



Background Briefing

NATURAL RESOURCES AND ENVIRONMENT

**Viola Bay Wild, Senior Fiscal Analyst
January 2010**

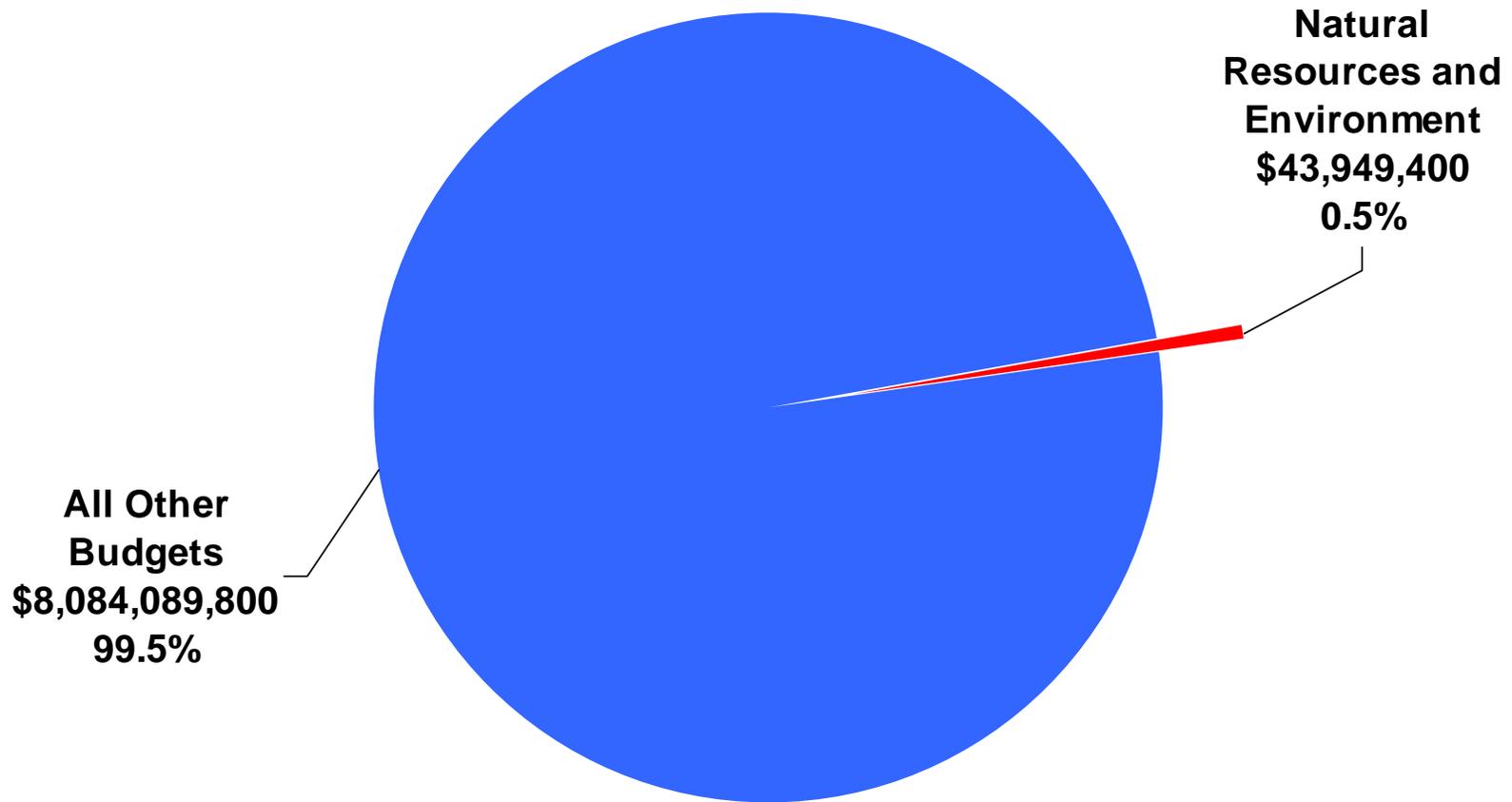
The fiscal information in this background briefing is based on data through January 1, 2010.

Natural Resources and Environment Budget

- **The Natural Resources and Environment appropriations bill for FY 2009-10 includes the budgets for two departments:**
 - **Department of Environmental Quality**
 - **Department of Natural Resources**
- **On January 17, 2010, the two departments were merged into one new department, the Department of Natural Resources and Environment (DNRE), in accordance with Executive Order 2009-45.**
- **FY 2009-10 the DNRE budget totals \$706,428,100.**
- **Although the two departments were officially merged in January of 2010, this presentation shows the Departments' appropriations separately, mirroring the budget bill's appropriation structure for FY 2010.**

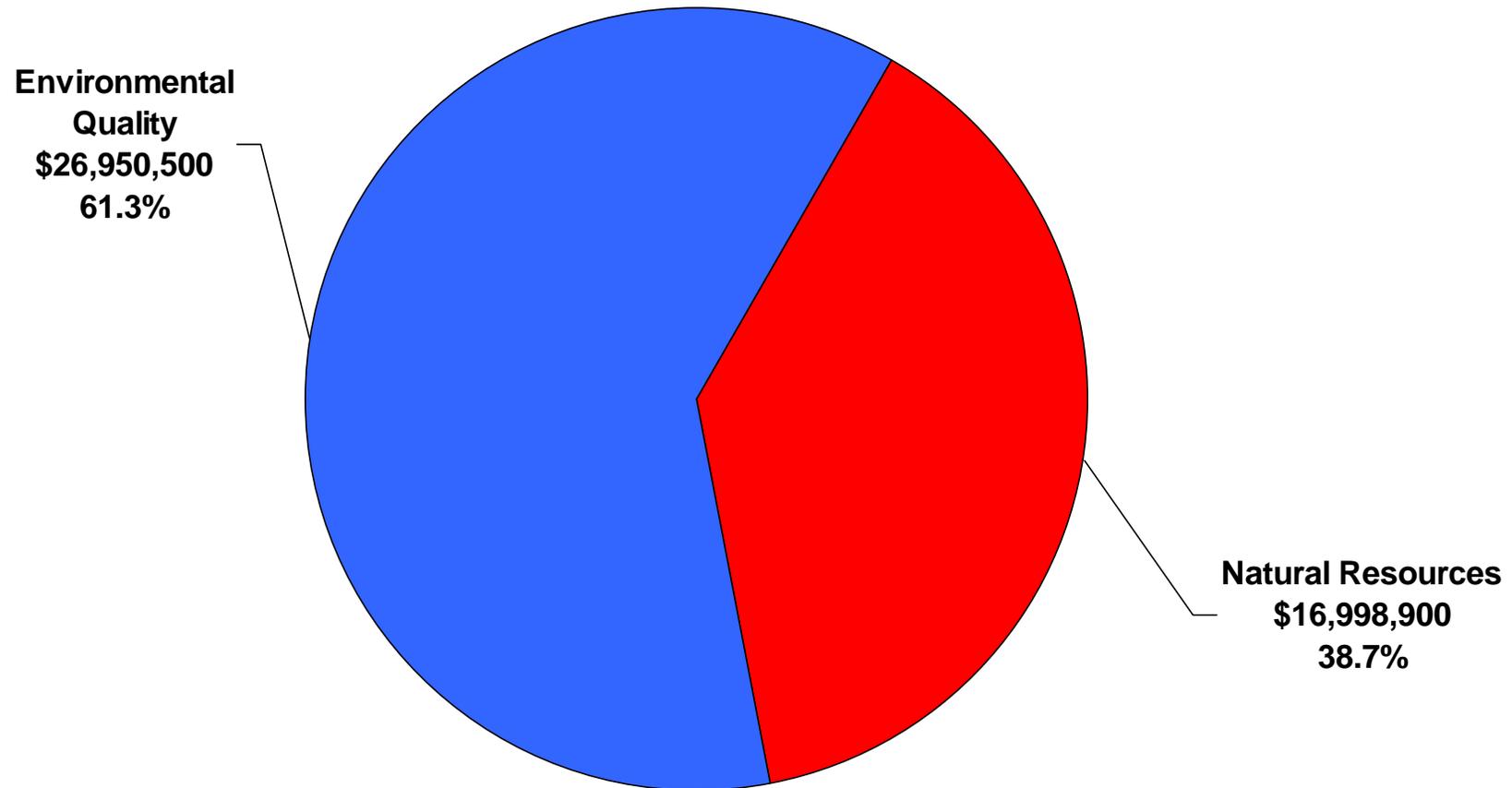
Natural Resources and Environment Share of State GF/GP

FY 2009-10 Total = \$8,128,039,200



Natural Resources and Environment GF/GP by Department

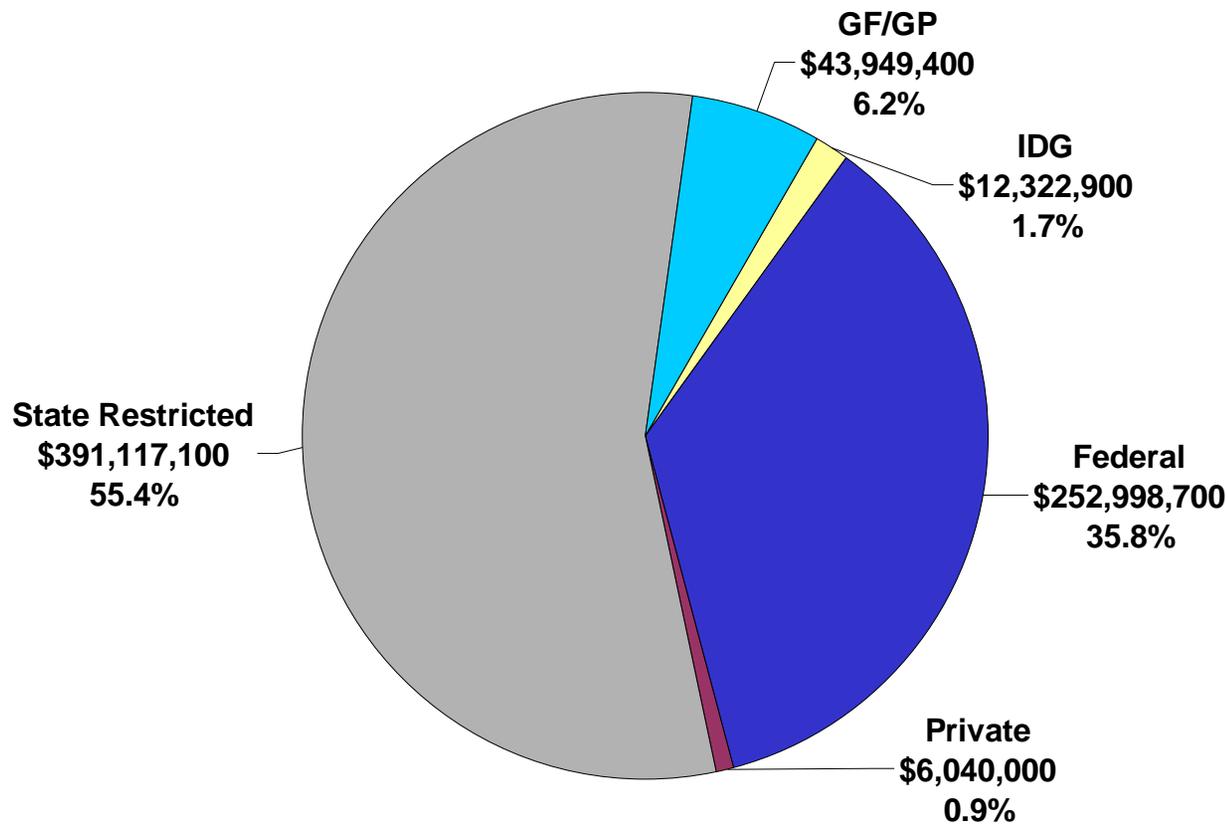
FY 2009-10 GF/GP = \$43,949,400



SOURCES OF FUNDING

Natural Resources and Environment Appropriations by Revenue Source

FY 2009-10 Gross = \$706,428,100

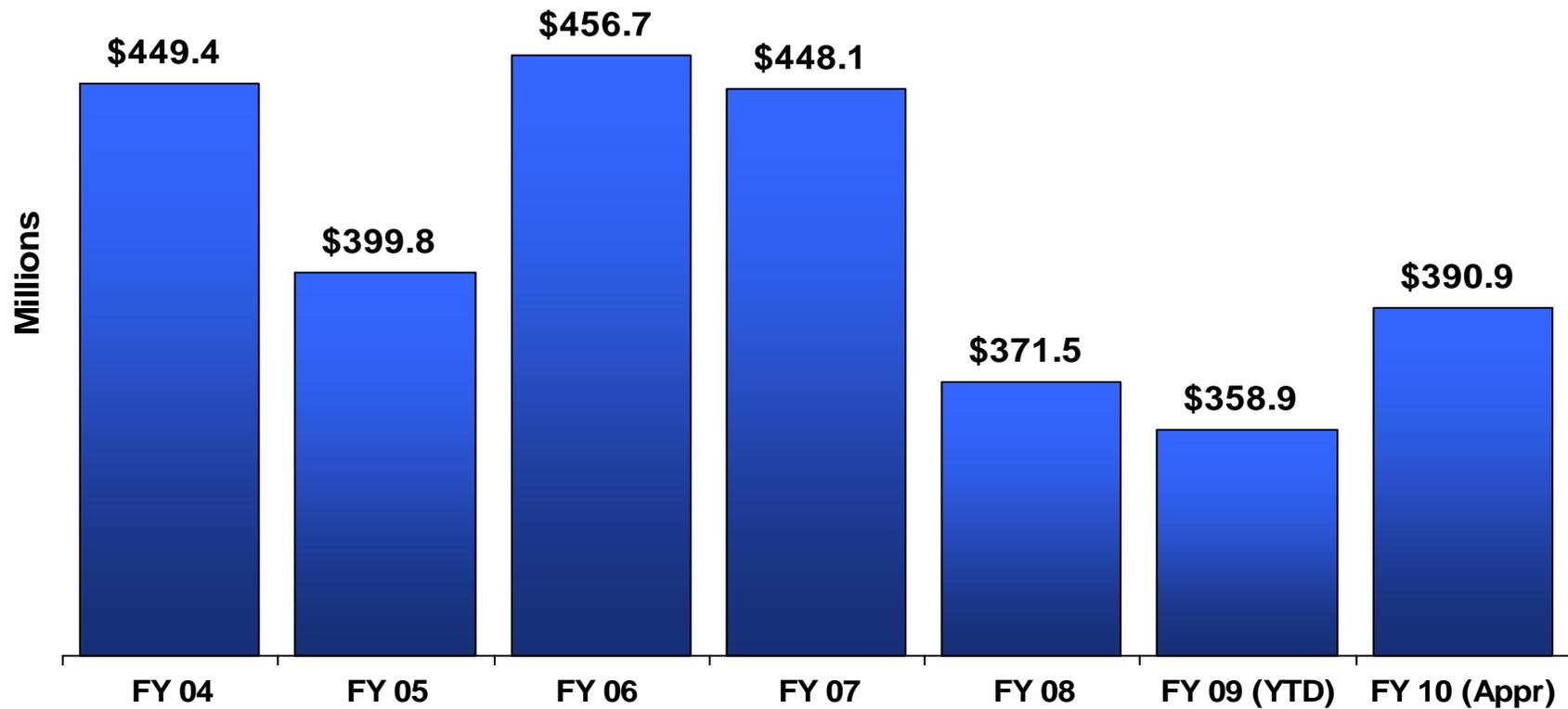


DEPARTMENT OF ENVIRONMENTAL QUALITY APPROPRIATIONS

Environmental Quality

- **Appropriations for the Department of Environmental Quality (DEQ) support:**
 - **Resource protection, conservation, and management programs.**
 - **Regulatory efforts established to protect, restore and reuse Michigan's air, water and land resources.**

Environmental Quality Appropriations



FY 2009 amount does not include \$248.6 million American Reinvestment and Recovery Act (ARRA) funding; FY 2010 includes \$50.0 million new federal funding for the Great Lakes Restoration Initiative.

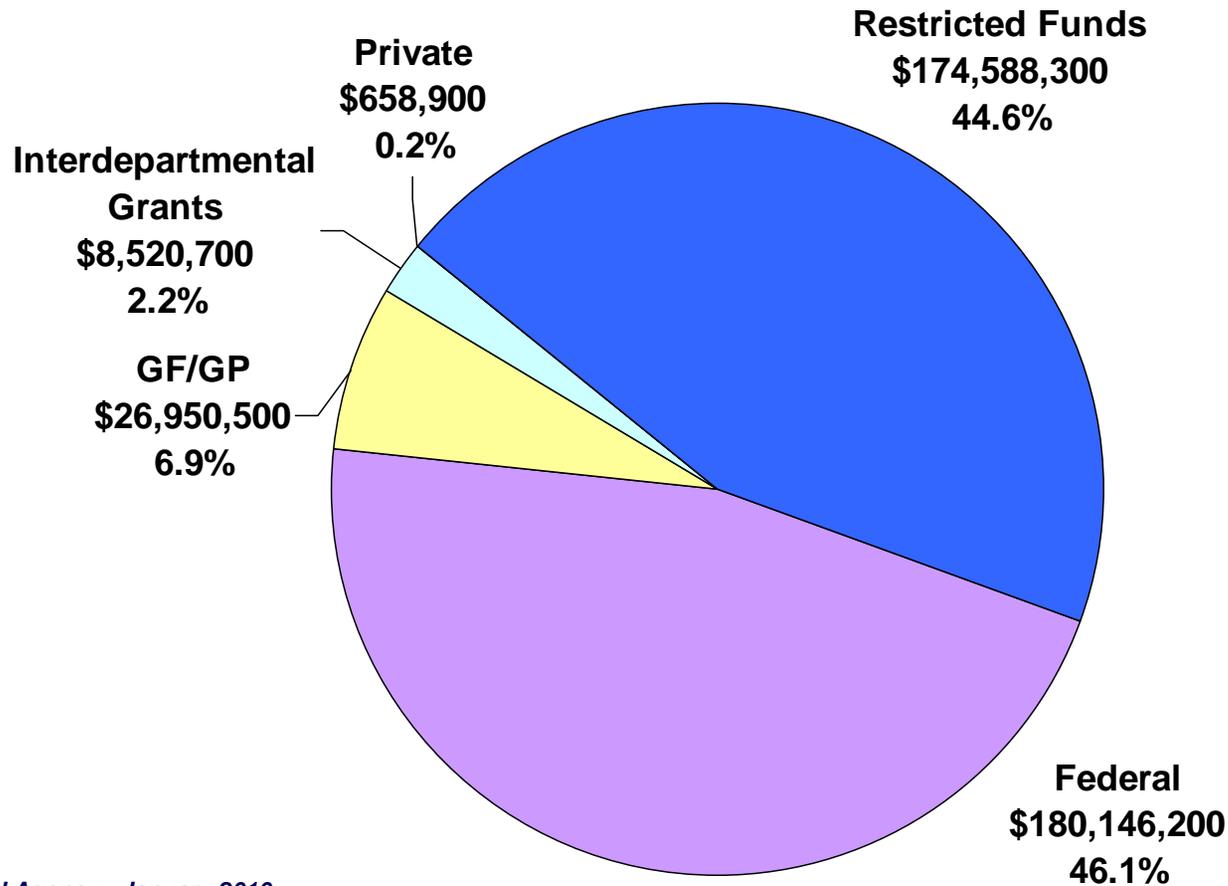
SOURCES OF FUNDING

Environmental Quality Revenue

- **FY 2009-10 Department of Environmental Quality (DEQ) budget totals \$390.9 million.**
- **FY 2009-10 includes \$50.0 new federal funding for the Great Lakes Restoration Initiative, a federal competitive funding program to address ecosystem problems of the Great Lakes.**
- **The gross DEQ budget has been declining steadily since the 1990s, but increasing amounts have been appropriated from fee revenue and other restricted sources.**
- **GF/GP support has declined by \$72.5 million (72.9%) since FY 2000-01.**

Environmental Quality Appropriations by Revenue Source

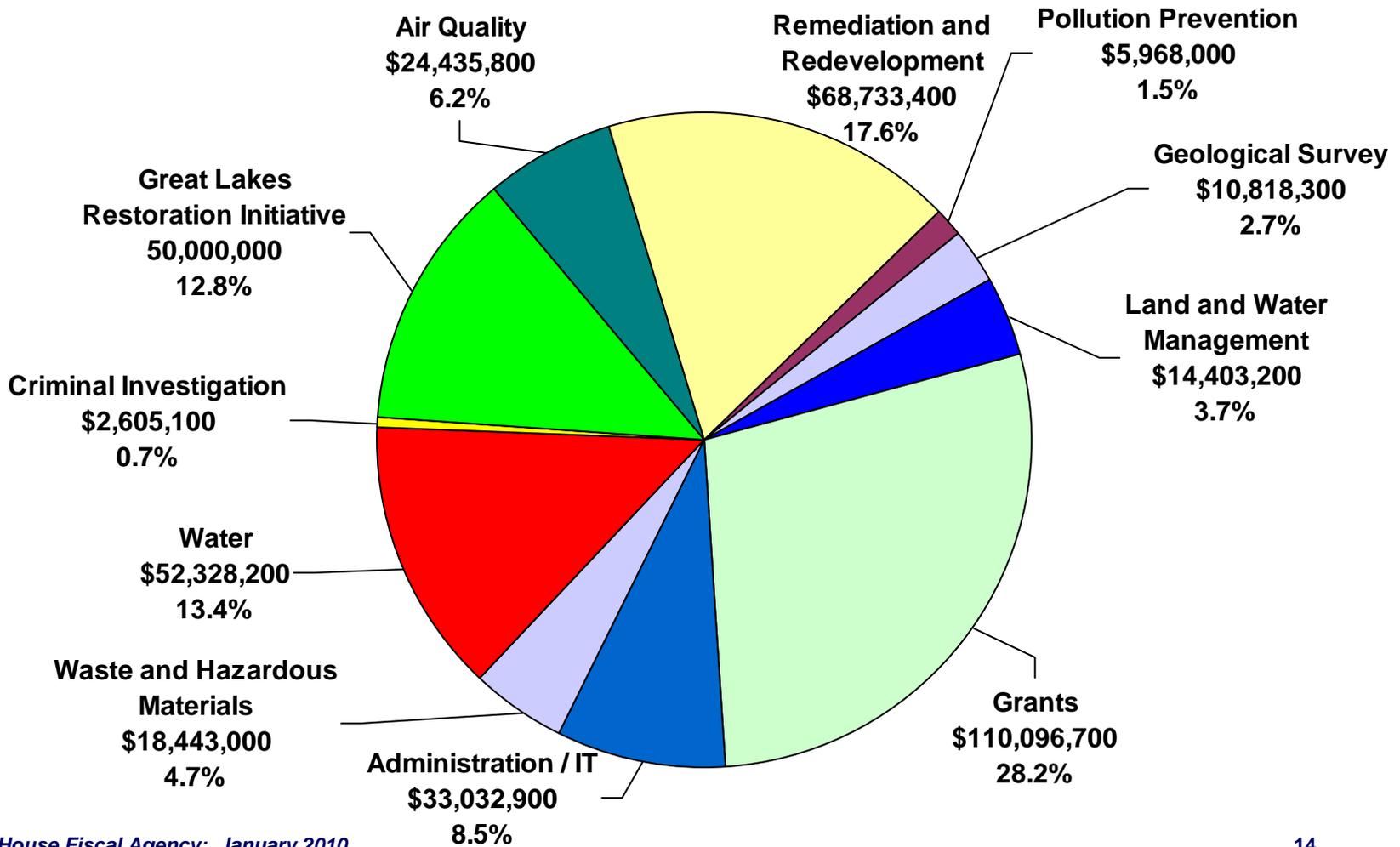
FY 2009-10 Total = \$390,864,600



STATE SPENDING

Environmental Quality Spending

FY 2009-10 Total = \$390,864,600

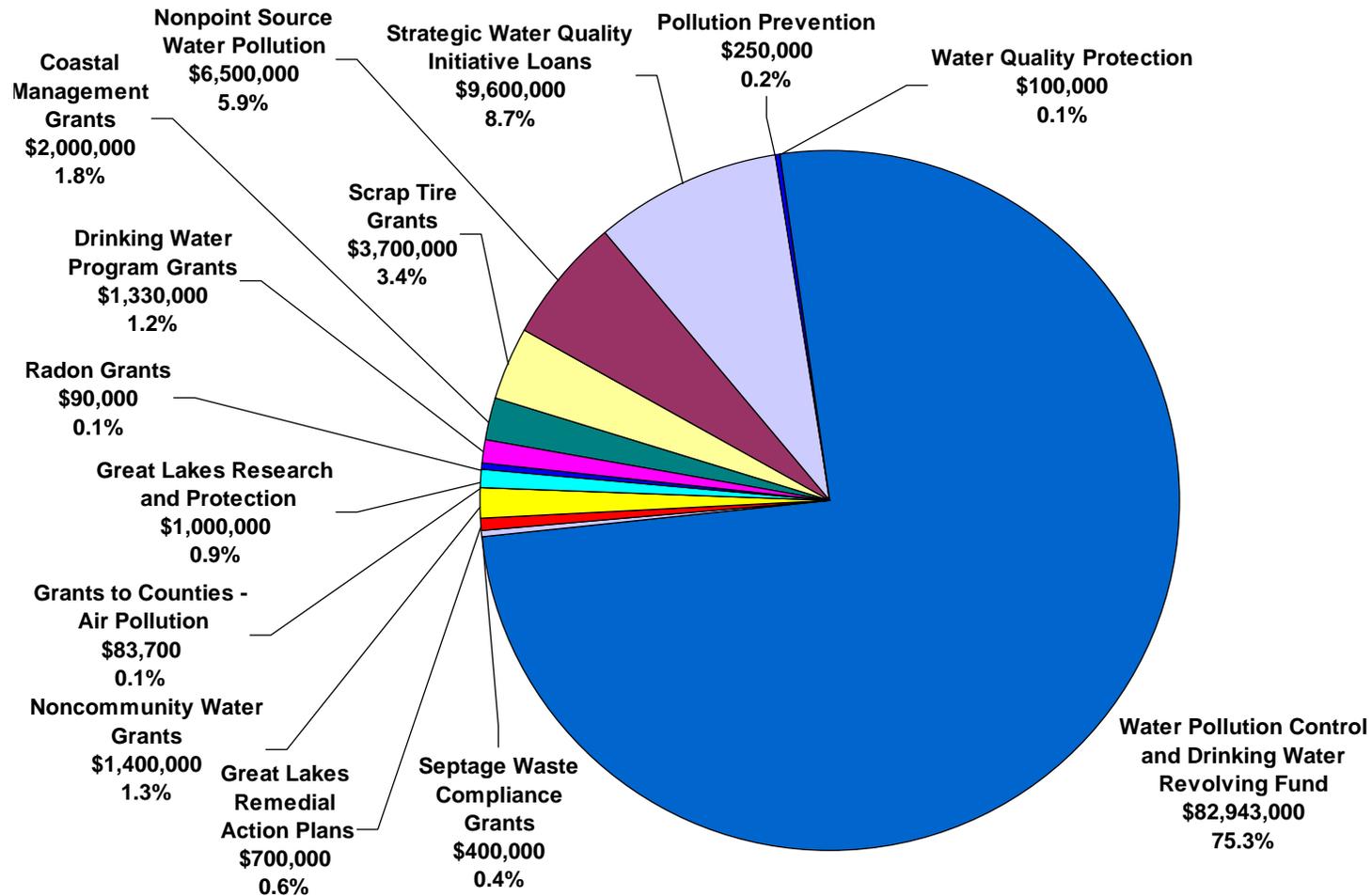


Environmental Grants to Local Governments

- **Nearly seventy-five per cent of the total grant appropriation is deposited into revolving funds for water pollution and drinking water capital project loans.**
- **Grants also fund pollution prevention programs, Great Lakes research, radon detection programs, septage waste transportation programs, and scrap tire removal.**

Environmental Quality Grant Programs

FY 2009-10 Total = \$110,096,700



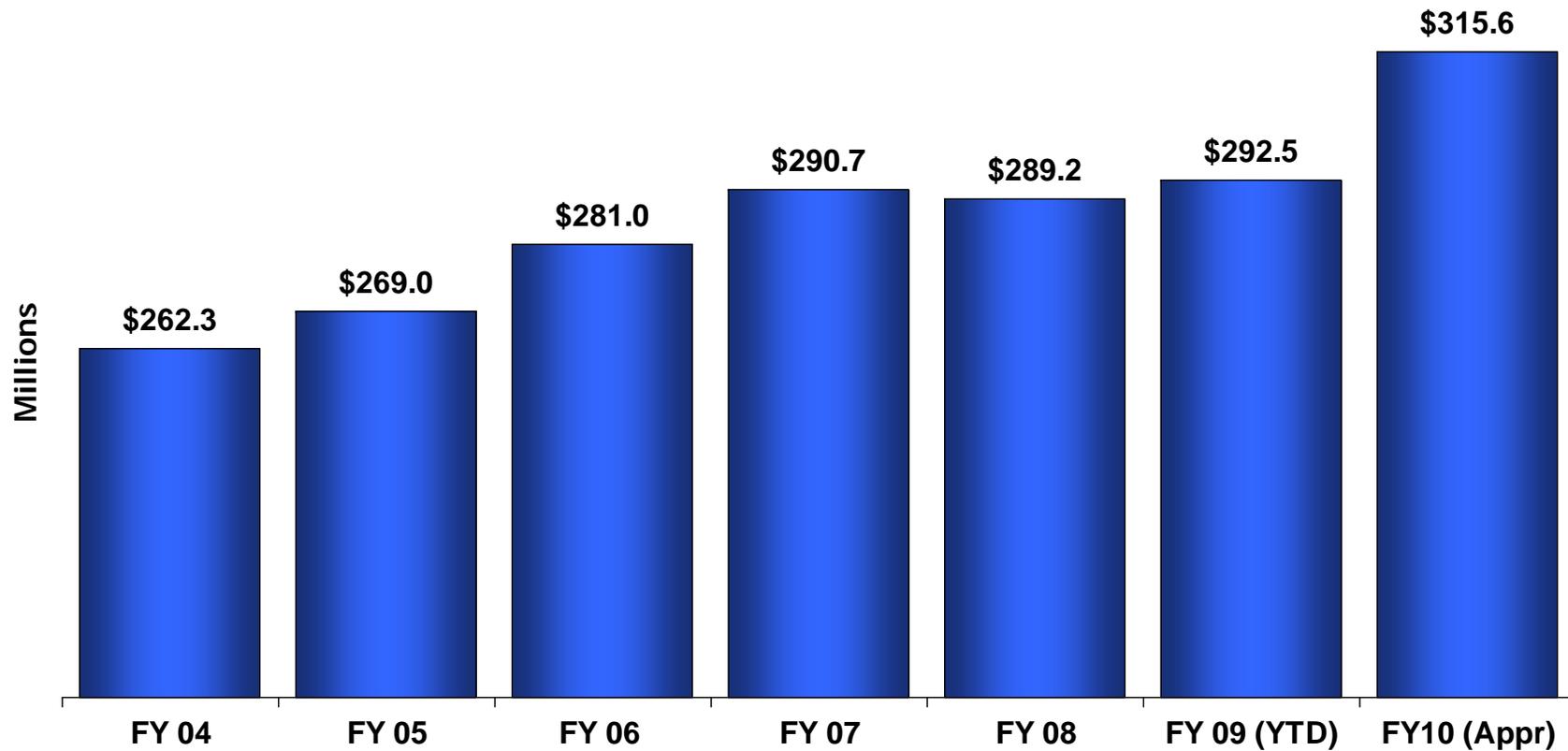
DEPARTMENT OF NATURAL RESOURCES APPROPRIATIONS

Natural Resources

Appropriations for the Department of Natural Resources (DNR) support:

- Renewable resource protection
- Conservation
- Management activities (including recreation, wildlife and fisheries management programs)
- Service and regulatory efforts established to protect and restore Michigan's natural resources
- Michigan Historical Program and the Mackinac Island State Park Commission (transferred from DHAL in FY 2009)

Natural Resources Appropriations



FY 2009 amount does not include \$2.7 million American Reinvestment and Recovery Act (ARRA) funding; FY 2010 includes \$8.7 million funding for Michigan Historical programs and the Mackinac Island State Park Commission transferred from DHAL. FY 2010 also includes \$15.0 million new federal funding for the Great Lakes Restoration Initiative.

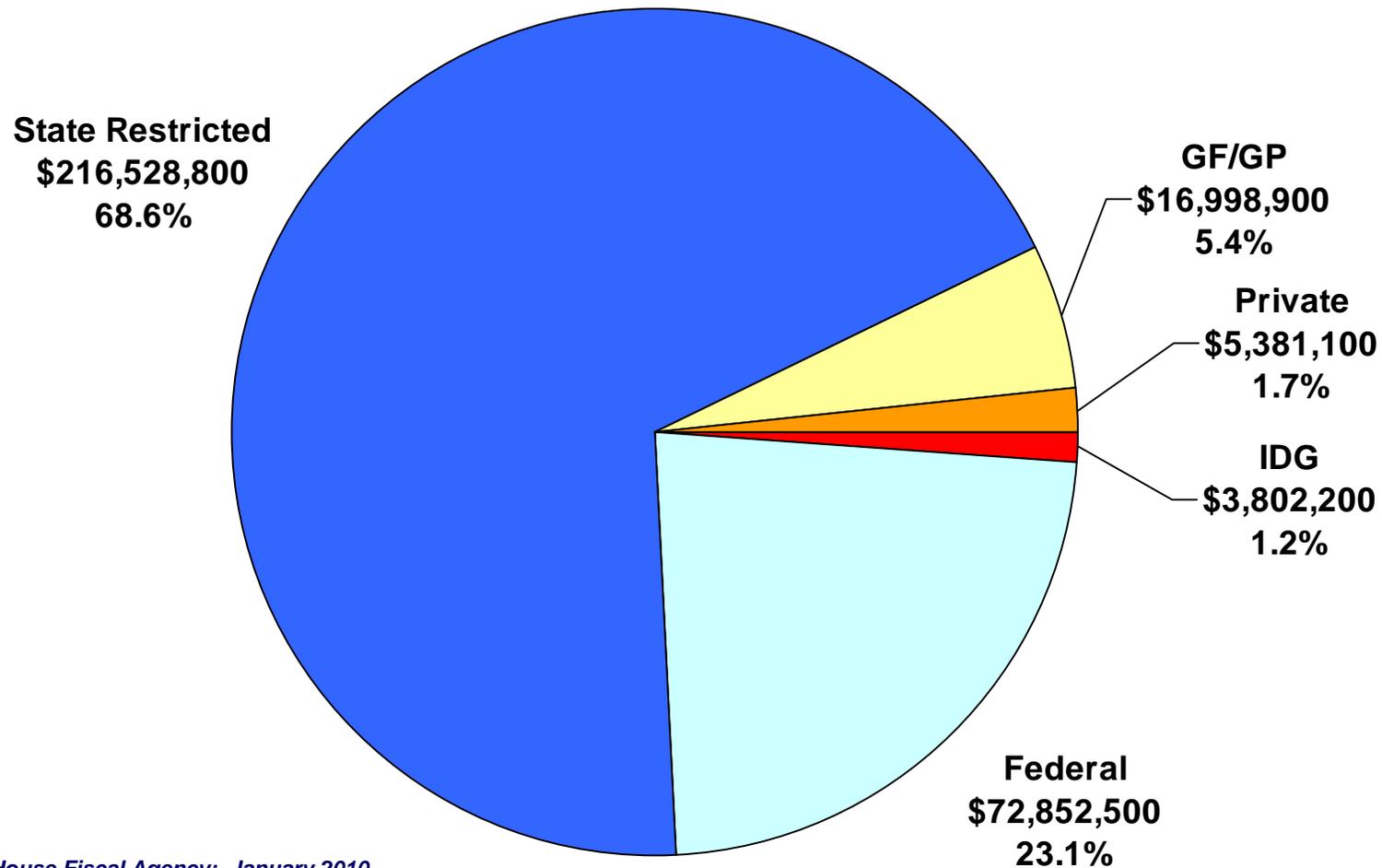
SOURCES OF FUNDING

Natural Resources Revenue

- **FY 2009-10 Department of Natural Resources (DNR) budget totals \$315.6 million.**
- **Most funding is from state restricted revenue (mainly license and permit fees): \$216.5 million.**
- **FY 2009-10 includes \$15.0 million new federal funding for the Great Lakes Restoration Initiative, a federal competitive funding program to address ecosystem problems of the Great Lakes.**
- **Remaining federal funds support game and fish habitat maintenance and hunter safety protection programs: \$57.8 million.**

Natural Resources Appropriations by Revenue Source

FY 2009-10 Gross = \$315,563,500



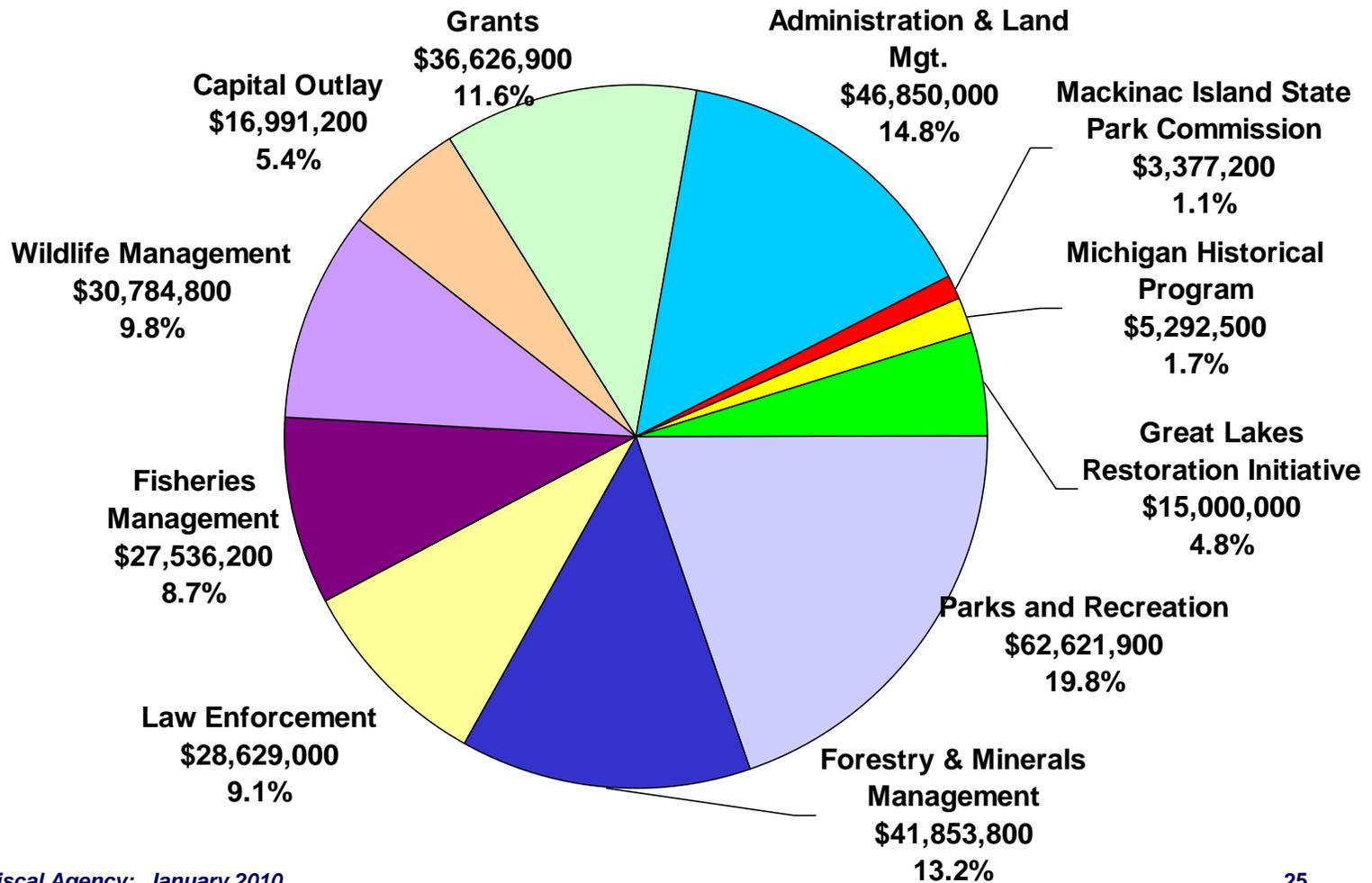
STATE SPENDING

Natural Resource Management Programs

- **Appropriations support resource management and outdoor recreation programs.**
- **Nearly 70 percent of total Department revenue comes from license and fee revenue.**
- **GF/GP is not a significant funding source for DNR programs.**
- **Only 5.4% of the total appropriation is supported by the General Fund.**

Natural Resources Major Programs

FY 2009-10 Total = \$315,563,500

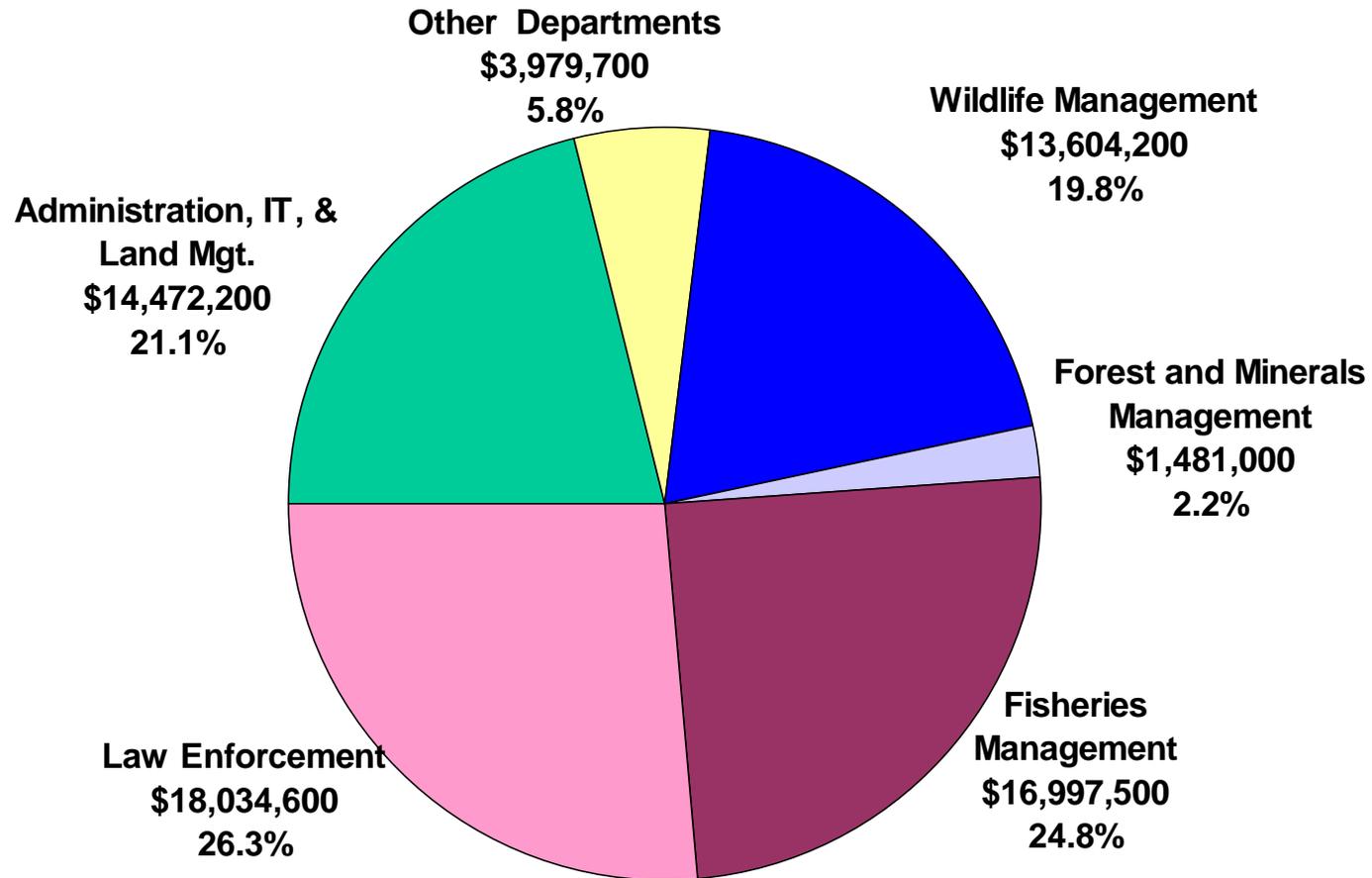


Game and Fish Protection Fund

- **The largest restricted funding source for Natural Resource programs is from the Game and Fish Protection Fund, which is financed principally from the sale of hunting and fishing licenses.**
- **The number of licensed hunters and fishers has been declining over the last 20 years.**
- **The decline in license and fee revenue has resulted in expenditure reductions for game and fish management programs.**

Statewide Game and Fish Fund Appropriation

FY 2009-10 Total = \$68,569,200



Michigan Historical Program

The Michigan Historical Program was transferred to the DNR from DHAL in FY 2009. The program provides advice on site management, maintenance and preservation of Michigan records/archives.

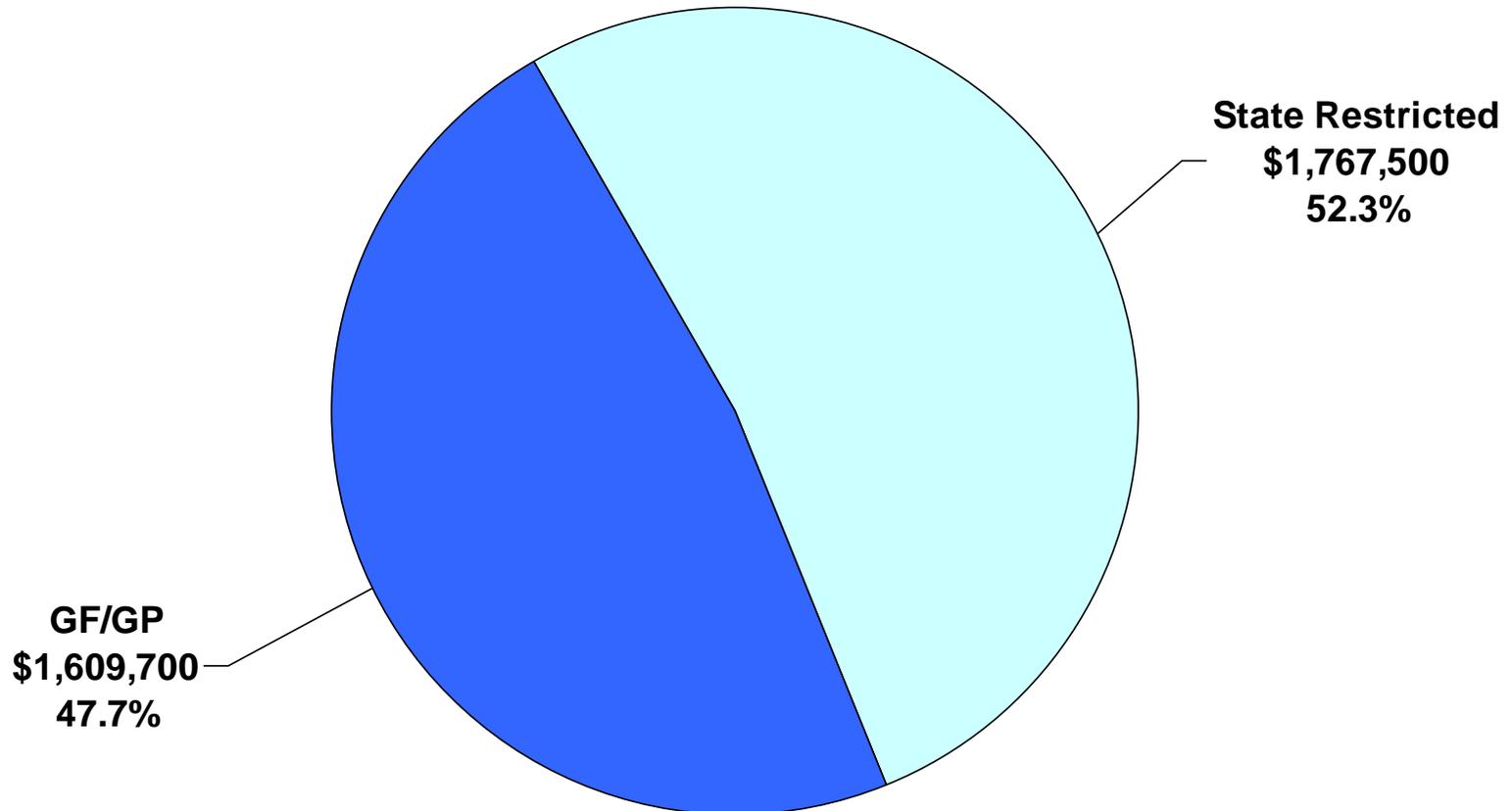
FY 2009-10 Gross = \$5,292,500

PROGRAM	DESCRIPTION	FUNDING	% FUNDING
Historical Administration and Services	Fund Michigan Historical Museum system: one museum in Lansing, nine field museums, one historic site; records management services for state agencies; state records center.	\$3,058,200	57.8
Archives	Care for state and local government records; assist with land, probate, and circuit court records management.	732,000	13.8
Heritage Publications	Publish material relating to Michigan history.	701,200	13.3
Museum Stores	Operational support for stores at four Michigan museums and historic sites.	513,400	9.7
Thunder Bay Sanctuary	Manage shipwrecks in the bottomlands of Thunder Bay.	150,100	2.8
Special Programs	Allow receipt and expenditure of private grants or gifts; includes Mann House funding in Concord.	112,600	2.1
Freedom Trail Commission	Fund Commission; preserve, protect, and promote the legacy of the Freedom Trail.	25,000	0.5
TOTAL		\$5,292,500	100.0

Mackinac Island State Park Commission

The Commission was transferred to the DNR from DHAL in FY 2009. Commission provides oversight of operational activities and preservation of historic resources at Mackinac Island State Park, Michilimackinac State Park, and Mill Creek State Park.

FY 2009-10 Gross = \$3,377,200



**For more information about the
Natural Resources and Environment
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