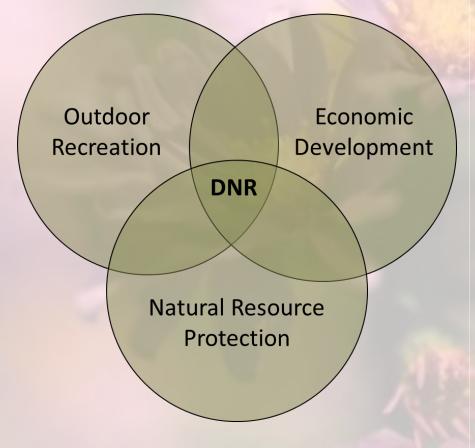


FY14-15 Budget Presentation: Overview

- DNR Overview
 - Mission and Organization
 - Framework for Results-Based Management
 - Budget Trends and FY14-15 Budget Overview
 - Major FY14-15 Initiatives
- Division Overviews
 - Division Budgets
 - Performance Measures
 - Division FY14-15
 Initiatives
- Legacy Initiatives

DNR Mission Statement

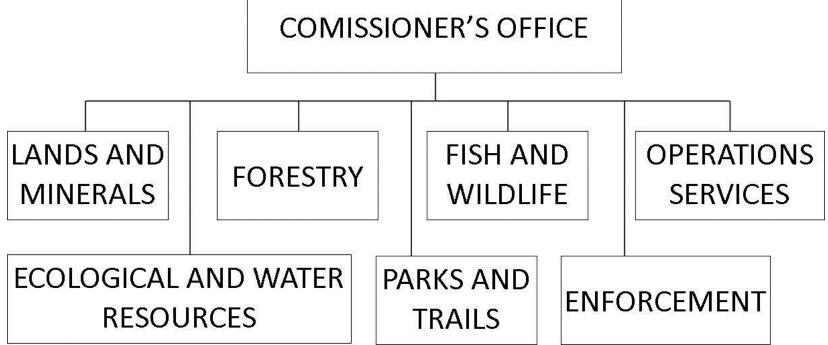


We work with the citizens of Minnesota to:

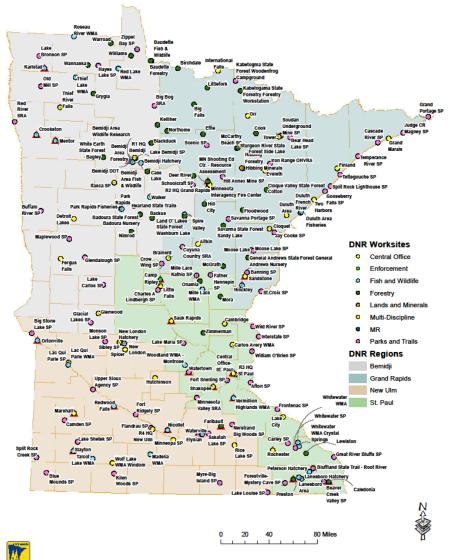
- Manage the state's natural resources
- Provide outdoor recreation opportunities
- Provide for commercial uses of natural resources

In ways that create a sustainable quality of life.





DNR Regions, Worksites, and Facilities





Produced by Minnesota Department of Natural Resources - GIS Sect Convrisiti: Minnesota Department of Natural Resources 2012

D3Projects/Site\dnrworksite Locations and leased offices0601201211x17.mxd

DNR's Framework for Results-based Management

Performance Accountability: Linking **goals** to **budgets** and using **indicators** to measure results

Conservation that Works

Sets DNR direction with strategies and actions

Conservation Agenda

Reports DNR performance measures and targets

Outcomes Tracking System

Tracks outcomes of over 1,000 Legacy and Grants funded projects

• Budgeting for Results

Summarizes DNR budgets, performance measures, and outcomes for program-level strategic objectives





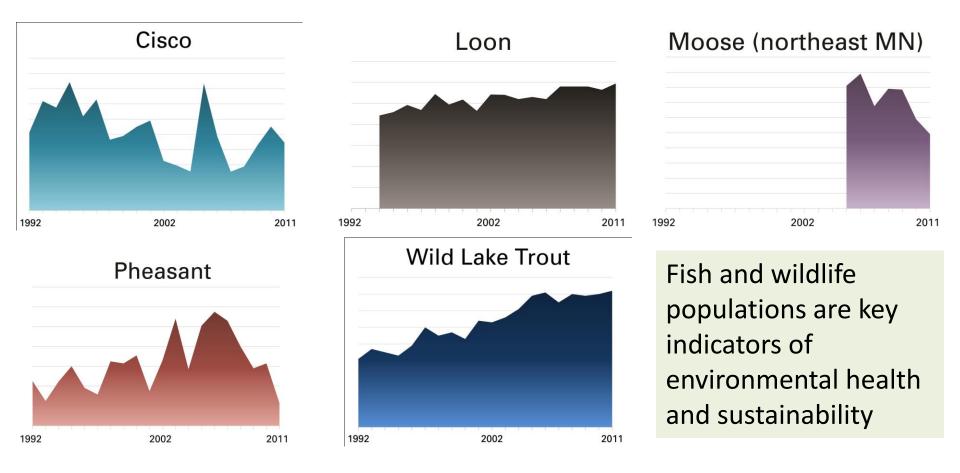


Regular reporting to track and report progress

GOAL 1. Minnesota's waters, natural lands, and diverse fish and wildlife habitats will be conserved and enhanced

Public Result: A clean, healthy environment with sustainable use of natural resources

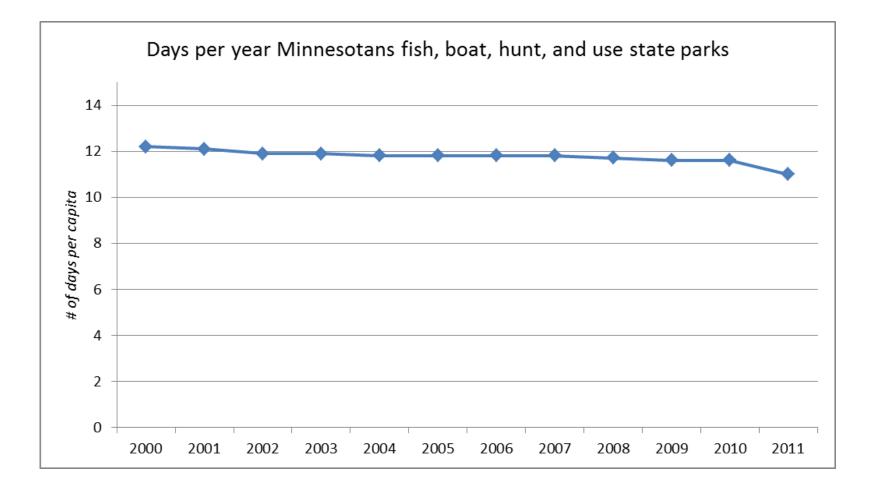
Example Indicator: Population levels of select fish and wildlife species



GOAL 2. Minnesota's outdoor recreation opportunities meet the needs of new and existing participants so that all feel connected to nature.

Public Result: Strong and stable families and communities.

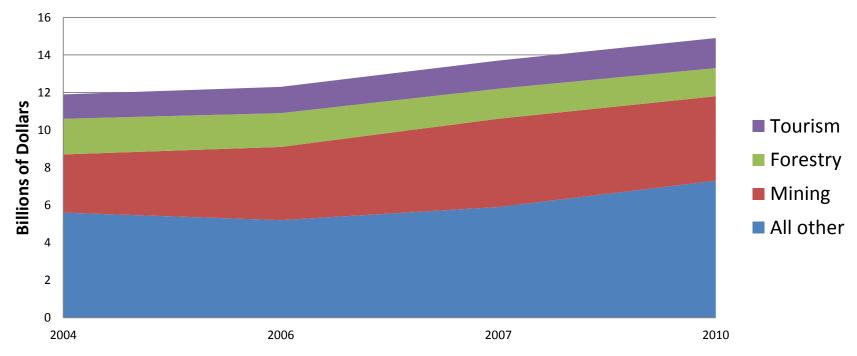
Example Indicator: Participation rates of Minnesotans in outdoor recreation activities



GOAL 3. Management of MN's natural resources will contribute to strong and sustainable job markets, economies, and communities.

Public Result: A thriving economy that encourages business growth and employment opportunities

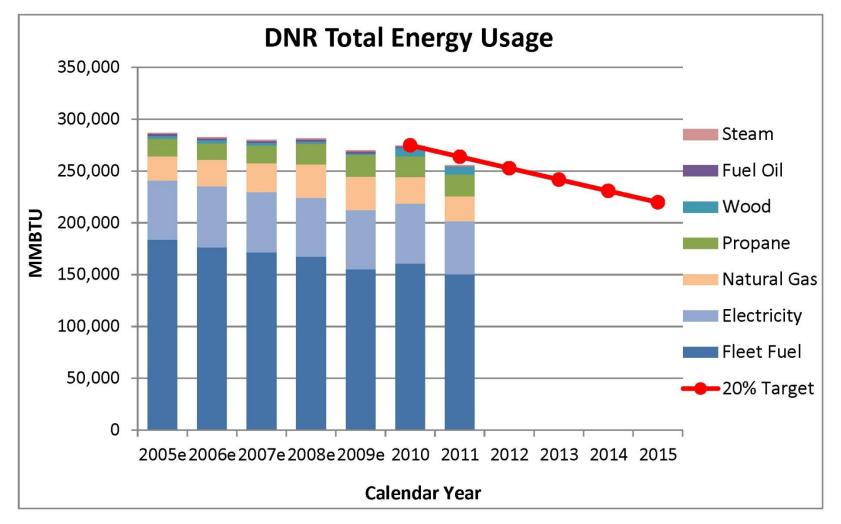
Example Indicator: Contribution of natural resource-based economies to Minnesota's gross regional product



Mining, Forestry, and Tourism's Contribution to Northeast MN's Gross Regional Product $GOAL\ 4.$ DNR will have operational excellence and a focus on continuous improvement in service to its conservation mission.

Public Result : Energy efficiency and sustainable operations

Indicator: Total energy use



A Strategic Conservation Agenda: DNR's performance report

A STRATEGIC CONSERVATION AGENDA 2009-2013

Part II: Performance and Accountability Report Performance Indicators and Targets DNR Uses to Track Progress Towards Our Conservation Goals



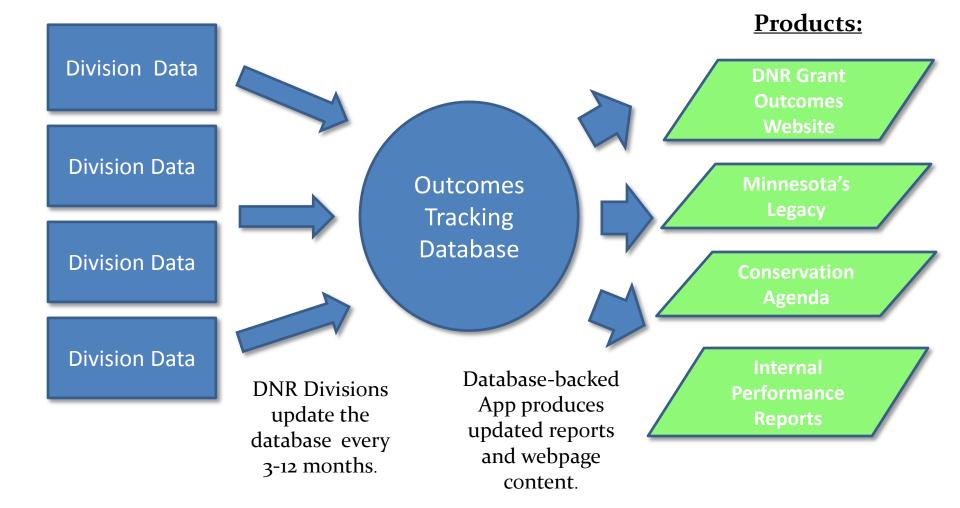
Minnesota Department of Natural Resources December 2010 www.mndnr.gov/conservationagenda

- Reports over 80 performance indicators and targets that measure results.
- First published in 2004, new web-based version launched in 2012.
- Provides an overall picture of natural resource conditions, DNR management actions, and results accomplished

mndnr.gov/conservationagenda

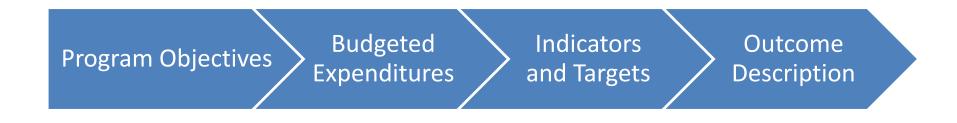
Outcomes Tracking System: DNR's performance database

Tracking and Reporting Conservation Outcomes



Budgeting for Results: DNR's budget report

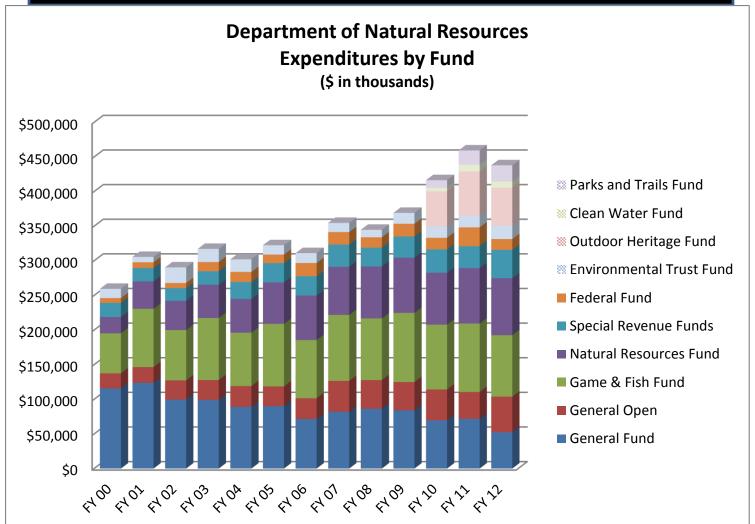
Linking objectives, budgets and results



FY 14-15 Budget Priorities

- Growing Economy: Creating jobs and supporting communities
 - Minnesota's big natural resource economies outdoor recreation, timber, and mining
- Responsible Budget: Being part of the budget solution
 - Reducing General Fund subsidization of commercial activities
- Better Government: Delivering better services at a better cost
 - Continuing to improve services and reduce costs e.g., energy, fleet, data analytics

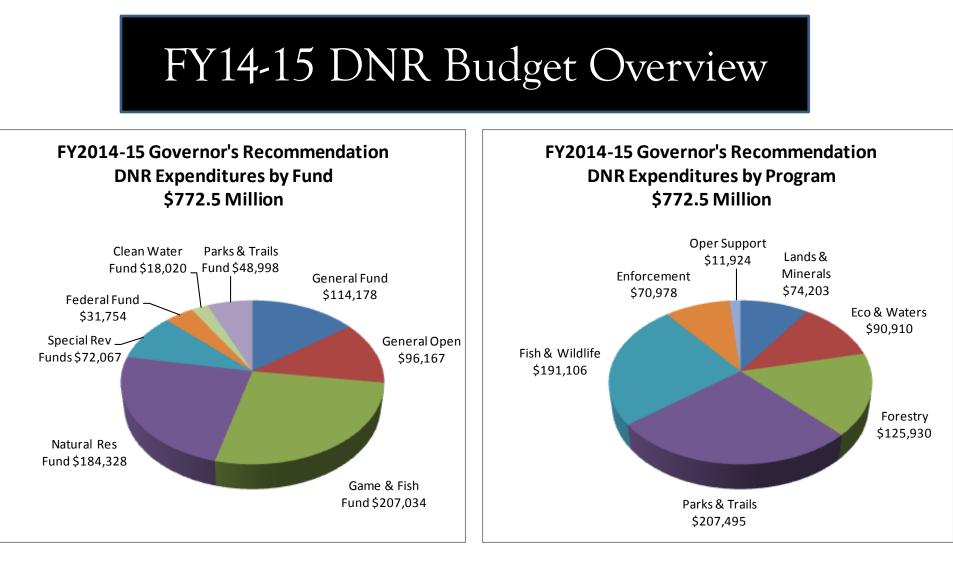
History of Agency Expenditures (FY2000-2012)



Expenditures include open (e.g., fire, treaty, PILT) and pass-through (e.g., OHF, ENRTF) appropriations and grants (e.g., park and trail grants)

Critical Budget Trends

- Shift from General Fund to dedicated funding sources over time:
 - Dedicated funding sources less flexible, but often more stable
 - Dedicated funding drives the work that can be done
- General Fund:
 - Decrease in direct General Fund over past decade, with remaining funds concentrated in three major areas: forest management, water resource management, and state parks operations
 - Open appropriations increasing over past decade, representing approximately half of DNR's total General Fund in FY 2012.
- Game and Fish Fund:
 - Relatively stable over time, but restructured license fees will increase support for work critical to game and fish populations and habitat management
- Legacy Funds:
 - Legacy Funds used to accelerate critical resource work since FY 2010
 - Includes pass-through appropriations and grants
- Environment and Natural Resources Trust Fund:
 - \$8.3 million in one-time appropriations in FY12-13 for state parks operations and aquatic invasive species management



- General Fund (direct) represents 15% of DNR budget, remaining budget supported by dedicated funds, including Game and Fish Fund, Legacy Funds, Natural Resources Fund
- FY14-15 Governor's Recommendations include \$12 million in General Fund to help address budget hole from one-time funding and decreased timber receipts; \$8 million in Game and Fish Fund from restructured license fees

MAJOR AGENCY INITIATIVES



- Investments in Forest Management
- Parks and Trails Operations and Customer Service
- Managing Aquatic Invasive Species
- Game and Fish Management and Habitat Conservation
- General Fund Adjustments

Change Item: General Fund Adjustment

(\$2.21 million) FY14/(\$2.21 million) FY15 (General Fund)

Description: This is a 5% adjustment in DNR's general fund direct appropriations, targeted to areas where costs could be recovered, operations restructured, and partnerships leveraged.

Outcomes:

- <u>Real estate services</u> a full cost recovery model for real estate services on state managed lands
- <u>Drill core library</u> restructured operations of the state's drill core library in Hibbing
- <u>Prairie wetlands program</u> DNR will support prairie wetland conservation with other sources and through partnerships





Lands and Minerals Ecological and Water Resources Forestry Parks and Trails Fish and Wildlife Enforcement Operations Support Jess Richards, Director Steve Hirsch, Director Forrest Boe, Director Courtland Nelson, Director Ed Boggess, Director Col. Jim Konrad, Director Laurie Martinson, Director (Operation Services Division)