

# DEPARTMENT of Natural Resources FY 2012-2013 Biennial Budget



Shaping Minnesota's Conservation Future in a Changing World







## **Outline:**

## 1) Introduction

## 2) Department

- 1. Budget
- 2. General Fund Reductions
- 3. Change Items

## 3) Programs

- 1. Budget
- 2. Strategic Objectives
- 3. Change Items







## **DNR Mission Statement:**

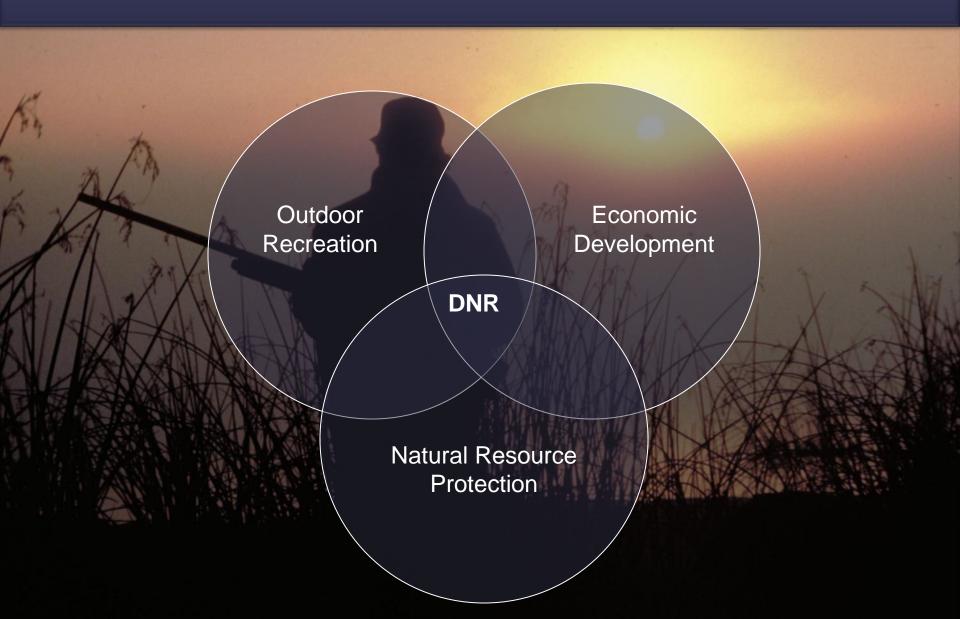
We work with the citizens of Minnesota to:

conserve and manage the state's natural resources provide outdoor recreation opportunities; and provide for commercial uses of natural resources;

In ways that create a sustainable quality of life.

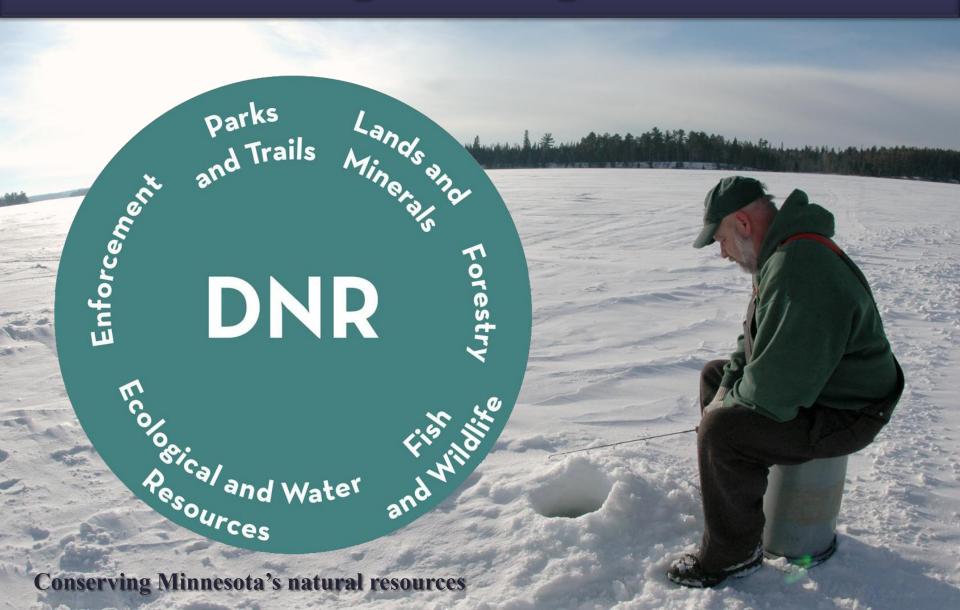


#### A Conservation Mission: Integrated Resource Management





## An Integrated Organization



<u>Introduction</u> Department Programs General Fund



## **Agency Goals**

**GOAL 1:** Minnesota's natural lands and habitats will be conserved and enhanced

**GOAL 2:** Minnesota's water resources and watersheds will be conserved and enhanced

**GOAL 3:** Minnesota's fish and wildlife populations will be healthy and provide great fishing, hunting, and wildlife-viewing opportunities

**GOAL 4:** Minnesota will have a high-quality and diverse outdoor recreation system

**GOAL 5:** Minnesota will provide for the sustainable economic use of its abundant natural resources

**GOAL 6:** DNR will effectively and efficiently deliver services to meet its mission

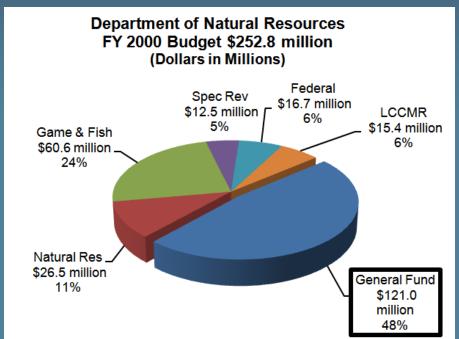


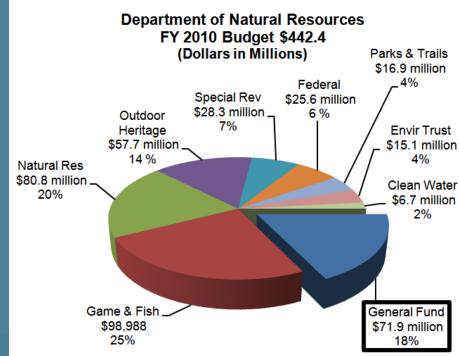
## **Budget Priorities**





## **Budget Comparison**





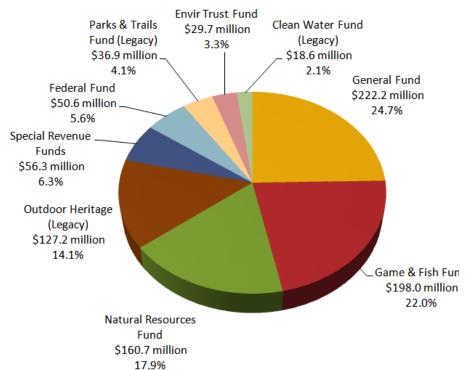




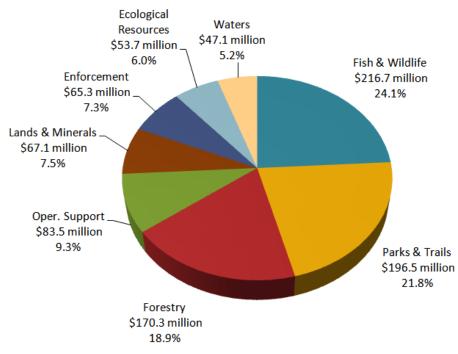
## FY 2010-11 Budget



#### FY2010-11 Budgeted Expenditures by Fund \$900.2 Million



## FY2010-11 Budgeted Expenditures by Program \$900.2 Million





## Department Budget



# DEPARTMENT OF ATURAL RESOURCES

## **General Fund Reduction**

(\$5,916,000)

## Forestry - \$2,950,000

- Shift to a cost certification strategy for professional forest management services on state managed lands
- Reduced educational activities
- Reduced support to the Minnesota Forest Resources Council
- Reduced private forest management and urban and community program support



# Ecological and Water <a href="Resources-\$855,000">Resources - \$855,000</a>

#### Reduced:

- Terrestrial invasive species management on state land from 2,500 to 1,100 acres.
- Follow up inspections for compliance with permits and pesticide regulations
- Water permitting and planning
- Inventory analysis and monitoring
- Mercury monitoring in fish
- Conservation assistance and regulation
- Ecosystem management and protection



## **General Fund Reduction**



(\$5,916,000)

# Parks and Trails - \$949,000 Reduced:

- Hours and shortened seasons of operations
- Hours for lodging visitor services, interpretive programming and facility maintenance
- Routine resource maintenance activities

#### Grants - \$528,000

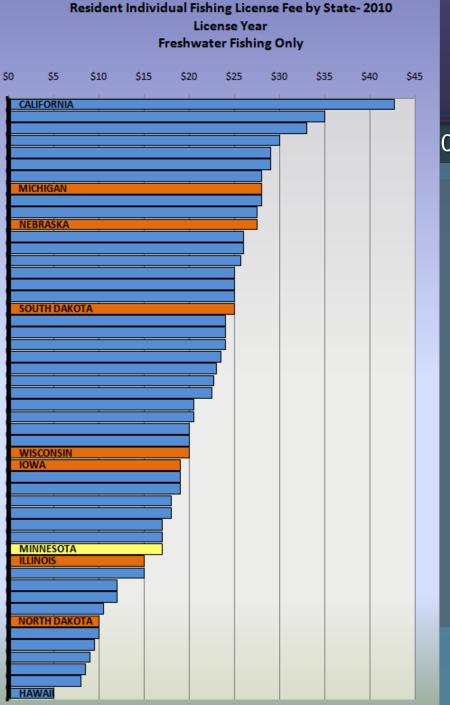
Reduced or eliminated pass through grants:

- Red River Mediation
- Mississippi Headwaters Board
- Leech Lake Band
- Ring Dikes
- Prairie Wetland Program
- Forest Resources Grant to the U of M

## Operations Support- \$634,000

 Funding will be replaced with funding from dedicated sources to more accurately reflect the work of the department





Programs

General Fund



# **Change Item: Hunting and Fishing Heritage Initiative**

000 FY 2012 / \$9,361,000 FY 2013

### Background

 Expenditures from Game and Fish Fund (GFF) provide for hunting and fishing in Minnesota

Resulting in \$3.6 billion in annual expenditures and over 55,000 jobs.

- Annual expenditures from GFF Fund exceed revenue by \$2.2 million
- Last price increase took effect in 2001

  Minnesota currently ranks 36th nationally in price for resident fishing license
- Available license options have not changed in decades

# Change Item: Hunting and Fishing Heritage Initiative



Game and Fish Fund: \$6,442,000 FY 2012 / \$9,361,000 FY 2013



#### Proposal

- Maximize ability to leverage federal aid
- Provide affordable customer friendly pricing options
- Provide adequate financial resources and flexibility to deliver conservation programs and enforcement efforts

#### **Process**

- We involved stakeholders and the Budgetary
   Oversight Committee (BOC) in comprehensive
   review of expenditures, revenues, & alternative
   approaches to licensing and desired outcomes
- Tested license types and price through scientific survey of license buyers

# Change Item: Hunting and Fishing Heritage Initiative

Game and Fish Fund: \$6,442,000 FY 2012 / \$9,361,000 FY 2013



- Customer friendly license structure and price
- Maintain the number of hunters and anglers
- Maximize our ability to leverage Federal dollars
- Positive balance in the Game and Fish Fund (through FY19)
- Address the imbalance between hunting and angling revenue and expenditures
- Maintain our fish and wildlife population, habitat, and enforcement activities
- Maintain strong hunting and angling economy



## Change Item: (Legacy) Clean Water Fund

Clean Water Fund: \$11,522,000 FY 2012 / \$9,092,000 FY 2013



### Background

 This proposal aligns with the recommendations in the Minnesota Water Sustainability Framework and the Clean Water Council

Proposal: Appropriation to fund TMDL plan development and implementation, water quality assessment & monitoring, non-point source restoration and protection, and drinking water protection

- Water quality assessment and monitoring (\$7.1 M)
- Total Maximum Daily Load (TMDL) study development and planning (\$3.4 M)
- Non-point source restoration and protection (\$3.3 M)
- Drinking water protection (\$4.1 M)
- Development of high-resolution elevation data to support clean water efforts (LiDAR) (\$2.7 M)

Introduction Department Programs General Fund

Parks and Trails

# Change Item: (Legacy) Parks and Trails Fund



Parks and Trails Fund: \$16,201,000 FY 2012 / \$16,201,000 FY 2013



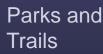
### Background

The 10/25 Minnesota Parks and Trails Legacy plan provides four strategic directions: connect people to the outdoors; provide opportunities through acquisition, development, and redevelopment; take care of what we have; and coordinate among partners.

Proposal: Connect people to the outdoors, support high priority acquisition efforts, renew, restore and rehabilitate and develop state parks and trails and accelerate resource management

- Increase outreach & marketing efforts, and conservation education & skill building opportunities
- Provide funds to support strategic high-priority acquisition efforts
- Upgrade, enhance and rehabilitate existing facilities and accelerate natural resource management
- Support partnerships and information sharing

Introduction Department Programs General Fund



# Change Item: (Legacy) Parks and Trails Fund- Grants



Parks and Trails Fund: \$6,165,000 FY 2012 / \$6,165,000 FY 2013



#### Background

- In FY 10 & 11 Parks and Trails awarded \$7.7 M in grants to parks and trails of regional and statewide significance and \$0.9 M for solar energy grants
  - Requests for Parks and Trails Grants exceeded \$53 M with only \$7.7 M available.

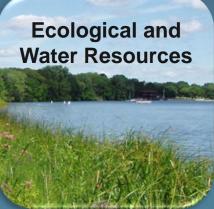
Proposal: Appropriation will fund grants to support parks and trails of regional and statewide significance

- Continue to provide much needed grants to parks and trails of regional and statewide significance
- This increased appropriation will help meet the demand for funding parks & trails projects



## **DNR Programs**













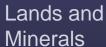






## **Programs: Lands and Minerals**



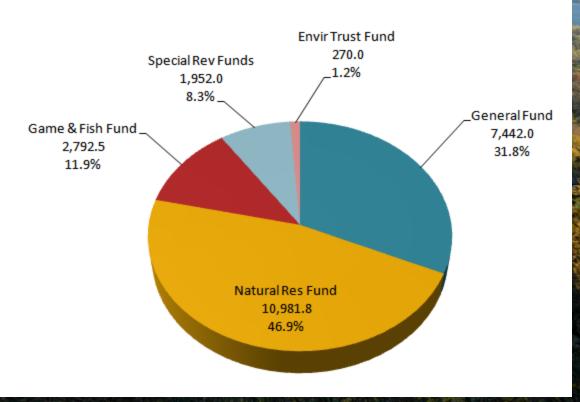


## FY 2010-11 Budget





#### FY2010-11 Operating Expenditures by Fund Lands and Minerals \$23.4 Million



Lands and Minerals

## **Strategic Objectives**



- Real Estate Management
- Minerals Management
- Mineland Reclamation





## **Programs: Ecological and Water Resources**

# Ecological and Water Resources

**Director:** Steve Hirsch

Introduction Department <u>Programs</u> General Fund

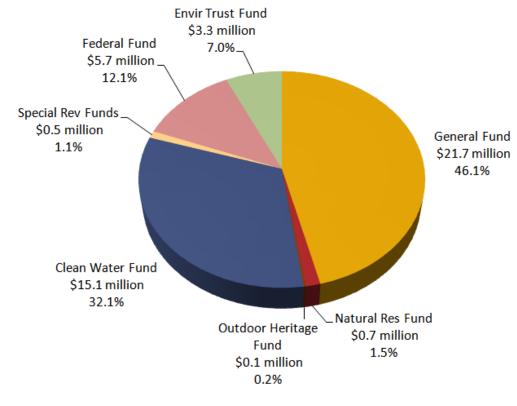
Ecological and Water Resources

## FY 2010-11 Budget





## FY2010-11 Budgeted Expenditures by Fund Waters \$47.1 Million



Introduction Department <u>Programs</u> General Fund

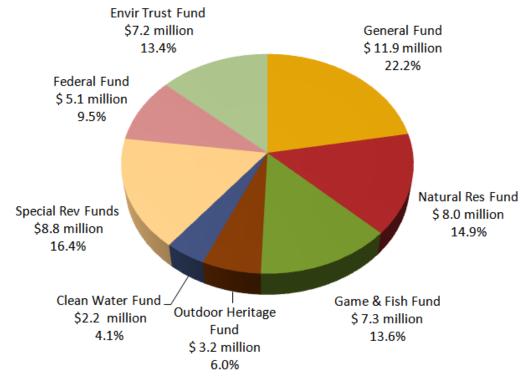
Ecological and Water Resources

## FY 2010-11 Budget





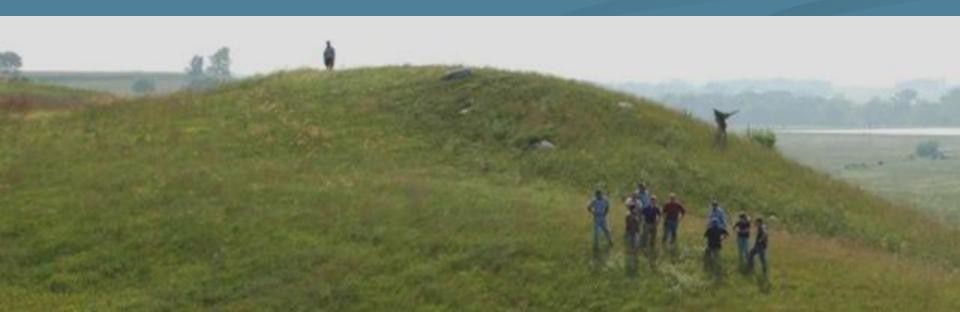
#### FY2010-11 Budgeted Expenditures by Fund Ecological Resources \$53.7 Million



## Strategic Objectives



- Inventory, Analysis, and Monitoring
- Conservation Assistance and Regulation
- Ecosystem Management and Protection



Ecological and Water Resources

## **Change Item: Water Management Account**







### Background

- Permit application, inspection and water use fees go to the General Fund (\$5M)
- Water users support dedication of fees for water management activities

Proposal: Deposit water management fees into Nat. Resources Fund rather than the General Fund, and statutorily appropriate the funds each year to the Commissioner (eliminate general fund support)

- Budget neutral, water fees would replace General Fund appropriations
- Protect surface and groundwater resources for recreation, economic, and environmental uses

# Change Item: Aquatic Invasive Species Prevention and Management



Invasive Species Account: \$3,900,000 FY 2012 / \$4,000,000 FY 2013

### Background

- Invasive Species Account (ISA) has a structural deficit projected at \$0.5M in 2013
- ISA is currently funded with surcharges on watercraft and fishing licenses
- Watercraft license surcharge is currently \$5 (three-year license) and has not increased since 1993

# Proposal: Increase watercraft and non-resident fishing license surcharges:

- Increase watercraft license surcharge by \$5 for canoes, \$15 dollars for boats, and \$20 for other watercraft (3-year)
- Increase non-resident fishing license \$3

- Add 12,800 enforcement hours, doubling current effort
- Implement thorough watercraft inspections at high-risk areas
- Provide infrastructure for pilot decontamination stations
- Control invasive aquatic plants on 60 additional lakes, more than doubling current effort

Ecological and Water Resources

## Change Item: Aquatic Plant Management

Water Rec. Account (revenues): \$700,000 FY 2012 / \$700,000 FY 2013

## Background

- APM program enables riparian landowners access while protecting the riparian environment
- Program costs \$1M annually & only recovers 30% of cost through current fee structure
- 2008 legislature directed the DNR to recover the full cost of the program through permit fees

Proposal: Achieve full cost recovery for APM permit issuance and enforcement through increased permit fees

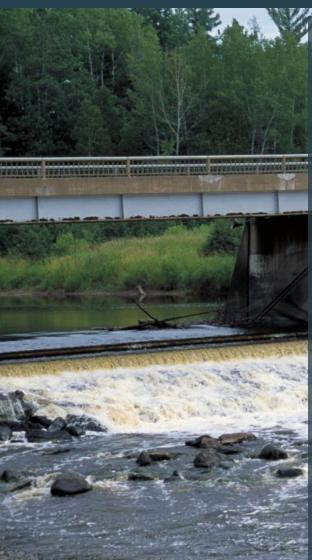
- Full cost recovery for APM program costs
- Raise permit fees for landowners
- Continue to protect critical shoreline habitat



#### **Change Item: Maintain Water Levels for Recreation**



Water Recreation Account: \$500,000 FY 2012 / \$500,000 FY 2013



## Background

 Water recreation account could be used to help support water recreation activities

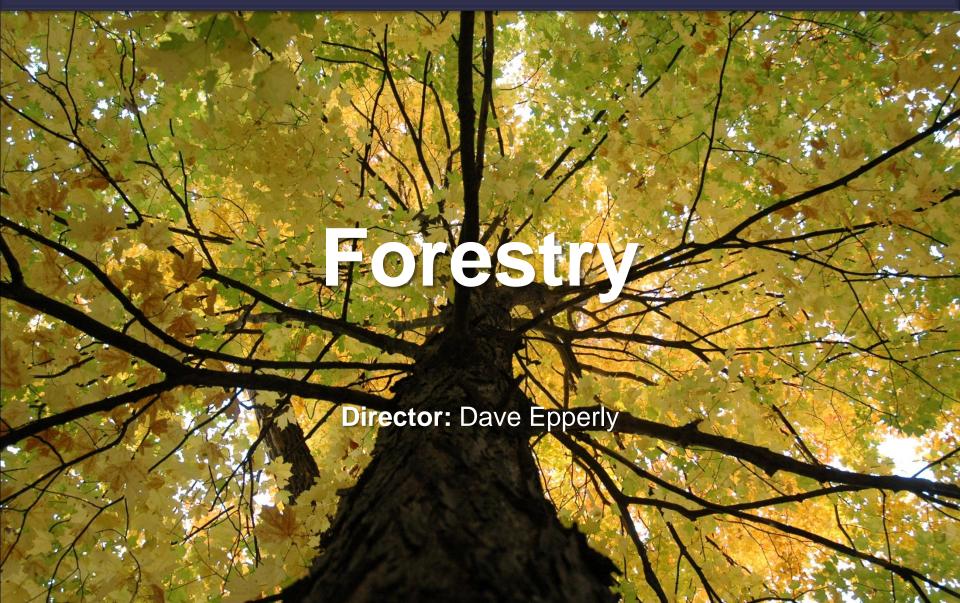
#### **Proposal**:

- Maintain water level control structures on basins used for recreation
- Support lake level and stream flow monitoring networks for recreational users and resource managers

- Increased maintenance of control structures
- Maintain water levels for recreation
- Provide near real time flow and water level information to recreation users and resource managers



## **Programs: Forestry**



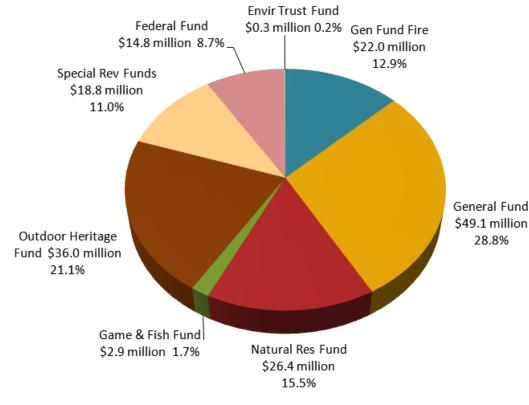


## FY 2010-11 Budget





## FY2010-11 Budgeted Expenditures by Fund Forestry \$170.3 Million



**Forestry** 

## Strategic Objectives

- Fire Management
- State Forestland Management
- Cooperative Forest Management
- Core Support Programs
- Sustainable Forest Resources Act Implementation



Forestry

## **Change Item: State Forest Land Management**



Forest Mgmt Investment Acct: \$2,000,000 in FY 2012 / \$2,000,000 FY 2013

## Background

 The Forest Management Investment Account (FMIA) is used to support reforestation, timber stand improvements and administration of timber sales

Increased FMIA investment is needed in four areas:

- Pre-commercial treatments of timber lands (support health and productivity)
- Updates to the forest stand inventory
- Maintaining state forest roads
- Maintaining the DNRs role in the timber economy
  - Provide at least 800,000 cords of wood annually

Proposal: Increase FMIA appropriation and statutorily appropriate the funds each year to the commissioner

- Continue to provide timber
- Continue to maintain, enhance and restore the health of DNR administered forest lands



Forestry

#### Change Item: Minnesota Forests for the Future Conservation Easement Stewardship Acct.

Outdoor Heritage Fund (transfer): \$750,000 in FY 2012

## Background

■ In FY 10 & 11 \$750,000 was provided by the legislature for on-going monitoring and enforcement of conservation easements. These funds expire June 30<sup>th</sup>, 2011.

Proposal: Create permanent account in the natural resources fund for the purpose of conservation easement monitoring & enforcement. Statutorily appropriate the funds each year to the commissioner for easement management.

- Safeguard the public's investment in conservation easements
- Ensure that the properties continue to provide benefits





## Change Item: Maintenance of Minimum-Maintenance Forest Roads



ATV Account: \$200,000 FY 2012 / \$200,000 FY 2013

## Background

- Minimum maintenance forest roads are used as ATV trail connections
- Legislation allows money from the ATV account to be spent on maintaining minimum maintenance forest roads

Proposal: Use funding from the All-terrain
Vehicle (ATV) Acct. to support maintenance
of minimum maintenance forest roads
(county and state)

### **Expected Outcomes**

 Maintain roads in state forests that are part of the ATV trail system





#### Forestry

### **Change Item: Native Plant Community Mapping**

Heritage Enhancement Account: \$1,000,000 FY 2012 / \$1,000,000 FY 2013

### Background

 Ecological Classification System (ECS) Tools help managers select appropriate management treatments

Proposal: One-time appropriation to Enhance ECS in State Forests in two areas:

- 1) accelerate Native Plant Community (NPC) mapping
- 2) continue to develop silvicultural interpretations for management based on native plant mapping

- 100,000 acres of NPC identified and mapped each year
- Develop silvicultural interpretations for management based on NPC mapping





### **Programs: Parks and Trails**





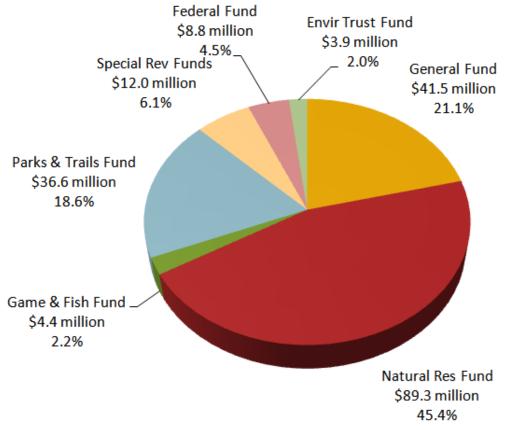
Parks and Trails

## FY 2010-11 Budget





#### FY2010-11 Budgeted Expenditures by Fund Parks and Trails \$196.5 Million



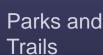


### Strategic Objectives



- Connect people to the outdoors.
- Accelerate management of natural, cultural, and recreation environments to preserve the best of Minnesota.
- Invest in partnerships, processes, and people.





#### **Change Item: State Park Dedicated Account**

DEPARTMENT OF NATURAL RESOURCES

State Park Account: \$750,000 FY 2012 / \$750,000 FY 2013

#### Background

- Through outreach and marketing the Division of Parks and Trails have increased revenues in state parks by 14%
- Maintenance and visitor service costs have gone up

Proposal: Appropriations in the state park dedicated account be statutorily appropriated annually to the Commissioner

- Help meet customer expectations for maintenance and visitor services
- Continue to provide products and services to our customers



Parks and Trails

### **Change Item: State Park Working Capital**

**Budget Neutral** 

### Background

 2010-11 legislature directed revenues from the sale of natural resources in state parks to working capital account but capped spending at \$25,000

Proposal: Remove \$25,000 cap on the state parks working capital account from sales of natural resource management activities within state parks and trails

### **Expected Outcomes**

Continue to expand and accelerate natural resource management efforts

### **Change Item: Snowmobile Fund**



Snowmobile Account: \$200,000 FY 2012 / \$200,000 FY 2013

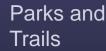


#### Background

Snowmobiling continues to be popular and the account is healthy and growing

Proposal: Annual increase of \$200k from the snowmobile fund to support the snowmobile trail system

- Increase level of effort in the Grant-in-Aid program
  - Maintain current level of effort on state maintained snowmobile trails



### Change Item: All-Terrain Vehicle (ATV) Fund



ATV Account: \$400,000 FY 2012 / \$400,000 FY 2013



#### Background

All-terrain vehicle (ATV)
 recreation continues to be
 popular and the account is
 healthy and growing

Proposal: Annual increase of \$400k from the ATV fund to support the ATV trail system

- Increase maintenance of ATV trails
- Provide training and more oversight for the Grant-in-Aid program



Parks and Trails

### **Change Item: Forest Campground Income**



**Budget Neutral** 



### Background

- Currently state forest camping fees generate \$400,000
- Approximately \$200,000 is deposited in the school trust fund and the remainder is deposited in the General Fund

Proposal: Deposit revenues from state forest campgrounds on non-trust land into the Nat. Resources Fund rather than the General Fund, and statutorily appropriate the funds each year to the Commissioner

#### **Expected Outcomes**

 Provide more stable funding source to maintain state forest campgrounds and day-use areas

### **Change Item: Water Recreation**



Water Recreation Account: \$1,000,000 FY 2012 / \$1,000,000 FY 2013



#### Background

- The Division of Parks and Trails develops and maintains nearly 1,600 public water access sites which are essential for access to public waters
- The spread of invasive species is one of the top conservation challenges facing MN
- Unintentional transport of invasive species on trailered watercraft is believed to be a primary means of spread

Proposal: Annual increase of \$1 M from the water rec.
account to develop and implement Best Management
Practices (BMPs) for water accesses to address invasive
species

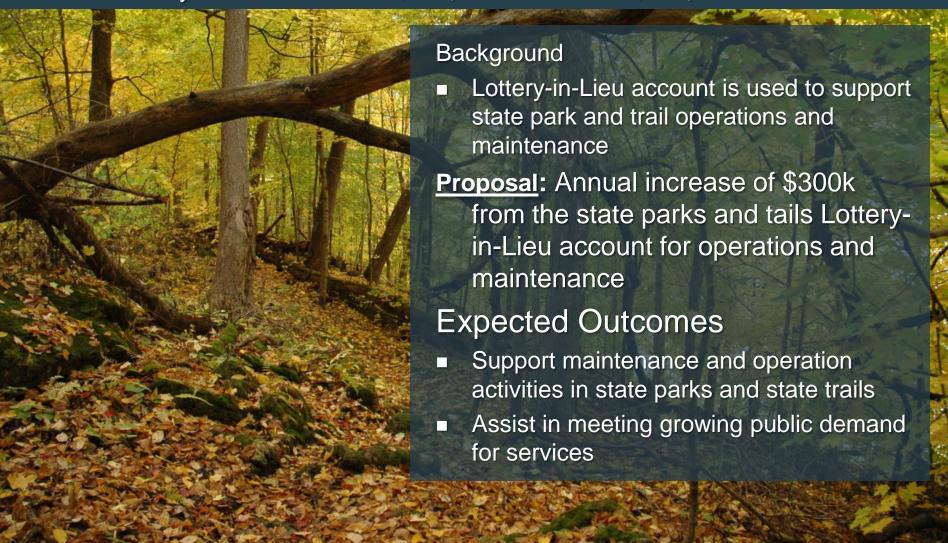
- Develop and implement BMPs at key sites
- Construct demonstration boat wash sites



Parks and Trails

### Change Item: Parks and Trails Lottery-in-Lieu

Lottery-in-Lieu Account: \$300,000 FY 2012 / \$300,000 FY 2013





Parks and Trails

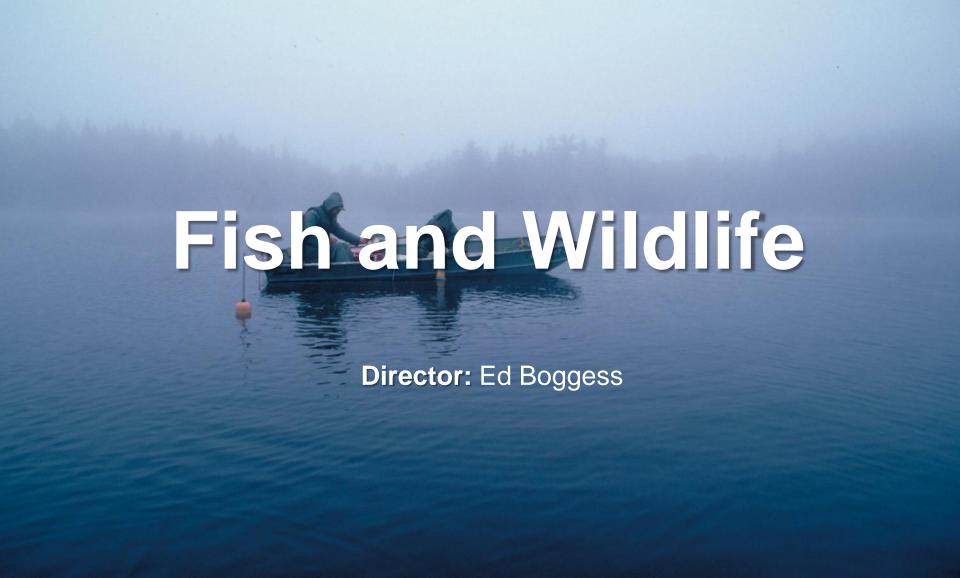
### Change Item: Local Trail Grants, Lottery-in-Lieu

Lottery-in-Lieu Account: \$100,000 FY 2012 / \$100,000 FY 2013





### **Programs: Fish and Wildlife**



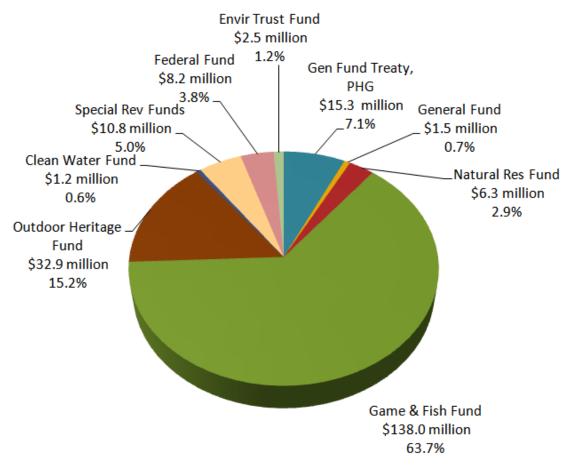


## FY 2010-11 Budget





## FY2010-11 Budgeted Expenditures by Fund Fish and Wildlife \$216.7 Million



## **Strategic Objectives**



- Fish and Wildlife Population Management
- Fish and Wildlife Habitat Management
- Technical Assistance, Planning, Public Participation
- Outreach and Education
- Public Information and Customer Service

Department

<u>Programs</u>

General Fund



Fish and Wildlife

### Change Item: Lamprey Pass Wildlife Management Area (WMA)

Game and Fish Fund: \$600,000 FY 2012

## Background

DNR sold a transportation easement in the Lamprey Pass State WMA and received \$600,000 deposited into the Game and Fish Fund

Proposal: One-time initiative to purchase wildlife lands to replace hunting lands sold as a transportation easement

### **Expected Outcomes**

 Purchase land to restore lost public access to the Lamprey Pass State WMA



# Change Item: Fish and Wildlife Dedicated Accounts Adjustments



Game and Fish Fund: (\$528,000) FY 2012 / (\$528,000) FY 2013



### Background

- Biennial appropriations are currently fixed
- Does not allow accumulated balances to be spent
- Expenditure purposes are strictly prescribed by law

Proposal: Appropriations in the Game & Fish Acct. statutorily appropriate the funds each year to the Commissioner

- Statutory appropriations would enable:
  - Account balances to be available for expenditure according to statute
  - Account balances to be managed based on actual revenue streams

### **Change Item: Wildlife Health**



General Fund: \$975,000 FY 2012 / \$975,000 FY 2013



### Background

Bovine Tuberculosis (TB) & Chronic Wasting Disease (CWD) in deer, avian influenza and Newcastle Disease Virus (NDV) in wild birds and other health issues are becoming more prevalent and can impact commercial poultry and bovine operations

Proposal: Continue funding for monitoring and managing wildlife health issues

- Continue cooperative efforts with Board of Animal Health, Minnesota Dept. of Agriculture and USDA to eliminate TB
- Continue monitoring for CWD, avian influenza, and NDV



### **Programs: Enforcement**



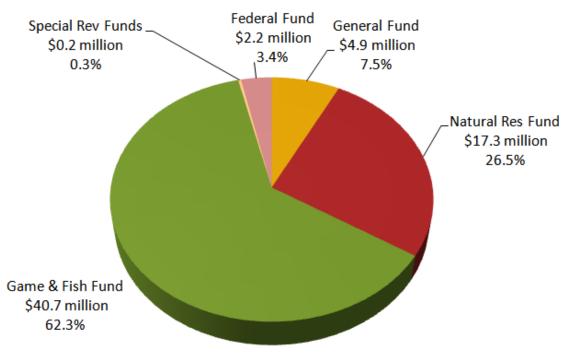


## FY 2010-11 Budget





#### FY2010-11 Budgeted Expenditures by Fund Enforcement \$65.3 Million



### **Strategic Objectives**



- Public Safety and Service
- Environmental Protection
- Fisheries and Game Protection
- Recreation Enforcement and Safety Training and Education





#### Change Item: Maintenance of Natural Resource Enforcement, Education, and Public Safety



Natural Resource Fund, Game and Fish Fund: \$920,000 FY 2012 / \$2,565,000 FY 2013

### Background

 Need to ensure we maintain enforcement efforts at desired levels

 Presently have 25 vacancies & 16 more expected in the next two years

Proposal: Conduct a conservation officer academy & maintain enforcement at desired levels

- Continue to safeguard the public through education and enforcement
- Preserve the quality of Minnesota's game and fish populations





Enforcement

### **Change Item: Peace Officer Training Account**

Peace Officer Training Account: \$135,000 FY 2012 / \$135,000 FY 2013



### Background

 Dedicated surcharges on criminal and traffic offenders are for conservation officer training

Proposal: Create an account in the game and fish fund to receive these funds and statutorily appropriate it each year to the Commissioner

- Facilitate mandated and supplemental training for conservation officers
- Maintain effective natural resource enforcement



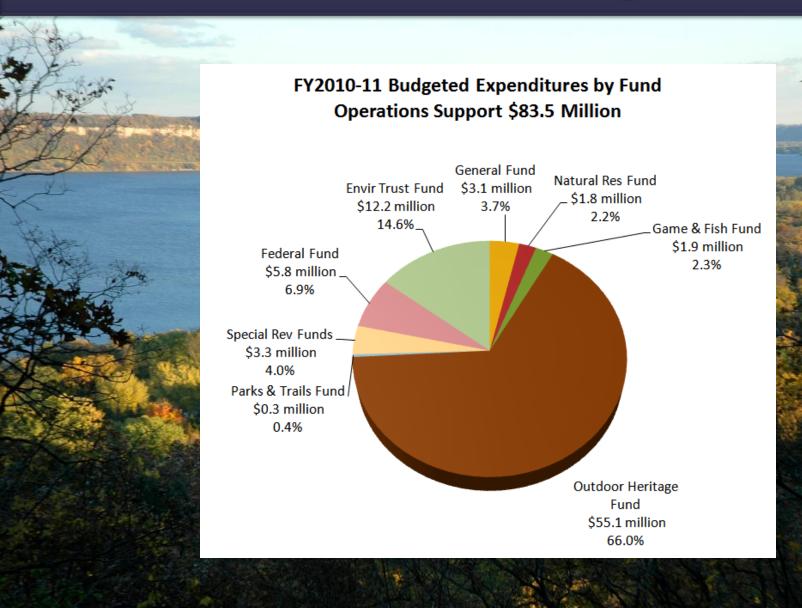
### **Programs: Operations Support**





Operations Support

## FY 2010-11 Budget





Operations Support

## **Strategic Objectives**

- Commissioner's Office
- Regional Operations





# **END**

