receipts of \$707,648.

COMPLIANCE

The FY2022 expenditures from the Deer and Bear Management Account (Fund 2201) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- As stated in the FY2021, the BOC has the same recommendation advocating for a legislative change to separate out the bear and deer management account. Based on a detailed review of year over year expenses the data shows that this account is primarily used to manage bear. Bear hunting is a significant big game sport in Minnesota and it should be its own individual account for better management and tracking of expenditures.
- Expand on moments to engage the citizens of Minnesota for continuously improving relations as well as education and hunting opportunities.
- Potentially mirror, or select parts of existing hunts, IE the waterfowl youth hunt or adult deer hunt, for recruiting and education of the next generation of bear hunters.

Emergency Deer Feeding and Wild Cervidae Health Management Account (Fund 2201)

OVERVIEW

Account 2201 was established for emergency deer feeding and wild cervidae health management. This account is funded from deer and super-sports hunting licenses, in the event the account balance exceeds \$2.5 million, the amount becomes available for deer and bear management. This has not occurred in the recent past.

The DNR generally works to maintain a reserve balance of \$1 million to ensure the ability to meet the needs of CWD. Since FY2017, positive chronic wasting disease (CWD) detections have increased, resulting in increased costs to support a plan which has not yet shown to mitigate the spread of CWD.

ISSUES AND TRENDS

- CWD continues to appear in new areas throughout the state and has remained in areas where heavy culling efforts have been performed.
- Deer farm operations seem to be the only year-round testing sites that alert to a positive CWD deer if outside of a monitoring zone. Finding options for new methods to detect CWD positive deer throughout the state and outside of hunting seasons could help locate new areas of concern faster.
- Continued monitoring of CWD affecting our moose and elk populations and a future plan of action if cases of CWD are found in our state.

FINDINGS

- Other than sharpshooters and removing large quantities of the deer population in an area, there are no other future plans on how to prevent the spread of CWD here in Minnesota or in other areas across the U.S.
- Areas in SE Minnesota are still seeing a growing number of new cases of CWD within their deer populations, even with all efforts to remove or slow the spread of the disease.
- There is no end game or future plans to address new measures to help combat the spread of CWD throughout Minnesota. Continued research will be needed.
- Hunter education, Taxidermist incentives and testing kits are proving to be an effective tool to help locate and track new CWD cases within our state.

COMPLIANCE

The FY2022 expenditures from the Game and Fish Fund Emergency Deer Feeding and Wild Cervidae Health Management Account (Fund 2201) appear to be in compliance with the statutory requirements and sound management practices.

RECOMMENDATIONS

- The budget should reflect the growing need to educate hunters and outdoorsmen about new active CWD zones and monitoring areas, as well as help in the testing efforts. Mail in testing kits have shown to be an effective method for monitoring CWD in current unknown CWD areas and should be continued and increased to adequately monitor our states active CWD cases.
- A future plan and budget should be set up to account for the increasing new CWD areas within our state and focus on a new long-term policy and procedures for the future of CWD management.

Deer Management Account (Fund 2202)

OVERVIEW

The purpose of the deer management account is deer habitat improvement and deer management programs. It is governed by Minnesota Statutes, section 97A.075, subd. 1b.

ISSUES AND TRENDS

- In 2019, FY2021, the Whitetail Deer population monitoring transitioned from monitoring at the Deer Permit Area (DPA) to a Deer Management Unit (DMU) model. FY2022 was the second year under the DMU population modeling method. Switching to the DMU model saved DNR Staff time by analyzing the population at a DMU level while allowing for the same flexibility in setting harvest limits in individual DPAs.
- 2021 harvest numbers were comparable to 2019 harvest numbers. 2020 saw a harvest increase due to the COVID bump. Hunter success was estimated at 33.8% across all hunting methods and seasons. The DMU model appears to be achieving the stated goals and providing quality hunting in Minnesota.
- 2022 harvest numbers were down over 14,000 animals from 2021. This is mostly attributed to unseasonably weather opening weekend of firearms season.
- With the COVID bump Fund 2202 is currently expected to go insolvent in FY2026. In FY2020 the fund was expected to go insolvent as early as FY2024.
- The DNR appears to be achieving the goals for the 2018 Deer Plan for approximately 200,000 deer harvested per year. With declining hunter numbers continuing to meet this goal will become more challenging over the years.
- The DNR also appears to be successful with increasing hunter communication. The Deer Advisory Committee continued to meet during the COVID pandemic. The Deer Advisory Committee met at least 4 times during FY2022.

FINDINGS

- In FY2022, total receipts were \$8,408,150, expenditures \$7,223,222 for a net increase of \$1,184,928 leaving a balance of \$3,810,834 to rollover to FY23.
- Under statute, \$16 from each adult annual deer, super-sport, or Lifetime license and \$2 from each youth annual or Lifetime license is dedicated to the deer management account (Fund 2202).

- Expenditures from the Deer Management Account in FY2022 went for habitat management (67%), population management (10%), and division support and department services (23%).
- For habitat management, the major categories of expenditures focused on grassland habitat (36%), forest habitat (13%), technical guidance (17%) and facility management (25%).
- For population management, the major categories of expenditures focused on animal disease management, season management and nuisance animal management.

COMPLIANCE

The FY2022 expenditures from the Deer Management Account (Fund 2202) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- Establish annual program objectives for Account 2202, including anticipated expenditure levels, and report on the success in achieving those objectives in the annual Game and Fish Fund Report.
- Continue efforts to accurately record DNR activities related to forest work, hunter access work, technical guidance and nuisance animal control, and other deer habitat program activities to ensure that the DNR can clearly demonstrate that Account 2202 funds are devoted to habitat improvement that primarily benefits deer.
- The BOC recommends the DNR provide a mid-point update to the 2018 – 2028 Deer plan. A public update on what accomplishments have been achieved, what plans are still being implemented and how the ongoing goals are being met.
- The BOC recommends finding a way to increase hunter engagement and communication by maximizing communication options with the new Licensing system that is currently being developed.
- The BOC recommends the DNR reauthorize the Deer Advisory committee for the 2023 – 2028 second half of the Deer Management Plan.
- Manage deer population goals in the moose range at levels consistent with the Minnesota Moose Research and Management Plan as stated in the 2019-2028 Deer Plan. Continue the efforts of the 2016-2020 Elk Management Plan as well as assess any new information that would contribute to a plan beyond 2020.

Waterfowl Habitat Account (Fund 2203)

OVERVIEW

The purpose of this account is for the improvement of waterfowl habitat and management of waterfowl populations. This account is governed by various statutes, including Minnesota Statutes, sections 97A.075, subd. 2, and 97A.475, subd. 5.

ISSUES AND TRENDS

- The main issue is lower volume of waterfowl stamp sales and participation. The level of decline in participation is on par with national trends.
- The peak participation in the 1970's saw an average of 133,000 waterfowl stamp sales per year, and by the 2010s that number has dropped to an average of 75,000.
- Along with lower stamp sales the population of ducks excluding scaup was 567,000 which is 18% below the 2019 estimate and 9% below the 10-year average.

FINDINGS

In 2022 the DNR was working on year 3 of a 4-year duck action plan. This plan focuses on strategic funding and conservation efforts with 7 measurable objectives. These objectives include:

1. Maintain the current pace of WMA acquisitions overall while increasing the proportion of acquisitions within priority areas.
2. Increase the quality and quantity of duck habitat management on state-administered lands
3. Support the work of partners to protect and enhance duck habitat on private and federal lands
4. Increase coordination of duck plan implementation actions within MINNESOTA and the Mississippi Flyway
5. Improve access to land for outdoor recreation and wetland appreciation
6. Develop and deliver messages on wetlands and associated upland habitats, highlighting private land stewardship, recreation opportunities
7. Define research and monitoring priorities for ducks and their habitats, and work with partners to address these priorities

Measurable findings from the DNR in 2022 were reported as the following:

Acquisition

- The DNR acquired 2,797 acres of WMAs by gift or purchase. This alone does not meet the measurable goal of 4,500 acres per year that was outlined in the objectives above.

Restoration

- 272 acres of wetlands were restored to provide new habitat for wetland dependent wildlife.
- Restored 2,326 acres of grassland at 108 sites on WMAs using diverse seed mixes that will be beneficial for game and nongame wildlife as well as pollinators
- Phase 3 of the Sauk river watershed habitat restoration restored/enhanced 224 acres of wetlands to create habitat for waterfowl
- Developed 10 Prairie Stewardship Plans with private landowners, provided technical assistance about prairie management to more than 800 other landowners, and supported implementation of the Minnesota Prairie Conservation Plan.

Expenditures

- In FY2022, total expenditures from fund 2203 were \$391,140; total receipts were \$562,576; remaining balance is \$1,289,052 for a net change of \$182,371
- Waterfowl stamps during the 2022 teal season was 1% lower than 2021.

Population

- The 2022 estimated mallard breeding population was 231,000 or 19% lower than the 2019 estimate and 9% below the 10-year average. Blue wing teal population was 161,000 or 28% below the 2019 average and 10% below the 10-year average. The combined population index of other ducks was 175,000 or 6% below the 2019 estimate and 7% below the 10-year average.
- Total duck population index was 607,000 which was 17% below the 2019 estimate and 8% below the 10-year average.
- The estimated number of swans was 25,100 compared to the 2019 estimate of 23,200.
- During the early teal season, the attempt rates and take of non-teal were lower than 2021 and below the thresholds of the operational teal season. Observed attempt rate was 5% (target is <25%) and kill rate was 4% (target is <10%).

COMPLIANCE

The FY2022 expenditures from the Waterfowl Habitat Account (Fund 2203) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- Continue to monitor the non-target take during the early teal season experimental trial and hunter participation levels during the early season.
- Implement a swan season for additional revenue, participation and swan population control, an experimental season similar to what ND currently does could be implemented to test participation and the effect on swan population. In 2022 ND lottery gave out 1,281 Resident and 919 non-resident swan tags.
- Continue the plan on placing higher priority on parcels located within 30 miles of a population center of at least 15,000 to 20,000 people. Providing “close to home” recreation opportunities will help participation.
- Investment or introduction to High School trap teams should be investigated to increase hunter participation. Examples of opportunities could be a discounted stamp for participating students or other reward systems.
- Overall waterfowl population is down from the long-term average, investment in breeding grounds and increasing breeding success through controllable inputs such as water level, predation, farming practices etc. should be investigated.

Trout and Salmon Management Account (Fund 2204)

OVERVIEW

The Trout and Salmon stamp was established by the legislature (Minnesota Statutes, sec. 97A.075, subd. 3) to increase revenue available to further improve streams and lakes. Interest in trout and salmon angling has been consistently growing for a number of years and took a big jump in 2020 during the pandemic. In 2021, the activity and stamp sales leveled off near the 2020 level.

In 2022, the four main components of the fund’s expenditures were as follows:

- Habitat Improvement \$215,374
- Population Management \$143,063
- Fish Culture and Stocking \$625,618
- Education and Outreach \$984,055

These components of the Trout and Salmon Fund expenditures supplement other funding sources used to improve trout and salmon streams and lakes. The Outdoor Heritage Fund and Heritage Enhancement Fund are two other funds that significantly benefit trout and salmon.

ISSUES AND TRENDS

Interest in trout and salmon fishing showed significant growth from FY15 – 21. In FY 2022, The DNR reported stamp sales decreased slightly but remained above the FY 2019 totals. Some of this growth is believed to be related to the strong stream trout populations and increasing fishing opportunities through DNR stream and shoreline restoration projects.

FINDINGS

The 2013 Fisheries Habitat Plan continues to guide acquisitions and habitat improvement activities but is very broad without specific measurable goals. With the Fish and Wildlife realignment nearing completion, the BOC anticipates that more specific goals and outcomes will be established.

In FY 2022 the DNR used portions from Trout and salmon Stamp to fund, or partially fund these projects.

- Securing 3 trout stream easements totaling 1.4 miles of shoreline to improve angler access.
- Completed maintenance on 9 cold water streams that benefited over 137 miles of trout habitat.
- Produced more than 1 million trout to create fishing opportunities throughout the state.

COMPLIANCE

The FY2022 expenditures from the Trout and Salmon Account (Fund 2204) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- The fund should continue to be used to supplement and not supplant the other funding sources available to improve trout and salmon streams and lakes. With the continued growing interest in trout and salmon angling, the stamp revenues should be allocated to maintain and to improve the angling opportunities for trout and salmon.
- Fund balances need to be fully utilized while maintaining a minimum fund balance.
- Now that the Fish and Wildlife realignment is being completed, specific goals and outcomes should be developed consistent with the existing 2013 Fisheries Habitat Plan
- Focus must remain on trout hatchery rehabilitation and improvements.

Pheasant Habitat Account (Fund 2205)

This item was not reviewed this year.

OVERVIEW

This account is dedicated to the improvement of pheasant habitat and is governed by Minnesota Statutes, sect. 97A.075, subd 5.

Revenues include 90 percent of the revenue from pheasant stamps.

Funds pay for the development, restoration, and maintenance of suitable habitat for ring-necked pheasants on public and private land including the establishment of nesting cover, winter cover, and reliable food sources; reimbursement of landowners for setting aside lands for pheasant habitat; reimbursement of expenditures to provide pheasant habitat on public and private land; promotion of pheasant habitat development and maintenance, including promotion and evaluation of government farm program benefits for pheasant habitat; and the acquisition of lands suitable for pheasant habitat management and public hunting. (M.S. 97A.075, Subd. 4)

Wild Rice Management Account (Fund 2206)

OVERVIEW

- The Wild Rice Account (2206) is used by the Shallow Water Program to manage water levels for the benefit of wild rice (Psin/manoomin). The Shallow Water program assesses lakes, identifies needs, executes, and documents results.
- The Wild Rice Account was allocated \$39,939 from license revenues in FY 2022.

ISSUES AND TRENDS

Wild rice is an annual grass which is dependent upon water level stability for production and propagation. Changes in water levels and competition from other lake vegetation are detrimental to production and reseeding.

Climate change and beaver activity are the primary influences on water levels. The continued decline in fur prices has reduced recreational and commercial trapping of beaver populations. The DNR has used the funds in the account to focus on beaver control in the spring when wild rice is most sensitive to water fluctuations. This includes utilizing contractors to trap beavers and remove dams.

FINDINGS

- Climate change is an uncontrollable influence over the long-term, while efforts on beaver management is a short-term solution.
- The funds maintained in this account are immaterial to the overall game and fish account and management of beaver populations and invasive aquatic vegetation are activities that overlap several other accounts' activities.

COMPLIANCE

The FY2022 expenditures from the Waterfowl Habitat Account (Fund 2206) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- Update wild rice management plan to address long-term climate change impacts on wild rice and proposed budget to ensure MINNESOTA's wild rice beds long term viability.
- Propose legislation to eliminate the need to maintain a separate account for wild rice license fees. Other licensed activities with small numbers of sales do not maintain similar accounts, such as trapping, elk, and prairie chicken licenses. The current overlap of expenditures to manage habitat by this fund and others coupled with the administrative costs to maintain a separate account appear unnecessary.

Wildlife Acquisition Account (Fund 2207)

OVERVIEW

The Wildlife Acquisition Account was statutorily created in the Game and Fish Fund in the state treasury to be used by the commissioner for land acquisition for the benefit of wildlife. Statutes, sec. 97A.071, specifies how money from this account may be used:

1. At least 50% of the receipts must be spent on actual land costs and the remainder may only be used for other land costs, development, and maintenance of wildlife lands and associated activities.
2. These expenditures also include development, preservation, restoration, and maintenance of waterfowl breeding grounds in Canada.

The source of funding for Fund 2207 is the small game surcharge and \$6.50 annually from the lifetime fish and wildlife trust fund for each license issued, under sections 97A.473, subdivision 3. The funding has averaged \$1,540,598 over the last 11 years.

ISSUES AND TRENDS

The following chart shows the expenditures within Fund 2207 for the past 11 years. The chart includes the assumption that ALL rollover funds will be used for land acquisition only so that the land acquisition percentage of expenditures will meet the 50% test needed to assure compliance with the statute as noted above.

2207 Small Game Surcharge / Land Acquisition

Expense Trending FY12-FY18

Section	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Land Cost Expenditures	274,075	512,521	341,534	1,415,417	745,933	555,681	39,017
Acquisition Support Expenditures	0	95,442	128,878	202,353	138,855	84,951	149,797
Wildlife Expenditures	832,193	730,324	812,115	692,421	613,649	611,176	594,626
Total Expenditures	1,106,268	1,338,287	1,282,528	2,310,192	1,498,437	1,251,809	783,440

Expense Trending FY19-FY22, Roll Forward Available in FY23, Total and Percentage Spent

Section - Continued	FY19	FY20	FY21	FY22	Roll forward available in FY23	Total Spent	% of Spent
Land Cost Expenditures	456,456	358,840	78,893	246,916	3,626,209	8,651,493	51.10%
Acquisition Support Expenditures	69,850	69,021	79,357	129,870		1,148,374	6.80%
Wildlife Expenditures	532,974	717,204	551,340	458,695		7,146,718	42.20%
Total Expenditures	1,059,280	1,145,065	709,590	835,481	3,626,209	16,946,584	100.00%

The assumption of 100% land acquisition cost for the roll-forward monies does not appear to be realistic. Each year there is a significant amount of dollars spent on support and maintenance, averaging \$754,099 over the past 11 years. If the average expenditures for support and maintenance were assumed in the roll forward, the land costs would 46.6% of the fund expenditures.

Of the historic expenditures from this fund only 37.7% have been used on actual land costs

Even if this assumption is allowed in order to meet the test, we know that it is only good stewardship for acquired properties to be properly maintained. It appears that this statute cannot be reasonably followed into perpetuity. As more land is purchased, the maintenance cost will go up, eventually over-running the 50% statutory limitation.

Acquisition should be continued as well as the maintenance of those properties. If the 50% rule must be followed, then Fund 2207 will need increasing amounts of funding to cover both aspects of expenditures from this fund. This is not a reasonable expectation.

COMPLIANCE

The FY2022 expenditures from the Wildlife Acquisition Account (Fund 2207) appear to be out of compliance with statutory requirements and sound management practices. This is based on the actual land expenditures not meeting the 50% requirement for several years and the fund having a large roll forward balance.

RECOMMENDATIONS

- Be proactive in finding a remedy for the ‘accounting trap’ that is in this framework.
- Work with lawmakers to update the statute to make it fit the long-term realities of acquisition AND maintenance of public lands.
- Consider funding maintenance costs from other funds.

Wild Turkey Management Account (2208)

OVERVIEW

The purpose of this account is for turkey habitat management and is governed by Minnesota Statutes, section 97A.075, subd 5. Revenue includes \$4.50 from each turkey license sold except youth licenses.

ISSUES AND TRENDS

Last year’s report dealt with two prevalent issues, population health and harvest numbers. From most measurements the reintroduction of wild turkeys in Minnesota has been a success. Despite predation and illness, bird populations and their range have expanded at a remarkable level.

This year’s report stresses the need for hunting areas that are both desirable and accessible to major population areas. Though lands have been added in the last few years, recruitment and retention is somewhat dependent on additional land and the land’s proximity to the hunter(s).

FINDINGS

Variables from the COVID pandemic still exist but are no longer as impactful as they were in year one or two.

Harvest numbers seem to follow a steady level, but are reliant on many factors including hunter numbers, weather events, and availability of hunting areas.

Because of the relatively short season (compared to other game species) and completion from other recreation opportunities, Minnesota needs to make its access easier for the hunter with only a couple of days to seek and harvest a turkey.

COMPLIANCE

The FY2022 expenditures from the Wild Turkey Management Account (Fund 2208) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- Develop and incentivize programs beyond R3 to encourage hunters to introduce a friend or family member to Minnesota's turkey seasons. Model a turkey hunt after the popular Take a Kid Fishing day.
- Increase promotion of fall turkey seasons along with fall deer archery season.
- Obtain and enhance lands for turkey hunting within 60 miles of the Twin Cities Metro area and other regional population centers.
- Consider an increase in the fee to offset costs associated with these recommendations.
- Establish measurable goals around hunter participation to determine program effectiveness.
- The BOC recommends the DNR study the effect on local ecosystems the spread of turkeys beyond their native range is having. How are turkeys affecting the local fauna and flora of these areas.

Heritage Enhancement Account (Fund 2209)

OVERVIEW

The Heritage Enhancement Account (HEA) was created in 2000 for the enhancement and protection of fish and wildlife resources (Minnesota Statutes, sec. 97A.075, subd. 3). Revenue for this account is generated from in-lieu sales tax on the sale of lottery tickets. In all, 72.4% of the total taxes are deposited to accounts for environmental and natural resource purposes, of which 50% is directed to the HEA for spending activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and the enhancement of land, water, and other natural resources (Minn. Stat. 297A.94). Total revenues deposited into the account increased by \$3,620,026 for FY 2021 to \$19,063,336, leaving a fund balance of \$11,084,760.

ISSUES AND TRENDS

The decrease in the consumption of lottery tickets from the F21 pandemic spike accounts for the 5% revenue decrease in FY22. This reflects a return to more normal, but above forecasted, level. Projections for future revenue anticipates a further 1.3% decrease in revenue for coming year. Receipts still exceeded the \$13,373,956 in expenditures resulting in a \$4,839,278 net increase in the fund balance for FY22. With forecasted decreases in receipts and a forecasted 40% increase in expenditures for the pending fiscal year, the fund balance will decrease almost 19%. Even with this decrease, the forecasted fund balance trend remains well above pre-pandemic levels and will continue to grow through FY2027.

FINDINGS

The **2022 Game and Fish Fund Report** (page 65-68) provides numerous examples of supplemental funding directed towards habitat enhancement, providing technical guidance to the public, research, evaluations, and monitoring activities. The HEA funding also supported activities of the Minnesota Biological Survey regarding field data collection and interpretation for habitats, plants, and animals.

At least 87% of the revenue is required to go towards field services. While there was no specific breakout of expenditures related to this guideline in the 2022 Game and Fish Report, a level of 88.2% was calculated in a biennium summary completed for 2020/2021. The significant shifts in expenditures included a decrease in funding of Enforcement (R297007, R297010, R297046, R297052) from \$1,448,139 in FY2021 to \$327,955 in FY2022. (But this decrease is addressed in the FY2023 planning estimate level of \$2,832,045.) Additional expenditures for FY2022 include \$499,808 for Ash Tree Management ECS (R293002), \$250,000 No Child Left Inside (HE R295K02), \$425,000 for Sustaining MN DNR Chronic Wasting Disease CWD R295K23, and \$222,579 for Shooting Sports Facility Grants (R296K24, R296K39). This shift in funding of 8.8% could potentially impact

compliance with the 87% threshold depending on how these activities are categorized (field or non-field). But all expenditures appear consistent with the directive of the HEA.

COMPLIANCE

The FY2022 expenditures from the Heritage Enhancement Account (Fund 2209) appear to be in compliance with statutory requirements and sound management practices. All expenditures were used for enhancement and protection of fish and wildlife resources and met the additional requirement of at least 87% of the revenue being used for field services.

RECOMMENDATIONS

The FOC recommends that the HEA continue to be used to supplement the expenditures for the enhancement and protection of fish and wildlife resources. With a significant surplus forecast through FY2027, additional projects consistent with the HEA directive to consider for supplemental funding could include (but not limited to):

1. North Shore Spring/Seep Inventory: Critical work for climate change resiliency for North Shore Brook Trout. DNR Contact: Cory Goldsworthy, Lake Superior Fisheries Supervisor
2. Enhancing Boat Launch Cleaning Stations to Prevent the Spread of Exotic Species. DNR Contacts Heidi Wolf, Ecological and Water Resources Division and Kelly Pennington, Invasive Species Prevention Supervisor.

Lifetime Fish and Wildlife Trust Fund (Fund 2210)

OVERVIEW

In 2000, The Lifetime Fish and Wildlife Trust Fund (2210) account was established as a fund in the State Treasury by the Minnesota State Legislature (Minnesota Statutes, sec. 97A.4742). All money received from the issuance of lifetime fishing, small game hunting, firearm deer hunting, sporting licenses, and earnings on the fund is credited to the Lifetime Fish and Wildlife Trust Fund.

ISSUES AND TRENDS

Total revenue in sales for this account was \$2,564,546 in FY2022. The funds are held in trust at the state treasury and managed by the State Investment Board where the money is invested until licenses are activated. For FY2022 \$6,604 in returns on investment were also deposited into the trust fund. Licenses must be activated annually. Once activated, funds are available to the Game and Fish Fund (GFF). During FY2022 \$948,263 was transferred to the GFF and deposited into accounts related to the licenses.

DATA COLLECTION ON LIFETIME LICENSE HOLDERS

To better understand the Lifetime Trust Fund balance and potential issues it will face in the future, the DNR should evaluate licenses that have been purchased but never activated. While these funds must be held in Trust and remain invested, they will also keep the Trust Fund solvent for longer as license sales decline.

TRAPPING LICENSES

There is no separate Lifetime License for Sports Trapping, Small Game Trapping, or Sports plus Spearing and Trapping. However, trapping is included in the Lifetime License Sports and Small Game licenses. Consequently,

the DNR needs to track the number of trapping activations by license type, including those for Small Game and Sports licenses.

FINDINGS

Lifetime License Activations

Persons holding a lifetime license may annually request activation of their license for each new season. For the total number of activations for the license year, number of activations multiplied by current license prices, a deposit correction is made. Funds are transferred from the Lifetime Fish and Wildlife Trust Fund to the fund and revenue accounts related to those licenses.

As seen in the chart below, the number of Lifetime Licenses sold and activated has increased in most categories over the past 3 years. This appears to be an effective tool to maintain engagement for outdoor activities as it removes one barrier to entry to participate in fishing, trapping, and hunting activities.

Lifetime Licenses sold 2020-2022 by license type

Type of License	Sold in 2020	Sold in 2021	Sold in 2022
Angling	1,416	1,724	1,737
NR Angling	19	21	34
Firearm Deer	789	1,126	1,131
Archery Deer	143	206	249
Small Game	83	106	102
NR Small Game	3	5	5
Sports	994	1,310	1,257
Sports Trapping	-	-	-
Spearing	6	13	14
Spearing and Angling	27	49	45
Spearing and Sports	125	167	180
Small Game Trapping	-	-	-
Sports and Spearing	-	-	-
Totals:	3,605	4,727	4,754

Value of Lifetime Licenses sold 2020-2022 by license type

Type of License	\$ Value 2020	\$ Value 2021	\$ Value 2022
Angling	580,494	721,991	722,453
NR Angling	16,347	19,669	31,134
Firearm Deer	\$476,426	\$667,511	\$665,489
Archery Deer	89,375	126,651	156,677
Small Game	28,679	34,270	33,852
NR Small Game	3,249	5,476	5,557
Sports	609,297	817,894	790,438
Sports Trapping	-	-	-
Spearing	507	1,169	1,396
Spearing and Angling	14,453	28,010	22,985

Type of License	\$ Value 2020	\$ Value 2021	\$ Value 2022
Spearing and Sports	93,570	123,570	135,169
Small Game Trapping	-		-
Sports and Spearing	-		-
Totals:	\$1,912,397	\$2,546,211	\$2,565,150

Lifetime Licenses activated 2020-2022 by license type

Type of License	Activated 2020	Activated 2021	Activated 2022
Angling	10,147	10,341	10,549
NR Angling	118	138	146
Firearm Deer	6,906	7,296	7,939
Archery Deer	1,270	1,328	1,429
Small Game	696	735	769
NR Small Game	15	23	23
Sports	8,186	8,231	8,469
Sports Trapping	405	394	388
Spearing	53	55	58
Spearing and Angling	151	161	187
Spearing and Sports	457	474	512
Small Game Trapping	40	60	49
Sports and Spearing	28	28	21
Totals:	28,472	29,264	30,539

Maintaining Lifetime License Sales

The balance of the Lifetime Trust Fund account will continue to grow as long as net sales, license sales less activation transfers-out, are positive. Once transfers-out due to activations exceed the number of new licenses sold, the balance will begin to diminish. Starting in FY23, net sales are projected to decrease.

COMPLIANCE

The FY2022 expenditures from the Lifetime Fish and Wildlife Trust Fund Account (Fund 2210) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- The BOC acknowledges the DNR has been advertising lifetime licenses. The BOC recommends the DNR continue to prioritize marketing Lifetime Licenses to those that purchase annual or daily licenses and to families with young children that would receive the greatest cost savings. This also provides the longest investment horizon to continue to grow the balance in the Trust Fund.
- Track the number of trapping activations by license type, including those for Small Game and Sports licenses.
- Collect information on the number of Lifetime License holders that are inactive and make efforts to re-engage customers. This may require an intense marketing campaign to find and activate these license holders that have not activated their licenses in the past 5 years.

- The BOC recommends the DNR identify a way in the new license system to tie the holder of the lifetime license to the natural person. This is to make sure all accrued funds are released even if licenses are not activated by the expected end of life when using common actuarial tables.

Walleye Stamp Account (Fund 2211)

OVERVIEW

The Walleye Stamp account is funded via the voluntary purchases of Walleye stamps. Stamps cost \$5.00 each. Pursuant to Minnesota Statutes, sec. 97A.075, subd. 6, revenue from Walleye stamp must be credited to the Walleye Stamp Account 2211 and is appropriated to the Commissioner only for stocking walleyes purchased from the private sector in waters of the state.

ISSUES AND TRENDS

Walleye Stamp revenue increased 50% in FY20, and approximately 15% in FY 2021. In FY 2022, stamp revenue decreased approximately 8%. Conservative revenue projections through FY 2027 indicate a slight decline even though sale of the stamp have steadily increased since FY19.

FINDINGS

- The state purchases 40,000 pounds of Walleye fingerlings annually from private vendors at approximately \$20 per pound to supplement walleye populations in 40 lakes.
- The Walleye Stamp account balance is substantially less than what is needed for total annual Walleye fingerling purchases. The revenue in the account is used to offset the total expenditure for purchasing fingerlings from the private sector. Funding from The Heritage Enhancement Account (2209) is used to complete annual walleye fingerling purchases.

COMPLIANCE

The FY2022 expenditures from the Walleye Stamp Account (Fund 2211) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

The BOC deems it unnecessary to increase marketing efforts for walleye stamp sales. The Walleye Stamp is successfully promoted through low-cost marketing such as press releases, and social media. However, the BOC does note an opportunity to improve education, and communication about the Walleye Stamp with license sales agents.

Revenues can be increased if sales agents are better prepared to inform customers and answer questions related to the purpose of the non-compulsory Walleye Stamp.

Peace Officer Training Account (Fund 2212)

OVERVIEW

The Peace Officer Training Account was statutorily created in the Game and Fish Fund in the state treasury to be used by the commissioner for peace officer training for employees of the Department of Natural Resources to

enforce game and fish laws (Minn. Stat. § 97A.052). This account helps facilitate the mandated and supplemental training required for conservation officers (game wardens) to maintain licensing and augment skills needed to remain effective in detecting and apprehending game and fish violators.

ISSUES AND TRENDS

Revenues for the past four years (FY19, FY20, FY21 & FY22) have declined with revenues amounts of \$101,429 - \$93,662 - \$81,106 and \$80,664 respectively. During that time frame the annual expenditure has averaged \$92,089.

A continuation of the revenue trend will make this fund unsustainable. The ending fund balance at FY22 was \$42,166.

With the current state of the cultural view of law enforcement (defunding, reallocation of funds away from law enforcement, reduction of person power) the current trends of this fund will likely only degrade further.

The conservation officer, along with all the skills and training that can be allocated to them, can be a pivotal relational and promotional interface between the Department of Natural Resources and the general public. An issue of concern of the Department is the decline in license sales. Positive interaction in the field can strengthen the outdoor utilization as well as the outdoor ethic of the end users.

A positive encounter in the field with a CO can create positive feedback in the form of discussion with peers. Conversely, a negative encounter with fish and wildlife law enforcement will be told to many with a harshly slanted view.

The fund currently uses its resources in the areas of:

- Firearms qualifications
- Defensive tactics
- Medical/first aid training
- Emergency vehicle operations

Currently, the amount of funds available are only being used for the law enforcement side of the peace officer. The peace officer could play a crucial role in a much bigger picture for the Department and more personal contact training could be beneficial to the peace officers, the public, and the Department.

COMPLIANCE

The FY2022 expenditures from the Peace Officer Training Account (Fund 2212) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- Investigate additional revenue sources
- Review current/additional training curricula
 - Public interface skills
 - Personality type training; recognition & reaction
 - Public relations/speaking skills
- View Peace Officers as the Department interface with Joe and Jane Outdoorsperson that plays an influential role in how the Department is viewed by the public

Wolf Management and Monitoring Account (Fund 2213)

OVERVIEW

Account 2213 was established to capture revenue from wolf licenses for wolf management, research, damage control, enforcement, and education.

The Wolf Management account was allocated \$342,510 from license revenues in FY 2022. Current funding for this account is from \$0.50 from each deer license (Minn. Stat. 97A.075, subd. 1(e)). This statute is set to expire on July 1 of the year following the year the wolf is delisted under the Endangered Species Act.

ISSUES AND TRENDS

- On November 3, 2020, the US Fish and Wildlife Service (USFWS) issued a rule delisting the wolf from the Endangered Species Act. This rule was vacated by the US District Court for the Northern District of California on February 20, 2022, outside the Northern Rocky Mountain Region, which resulted in MINNESOTA's wolf population being listed on the Endangered Species Act. The court's action was appealed by multiple parties. On January 26, 2023, these appeals were stayed until February 2, 2024. The USFWS intends to issue a proposed rule regarding the status of wolves by that date.
- After a 2-year process, the MINNESOTA DNR issued its current wolf management plan for years 2023 through 2032. The plan appears to be thoughtful and extensive. It sought input from a diverse spectrum of Minnesotans and provides long-term objectives for Minnesota's wolf population.
- Minnesota has been managing an existing wolf population longer than any other state in the lower 48 states. Public input on management has become a more contentious issue since originally being delisted in 2011. The variety of opinions on proper management are varied and passionate. Proposed and implemented legislative, judicial, and administrative management do not always implement existing, modern science-based management principles or goals. The discussion of wolf management is ongoing at a national level and groups outside Minnesota influence the discussion of various groups within our state. This is demonstrated by proposed legislation in Minnesota to both mandate and ban management of our population through hunting and actions in other states, such as the citizen mandated wolf reintroduction in Colorado via Colorado Proposition 114, to legislatively required hunting seasons in Wisconsin (Wisconsin Statute 29.185(1m)). This environment makes it difficult to predict the future financial resource available to the fund and the amount of funding needed to effectively manage the wolf population.

FINDINGS

- Long-term funding is uncertain. The USFW's proposed deadline to issue a rule regarding delisting could result in the elimination of annual funding as soon as July 2025.
- The new wolf management plan identifies several additional funding needs to implement the plan. Providing a budget of estimated costs to implement the full plan would be necessary to identify the financial shortfall to implement the plan.

COMPLIANCE

The FY2022 expenditures from the Wolf Management and Monitoring Account (Fund 2213) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- Prepare a budget to implement the entirety of the current wolf plan

- Propose legislative solutions to address the uncertainty in funding, through alternatives such as new dedicated funding, options for voluntary funding via stamps or donations, or accessing additional non-game wildlife funding.
- Continue to advocate for scientific management of the wolf population, similar to all other game populations in the state. Such as game animals with no open season, like moose, game animals with a limited quota season, such as elk and bear, or other game animals, like deer and turkey.

FUNCTIONS

Fish and Wildlife Outreach

OVERVIEW

Outreach and education are some of the most important factors in creating environmentally literate citizens across Minnesota (Minnesota Statutes, sec. 97A.075, subd. 3). Providing outreach to vast communities of people of all ages helps to give people knowledge and information about conservation efforts, habitat, fish, and wildlife species, and much more. Educational programs offer several varied workshops, webinars, programs, including skill building activities for Minnesota citizens.

The DNR should be commended for the numerous high quality and variety of both outreach efforts and educational opportunities provided to Minnesota citizens.

Expenditures for Fiscal Year 2022:

Special Revenue (fund 2001)	\$6,539
Game & Fish (fund 2200)	1,677,372
Heritage Enhancement (fund 2209)	441,719
General (fund 1000)	0
Grand total	\$2,125,630

FINDINGS

The Minnesota Legislature recently approved a DNR budget increase for 2023-2024 from close to \$1 billion to close to \$1.3 billion for the next 2 fiscal years (DNR News Release). A recently awarded 2023 excise tax federal funding of \$14.8 million (increase from last year's 13.9 million) from Dingell-Johnson Fish Restoration program will be used to help underwrite fisheries research, fish stocking, population surveys of lakes and streams, as well as aquatic habitat and fishing education, among other uses, including investigating fish kills (Outdoor News).

Given the increased projects, activities, and funding available, it is recommended that the DNR leadership review and evaluate the various department efforts that may overlap or influence other divisions within the agency. For example, the economic benefits and recreation opportunities of Grant-in-Aid partnerships vs. ongoing environmental impacts of increased motorized trail usage. The review should also identify areas with an established user base that may experience negative impacts due to user conflict and displacement from other users groups (Engage with DNR). Please note that other concerns regarding user conflicts have been raised in the project feedback section of the DNR website. The question of "When is enough enough?" should be considered when looking toward balancing the different public interests in outdoor recreation.

Equity in outdoor recreation has been listed as a top priority for the DNR (2022 Game and Fish Fund Annual Report). It is recommended that DNR leadership support a large-scale independent evaluation of user demographics as it reviews meeting the needs of all Minnesotans.

COMPLIANCE

The FY2022 expenditures from the Game and Fish Fund for fish and wildlife outreach activities appear to be in compliance with statutory requirements and sound management practices.

License Center

OVERVIEW

The Electronic Licensing System (ELS) has a vision to build a modern and secure application that can serve all Minnesotans (Minn. Stat., sec. 97A.075, subd. 3). This vision is upheld by the focus on easiness of purchasing and registration for licenses, harvested animals, and skills training. The ELS also provides DNR staff with easily accessible information to help with enforcement and management. Hunting and fishing licenses are an important part of revenue for Minnesota to pay for fish and wildlife management, public land infrastructure maintenance, and habitat management across the state.

The License Center Operations include the following major functions: the Electronic Licensing System (ELS), handling hunting/angling license sales, stamps and harvest registration, commercial licenses, license agent management services, and management of license certification data. The DNR contracts with a third-party vendor, Aspira, to handle the day-to-day operation of the ELS with additional support provided by the DNR License Center. With the unexpected challenges from the COVID-19 pandemic, the License Center staff persevered and have been working onsite to make sure they are providing quality customer service to Minnesotans and visitors who are purchasing licenses.

- The online system provides a safe option for purchasing a license.
- The biggest accomplishment of the license center has really been working hard throughout FY22 in getting the contract with Aspira and gaining ground on the new system.
- The [License Sales Data website](#) continues to be a useful and informative addition for internal and external users, including the public, to see data that is specific to the License Center.

COMPLIANCE

In FY2022 expenditures from the Game and Fish Fund for \$2,046,296 (hunting related) and \$1,674,242 (fishing related) appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

The BOC is excited about the continued efforts by the DNR to meet customer needs and expectations for the upcoming new online and mobile interface licensing system. The BOC recommends that the DNR continue to engage the public and provide updates about each stage of the online/mobile system. The BOC sees this as a way to increase new user numbers and provide a level of continued interest by returning and existing customers.

Ecological and Water Resources

OVERVIEW

The Division of Ecological and Water Resources (EWR) is organized into four sections: Ecosystem Management and Protection; Conservation Assistance and Regulation; Inventory, Monitoring and Analysis; Strategic Information Systems (Minn. Stat., sec. 97A.075, subd. 3). The four areas cover everything from Invasive Species, Natural Heritage Information Systems, environmental reviews, stream habitat, and communications. The EWR vision is to ensure healthy lands and waters throughout the state. EWR receives funding through the Game and Fish Fund (GFF) for work on traditional fish and wildlife activities. They also receive financial support from the

Heritage Enhancement Account. The EWR promotes various programs and support DNR activities designed to conserve and enhance aquatic and upland habitats.

FINDINGS

The Game and Fish Fund Report for FY 2022 lists EWR expenditures of 2,603,458, down from 2,790,860 the previous year. The Heritage Fund Account covered 2,124,667 down from 2,320.636 in 2021. Finally, Expenditures from the \$5 non-resident Fishing License Surcharge are used.

Expenditures from these funds are split into the following sections:

Conservation Assistance and Regulation Section – 21%

Environmental Review, Land Use, Dam Safety and Permits, Water Regulation

- Development project review and permitting.
- Environmental review.

Strategy:

- Review project proposals to make sure that fish and wildlife needs are considered and properly addressed.

Specific examples include evaluating projects involving or impacting streams, wetlands, dams, and Wildlife Management Areas.

Inventory, Monitoring, and Analysis Section – 49%

- Water and climate data collection and monitoring.
- Watershed studies aimed at understanding how land and water interact to be able to help with effective projects that will result in durable improvement.
- Lake and river ecology.
- Stream and river habitat restoration.

Strategies:

- Monitor habitat changes over time in ecosystems critical for fish and wildlife. The goal is to figure out how best to guide land management projects and how best to assist with project design.
- Carry out river system enhancements and restorations with multiple partners. The work is crucial for keeping aquatic and terrestrial fish and wildlife populations healthy and productive. Examples include removing dams, restoring channels, modifying culverts that restrict fish passage, and stabilizing banks.
- Advise on and assist with habitat improvement projects on public and private lands using EWR's prairie, wetland, and forest habitat surveys to provide background information.

One specific example is the culmination of fish habitat data collection for several decades contributing to our work in Little Rock Creek effort. G&F Funds are used by the staff that collected and analyzed the data that we are using to establish the sustainable diversion limit for groundwater.

Ecosystem Management and Protection Section – 4%

Invasive Species, Conservation Management and Rare Resources, Nongame Wildlife, Minnesota Biological Survey

- Biodiversity data collection and monitoring
- Habitat management and restoration.
- Conservation planning and policy creation.
- Ecological education and outreach.
- Monitoring wetland change and hydrology.
- Wildlife education and permitting.

Strategies:

- Run falconry and wildlife rehabilitation programs that issue permits to approximately 90 falconers and 50 wildlife rehabbers. Administer rehabilitator exams, conduct inspections, and provide information and education.
- Improve wetland maps using updated technology. Track changes in the size of wetlands and the total area of wetlands of given types.
- Provide technical assistance. Carry out educational programs about the social and ecological value of healthy environments. Support citizen science that engages Minnesotans in the conservation of natural resources and ecological systems.

Strategic Information Services Section – 26%

Business Operations, Communications and Planning, and Information Technology

- Financial Administration and mgmt.
- Data Governance.
- Strategic Communications and Planning.
- Facilitation
- Information management.
- Maintain the connection and relationship with MNIT.
- Communication and outreach efforts.

Strategies:

- Deliver outreach and education about the importance of habitat protection and the value of healthy aquatic and terrestrial ecosystems
- Provide strategic planning, meeting facilitation, process design, stakeholder engagement, and organizational development services. For example, SIS staff helps set up DNR’s annual Roundtable meeting.
- Manage EWR’s information: organize, integrate, and make EWR data resources available to inform sound natural resource decision making.
- Provide staff support to create information products through multiple media: print, web, social media
- Find ways to increase awareness of interconnections between land and water ecosystems.
- Specific examples are education, outreach and making resources available related to programs and projects

COMPLIANCE

The FY2022 expenditures from the Game and Fish Fund for activities of the Division of Ecological and Water Resources appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

The work of EWR runs through the entirety of Minnesota's efforts to ensure clean and healthy waters and ecologies. The monitoring of the health of the resources and gathering the data used by many agencies in their work is large part. However, resources are also protected through permitting, education, and review. Finally, it is the work that binds the efforts of other sections and agencies together through the management and gathering of the data used to make the decisions to manage and protect these resources.

Enforcement

OVERVIEW

The Division of Enforcement enforces regulations regarding game and fish, protect natural resources, and preserve natural habitat against aquatic invasive species (Minnesota Statutes, sec. 97A.075, subd. 3). The Division is also tasked with providing education and training to the public through outreach and classes.

ISSUES AND TRENDS

Topic: Changes to enforcement officer with new licensing system, data collection is a large portion of officer workload. Opportunity to use data to account for asset allocation to G&F fund expenditures, recommend data is used to identify not only what area is covered under what but also what falls under enforcement but is not funded as a revenue source for enforcement. Examples include CWD and game farms; avian flu; ice fishing and the proliferation of wheeled houses and the impact on the enforcement efforts this brings with it. Clean up, litter enforcement is not part of G&F fund. Are we funding enforcement from the correct revenue sources?

Topic: The CO is a significant player and to many the face of the DNR in public relations. Good direction of the Enforcement Department encouraging compliance with help from the public (focus on the customer). How are we doing in positive public interactions or promoting such?

Topic: Staffing – Staff replacement numbers and diversity including cultural area of need.

FINDINGS

- Where should safety enforcement be paid from, Cooperative work with public enforcement agencies? The CO is part of an enforcement system not a standalone agent, the current revenue and expenditure model may not fully represent the workload of the officer.
- Would like information on MINNESOTA status verses other states, (bench marking).
- Staffing has been an area of concern and the BOC has recommendations and information requests for this section.

COMPLIANCE

The FY2022 expenditures from the Game and Fish Fund for activities of the Division of Enforcement appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- The BOC requests a current revenue and expenditure model updated to the beginning of FY 2023 .

- The BOC asks that the Enforcement division create a composite list of the most frequent compliance issues with suggestions on how to minimize them while keeping a priority focus on customer error points in the process.
- An update on staffing including Conservation Officer training, and recruitment efforts with detailed results. The BOC also recommends that diversity, equity, and inclusion needs within the department are being addressed and encouraged.

Parks and Trails

OVERVIEW

Parks and Trails Division utilizes game and fish funds for boating access and fishing pier/shore fishing facilities.

Boating access program goals are to improve existing facilities for accessibility, safety, aquatic invasive species prevention, and storm water management, often in partnership with local government units. Game and Fish funds are used mainly for planning and construction costs. The Game and Fish funds are not the primary source of funding for boating access work, the water recreation account is the main fund.

Fishing piers and shore fishing areas provide people with safe and convenient places to fish. The DNR maintains approximately 370 fishing piers and shore fishing areas, both directly and with local government unit partners. The focus of the fishing pier program is to maintain, replace and repair aging or damaged facilities and to improve accessibility. Some LCCMR funds are currently being used for investments in new fishing piers. Game and Fish funds are the primary source of funding for the fishing pier program.

FINDINGS

The DNR should be commended for the numerous high-quality Parks and Trails programs and activities provided to Minnesota citizens.

Expenditures in Fiscal Year 2022:

Fishing Piers	\$275,674
Public Water Access	
Acquisitions	34,088
Development	279,312
Operations & Maintenance	652,488
Division Expenses	129,292
(Includes EUCC, WAN, Cellphones, Radios, Computer Fleet, Unemployment, Worker's Comp, and Leadership Salaries)	
Department Expenses	233,083
(Includes Creative Services, Facilities, MNIT Common, Leadership, Legal, Shared Services, MNIT Admin)	
TOTAL	1,603,937

In fiscal year 2022, PAT utilized \$1,603,937 in Game and Fish Funds for the following accomplishments:

- Contracted with the Minnesota Historical Society for cultural resource reviews for compliance with state and federal laws for planned water access development projects.
- Started or completed engineering, design and permitting work for 8 boating access rehabilitation projects.
- Big Watab (Stearns County) (Boundary Survey)
- Cedar River, Orchard Creek (Mower County) (Design)
- Eagle Lake (Blue Earth County) (Cooperative Agreement with County)
- Elkhorn Lake (Meeker County) (Design)
- Lake of the Woods, Rocky Point, Lake of the Woods County (Design, Permitting)
- Marion Lake (Ottertail County) (Design)
- Minnesota River, Buessmann Bridge Landing (Nicollet County) (Design)
- Root River, Lanesboro, Fillmore County (Cooperative agreement with City)
- Constructed/redeveloped 1 and made major repairs to 3 existing boating access sites using universal design principles and best management practices.
- Tetonka Lake (LeSueur County) (Redevelop)
- Lake Superior, Agate Bay (Two Harbors, Lake County) (Concrete/Asphalt repairs)
- Lake Superior, McQuade (St. Louis County) (Transient Dock Improvements)
- Lake Superior, Silver Bay (Lake County) (Electrical Service)
- Acquired land for 1 existing access and continued the process of condemning the trust on 4 existing water access sites.
- Shagawa Lake, St. Louis County (acquired existing access with land ownership issue)
- Purchased replacement parts and performed general maintenance and repairs to fishing piers and developed shore-fishing areas statewide.
- Completed major repairs and rehabilitation work on 3 fishing piers.
- Pelican River, Mill Pond, Pelican Rapids, Otter Tail County
- Sauk River, Cold Spring, Stearns County
- Farquar Lake, Apple Valley, Dakota County

COMPLIANCE

The FY 2022 expenditures from the Game and Fish Fund for Parks and Trails appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

Given the increased projects, activities, and funding available, it is recommended that the DNR leadership review and evaluate the various department efforts that may overlap or influence other divisions within the agency. For example, the economic benefits and recreation opportunities of Grant-in-Aid partnerships vs. ongoing environmental impacts of increased motorized trail usage. The review should also identify areas with an established user base that may experience negative impacts due to user conflict and displacement of other users groups (DNR Website – Engage with DNR). Please note that other concerns regarding user conflicts have been raised in the project feedback section of the DNR website. The question of “When is enough enough?” should be considered when looking toward balancing the different public interests in outdoor recreation.

Equity in outdoor recreation has been listed as a top priority for the DNR (2022 Game and Fish Fund Annual Report). It is recommended that DNR leadership support a large-scale independent evaluation of user demographics as it reviews meeting the needs of all Minnesotans.

Lands and Minerals

OVERVIEW

The Division of Lands and Minerals (LAM) is split into two sections—lands and minerals. These sections have different types of work but collaborate daily to accomplish their respective goals. LAM supports Fish and Wildlife (FAW) division in acquisition of land and easements for stream banks, lakeshore, and wildlife lands for retention and development for hunting access, trails, boat ramps, fishing piers, and state wildlife areas (Minn. Stat., sec. 97A.075, subd. 3). LAM’s employees use their expertise in law, science, engineering, industry, and real estate to meet these public needs. They also map Minnesota’s natural and facility resources, which aids Game and Fish in public outreach.

FINDINGS

- 1) FY 2021 generated above average revenue for trusts, despite a decline in the tonnage of ore mined. This high revenue is due to a 13-million-dollar royalty payment from Mesabi Metallics and strong prices for ore which are reflected in the royalty payments.
- 2) The number of fee title and easement acquisitions from FY 2017 -2021 has significantly declined. The decline is mostly due to workflow and logistical issues related to the COVID-19 pandemic.

Many real estate projects were paused or delayed but remain in the pipeline. DNR Expects easement and fee title acquisitions to rebound in 2022.

- 3) There are currently mine permits covering almost 150,000 acres. Approximately 500 acres of previously mined taconite lands are reclaimed each year.
- 4) From 2014 – 2020 there was an average of +/- 6,290 WMA acres acquired per fiscal year with the highest year being in 2020 with 7,185 acres and the low being in 2019 of 5,322 acres. These numbers drastically declined in 2021 and 2022 to 2,764 acres in FY 21 and 2,797 acres in FY 22. These numbers are expected to bounce back after the Covid-19 pandemic.
- 5) The DNR uses Strategic Land Asset Management (SLAM) as a scoring system to grade potential acquisitions to ensure they are beneficial additions to the DNR’s land holdings. These SLAM goals are often changed as land acquisition goals change. The DNR also utilizes the SWAAT scoring system to aid in the decision-making process for land purchases.
- 6) The highest land acquisitions are focused on prairie and forest habitats. Another specifically targeted acquisition area is Pheasant Complex’s – The DNR has identified 144 pheasant complexes in Minnesota. These pheasant complexes are generally associated with larger tracts of public land in areas with historically good pheasant populations.

FY22 Division of Fish and Wildlife

Lands and Minerals, Land Services Costs by Resource Category

Fund	Gen Admin	Acquisitions	Exchanges	Sales	Surveys	Total
2000	-	-	\$9,180.75	-	-	\$9,180.75
2118	-	\$2,005.75	\$13,390.50	\$14,577.00	-	\$29,973.25
2200	\$876,014.75	\$226.00	-	-	\$310,721.75	\$1,186,962.50
2204	-	\$17,854.00	-	-	-	\$17,854.00

Fund	Gen Admin	Acquisitions	Exchanges	Sales	Surveys	Total
2207	-	\$108,879.50	\$1,582.00	\$226.00	-	\$110,687.50
2300	\$1,806.45	\$150,859.50	-	-	--	\$152,665.95
2401	\$282.50	\$223,483.50	-	-		\$223,766.00
3000	\$282.50	-	-	-	-	\$282.50
Total	\$878,386.20	\$503,308.25	\$24,153.25	\$14,803.00	\$310,721.75	\$1,731,372.45

COMPLIANCE

The FY2022 expenditures from the Game and Fish Fund for real estate services from the Division of Lands and Minerals appear to be in compliance with statutory requirements and sound management practices.

RECOMMENDATIONS

- Continue purchasing land in Minnesota under the SLA to the benefit of other DNR divisions, including FAW, utilizing the SLAM and SWAAT scoring metrics to ensure the DNR is purchasing quality properties which will receive optimal public use.
- Continue utilizing third party organizations such as Pheasants Forever or Ducks Unlimited to aid in land purchases. Utilizing these sources allows for a quicker purchase process in situations where a DNR purchase may not be possible.
- Trout and salmon (2204) have a key interest in land acquisition for angler easements. We suggest this scope be expanded to entail serendipitous aquatic critical habitat acquisition and improvement for game and non-game species that could be negatively impacted by development and/or climate change.
- Continue prioritizing's Prairie and Forest habitats and acquiring properties near already identified pheasant complexes.
- Prioritize access areas to public waters and public lands with poor or marginal public access. These acquisitions are typically smaller in nature and can add recreational opportunity to already public acres.
- The use of signage access points should be considered to educate land users as to the source of funding used secure the resource.

Forestry

This item was not reviewed this year.

OVERVIEW

The Division of Forestry (Forestry) is responsible for administering the five million acres of state forest lands in order to create economic, social, and environmental benefits for the state.

Operations Support

This item was not reviewed this year.

OVERVIEW

Operations Support is a major category of expenditures. It consists of services that affect all aspects of the DNR's operation that are administered on a centralized basis and are provided across all Department Programs.