

**Summary: Executive Budget Recommendation
for Fiscal Year 2021-22
DEPARTMENT OF NATURAL RESOURCES**



Analyst: Austin Scott

	FY 2020-21	FY 2021-22 Executive	Difference: FY 2021-22 vs. FY 2020-21	
	Year-to-Date as of 2/11/21		Amount	%
IDG/IDT	\$203,100	\$203,100	\$0	0.0
Federal	88,453,700	91,291,300	2,837,600	3.2
Local	0	0	0	--
Private	7,439,200	7,039,200	(400,000)	(5.4)
Restricted	322,800,800	309,695,300	(13,105,500)	(4.1)
GF/GP	50,697,300	48,112,500	(2,584,800)	(5.1)
Gross	\$469,594,100	\$456,341,400	(\$13,252,700)	(2.8)
FTEs	2,352.1	2,360.9	8.8	0.4

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Natural Resources (DNR) manages Michigan's natural and cultural resources through conservation and protection. State parks, wildlife, fisheries, forests, and minerals management are all administered by DNR.

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations		FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD
1. Fish Hatchery Energy Efficiencies (One-Time)	Gross	NA	\$1,995,800
Appropriates \$2.0 million GF/GP for renewable energy projects at state fish hatcheries including installing solar arrays and battery storage.	GF/GP	NA	\$1,995,800
2. Local Marine Patrol Grants	Gross	\$1,750,000	(\$1,750,000)
Eliminates \$1.8 million GF/GP for grants to local law enforcement to enforce no wake zones in an effort to mitigate high water impacts on infrastructure.	GF/GP	\$1,750,000	(\$1,750,000)
3. Deer Habitat Partnership Improvement Initiative	Gross	\$445,800	(\$245,800)
Eliminates GF/GP support for grants awarded through the Deer Habitat Partnership Improvement Initiative.	Restricted	200,000	0
	GF/GP	\$245,800	(\$245,800)
4. Federal – Land and Water Conservation Fund Payments	Gross	\$6,000,000	\$7,000,000
Appropriates \$7.0 million of available federal funding for grants to local units of government to acquire and develop public recreation lands and facilities.	Federal	6,000,000	7,000,000
	GF/GP	\$0	\$0
5. Off-road Vehicle Revenue Distribution	Gross	NA	\$1,000,000
Appropriates an additional \$1.0 million of available revenue from the Off-road Vehicle Trail Improvement Fund for trail ORV programs and administration in accordance with statutory distribution requirements, bringing ORV Trail Improvement funding to \$9.5 million for FY 2021-22.	Restricted	NA	1,000,000
	GF/GP	NA	\$0
6. Parks and Recreation Division Employee Initiatives	FTEs	NA	8.8
Appropriates \$1.5 million in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund and authorizes 8.8 FTE positions for division employee recruitment and retention initiatives, including increases in work hours and wages. This increase would also fund a new sanitation contract at Interlochen State Park in accordance with EGLE standards.	Gross	NA	\$1,486,400
	Restricted	NA	1,486,400
	GF/GP	NA	\$0

Major Budget Changes from FY 2020-21 Year-to-Date (YTD) Appropriations	FY 2020-21 YTD (as of 2/11/21)	Executive Change from YTD	
7. Parks and Recreation Division Utility Costs	Gross	NA	\$625,000
Appropriates \$625,000 in available restricted revenue from the Michigan State Waterways Fund, and Park Improvement Fund to cover HVAC, lighting, electrical, hydro, and telecommunications costs at recreational boating sites and state parks, including Belle Isle State Park.	Restricted	NA	625,000
	GF/GP	NA	\$0
8. Parks and Recreation Division Minimum Wage Increase for Short-term Workers	Gross	NA	\$394,300
Appropriates \$394,300 in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund to cover the minimum wage increase scheduled for 2022.	Restricted	NA	394,300
	GF/GP	NA	\$0
9. Parks and Recreation Division Search Software	Gross	NA	\$320,000
Appropriates \$320,000 in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund to upgrade and maintain software used by the public to search state parks, state recreation areas, and state forest campgrounds.	Restricted	NA	320,000
	GF/GP	NA	\$0
10. Parks and Recreation Division Camping and Harbor Reservation System Costs	Gross	NA	\$175,000
Appropriates \$175,000 in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund to pay vendor for increased transactions processed by DNR's camping and harbor reservation system.	Restricted	NA	175,000
	GF/GP	NA	\$0
11. State Parks Improvement Revenue Bonds – Debt Service	Gross	\$1,201,300	\$500
Appropriates \$500 in available Park Improvement Fund revenue to align spending authorization with debt service schedule.	Restricted	1,201,300	500
	GF/GP	\$0	\$0
12. Capital Outlay Authorization Alignment	Gross	NA	(\$3,425,000)
Reduces restricted fund authorization for ongoing capital outlay projects by \$3.4 million to align spending authorization with available revenue. Affected appropriations include Local Boating Infrastructure Maintenance and Improvements, State Boating Infrastructure Maintenance, and State Parks Repair and Maintenance.	Restricted	NA	(3,425,000)
	GF/GP	NA	\$0
13. Capital Outlay One-Time Projects	Gross	\$11,000,000	(\$11,000,000)
Eliminates restricted fund authorization for one-time capital outlay projects funded in FY 2020-21. Projects included Fish Hatchery Infrastructure Investments, Forest Development Infrastructure, Mass Timber Facility Newberry Customer Service Center, and Wetlands Enhancements.	Restricted	11,000,000	(11,000,000)
	GF/GP	\$0	\$0
14. Removal of FY 2020-21 One-Time Funding	Gross	\$8,400,000	(\$8,400,000)
Removes \$8.4 million Gross (\$2.5 million GF/GP) for one-time projects included in the FY 2020-21 budget. Projects included Forest Fire Equipment Acquisition, Forest Investments, Milliken Visitors Center, and Shooting Range Enhancements.	Federal	4,000,000	(4,000,000)
	Private	400,000	(400,000)
	Restricted	1,500,000	(1,500,000)
	GF/GP	\$2,500,000	(\$2,500,000)
15. Economic Adjustments	Gross	NA	(\$1,428,900)
Reflects decreased costs of \$1.4 million Gross (\$84,800 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	(162,400)
	Restricted	NA	(1,181,700)
	GF/GP	NA	(\$84,800)

Major Boilerplate Changes from FY 2020-21

Sec. 206. Disciplinary Action Against State Employees – DELETED

Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs, unless communication is prohibited by law.

Sec. 209. GF/GP Lapse – REVISED

Requires report of estimated GF/GP appropriation lapses at close of previous year. Revised due date from November 30 to December 31.

Sec. 210. Contingency Fund Transfer Authority – REVISED

Provides authority for contingency fund transfers of up to \$5.0 million restricted; authorizes expenditure after legislative transfer to specific line items. Revised to include contingency fund transfer authority of \$3.0 million federal, \$10.0 million restricted, and \$1.0 million private.

Sec. 216. FTE Vacancies and Remote Work Report – DELETED

Requires department to report quarterly on the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely.

Sec. 217. Expending Available Work Project Authorization – DELETED

Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended.

Sec. 218. State Administrative Board Transfers – DELETED

Authorizes legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds.

Sec. 219. Receipt and Retention of Reports – DELETED

Requires department to receive and retain copies of all reports.

Sec. 220. Report on Policy Changes Made to Implement Public Acts Affecting Department – DELETED

Requires the department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.

Sec. 221. Game and Fish Protection Fund Appropriations – REVISED

Lists appropriations to other state departments from Game and Fish Protection Fund. Revised to provide for the appropriation of additional DNR restricted funds to other state agencies including DTMB, Attorney General, Auditor General, Treasury, and Civil Service Commission. Revision also included for FY 2020-21 in supplemental request 2021-5.

Sec. 408. Land Transactions – DELETED

Requires detailed report to legislature on land purchases, sales, and exchanges.

Sec. 409. Report on Portage Restaurant – DELETED

Requires department to report on current and planned future use of Portage Restaurant at Presque Isle State Harbor in Presque Isle County.

Sec. 410. Report on Use of Lands Acquired Since January 2019 – DELETED

Requires department to report on lands acquired since January 2019 and their respective planned uses; report is due November 1, 2020.

Sec. 506. USDA Wildlife Services Deer Harvesting – DELETED

Encourages United States Department of Agriculture Wildlife Services to harvest all deer during targeted removal required under Enhanced Wildlife Biosecurity Program.

Sec. 507. Antlerless Deer License Discounts – REVISED

Permits department to discount antlerless deer licenses in the northeast Lower Peninsula to achieve deer management objectives; earmarks up to \$505,000 of funding for wildlife management to supplant lost revenue that would otherwise be collected from full-price antlerless deer licenses sold in the northeast Lower Peninsula; permits department to terminate the license discount once lost revenue reaches \$505,000. Revised to allow funding to be used for chronic wasting disease testing under certain conditions.

Sec. 601. Stream Habitat Improvement Grants – DELETED

Appropriates \$758,000 to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat improvement projects.

Major Boilerplate Changes from FY 2020-21

Sec. 602. Water Control Structure Certification – DELETED

Directs Fisheries Division to not interfere with certification process for dams and other water control structures.

Sec. 603. Fish Hatcheries Report – DELETED

Requires annual report on fish hatcheries.

Sec. 901. Snowmobile Law Enforcement Grants – DELETED

Authorizes snowmobile law enforcement grant funds to county law enforcement agencies in counties with state snowmobile trails.

Sec. 902. Marine Safety Grants – DELETED

Requires report on Marine Safety Grant Program; requires report to include watercraft registration revenues, revenues and expenditures of Marine Safety Fund, grant distribution methodology, and list of grant awards by county.

Sec. 1002. Deer Habitat Improvement Partnership Initiative Earmark – DELETED

Earmarks \$145,800 from the Deer Habitat Improvement Partnership Initiative to provide grants through the Northern Lower Peninsula Deer Private Land Assistance Network.

Sec. 1003. Local Marine Patrol Grants – DELETED

Directs expenditure of funding for Local Marine Patrol Grants for grants to local law enforcement to enforce no wake zones in an effort to mitigate high water impacts on infrastructure; limits individual grants to not more than \$100,000.