

# Budget in Brief: Operations Support

## What is the problem we are trying to solve?

**We are not able to meet growing business costs, changing business needs and the changing needs of citizens with existing resources.**

Each year the costs for health-care and pension contributions, compensation, IT, utilities and other operating costs grow putting pressure on our operating budgets which remain flat. Increased efficiency through continuous improvement and cost cutting measures are not enough to meet this challenge and services will erode without additional resources.

We are also faced with significant litigation costs associated with major permitting decisions which would impose additional pressures on existing programs and budgets. These cases include litigation related to water levels on White Bear Lake, and environmental review and permitting for the PolyMet and Fargo/Moorhead Diversion projects.

Managing the state's investment in our 1,118 conservation easements covering 384,000 acres through regular monitoring, records management, and enforcement is a challenge with limited staff. Funding provided since 2008 for this purpose is no longer available, leaving a gap in our ability to manage this investment and ensure the continued protection of the public recreational and conservation benefits provided by these easements.

Meeting the information and customer service needs of our many stakeholders is a significant challenge. In 2016 close to 8 million users accessed our website, of those users 3.4 million were from mobile devices and citizens downloaded over 9.1 million pdf files. Our current website is over 10 years old and staff spend significant time creating pages and addressing security risks that would be more efficient on modern software. Customers clearly appreciate our existing digital services but we cannot meet their expectations for simpler navigation, mobile-ready applications, and improved access to digital documents with the existing platform and content management system.

## What has Minnesota tried? What has worked, and what hasn't?

**We have implemented continuous improvement measures to help us find efficiencies and improve service delivery. Each year we find new approaches that help us to manage costs but it is not enough.**

- We manage a portfolio of continuous improvement projects designed to help us find efficiencies and improve service delivery. But increased operating costs, outside of our control, outpace the savings we realize from these efforts.
- The 2015 and 2016 Legislature's supported our legal costs with one-time appropriations for expenses related to water management and mining. This approach has protected program budgets and the services those programs deliver from agency litigation risks.
- Since 2008 the legislature has supported our efforts to improve stewardship of its conservation easements with appropriations from the Environmental and Natural Resources Trust Fund. This funding has ended and work to manage these easements cannot continue without additional funding support.

## Budget in Brief: Operations Support

- A 2016 “refresh” of our web page streamlined navigation and improved accessibility. But the most significant improvement will come through a migration to a new web-platform and improved content management system. The 2015 legislature provided initial funds to design the new platform but on-going funds are needed to support platform migration and ongoing production and management.

### What do we propose?

**The Governor’s budget proposes funding to support the continued delivery of natural resource programs to Minnesota citizens including:**

- \$22 million (FY18-19) for current projected compensation increases, IT, and other costs;
- \$7 million (FY18-19) for anticipated legal costs;
- \$250,000 (FY18-19) to support conservation easement stewardship; and
- \$2 million (FY18-19) to modernize our website.

### What positive impact do we believe this will have?

**We will maintain current service delivery levels, meet our business needs, and provide better on-line services for citizens.**

The Governor’s budget provides additional operating funds for maintaining the critical services that Minnesota citizens expect. Additional funding for litigation costs gives us the ability to defend natural resources decisions in federal or state court, contested case hearings, mediation, or other venues without imposing undue hardship on existing budgets and programs. Funding for conservation easement stewardship protects the continued conservation and recreation values of these easements. Lastly, a modernized website enables us to provide the public the information they want, when they want it, and in formats that meet their needs all within a secure environment.

### If the legislature doesn’t adopt this proposal, what alternate approaches has DNR considered?

**We will continue working on efficiencies and prioritize services that meet the highest needs.**

We will continue to weigh decisions regarding what programs and services can continue to be supported with base budget funds and what functions will need to be reduced or eliminated. We have no choice but to respond to litigation. Existing program funds from appropriate sources will be used to meet this obligation when it occurs. Conservation and recreation funds will be used to continue to manage conservation easements reducing programmatic efforts in other areas. We will continue to migrate to a new web platform and will fund this migration and the on-going maintenance of the new web page through reductions in program funding. These funding challenges will impact our state’s resources as well as businesses, communities, hunters, recreationists and outdoor enthusiasts.