

**Summary: Executive Budget Recommendation
for Fiscal Years 2014-15 and 2015-16
NATURAL RESOURCES**



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	FY 2013-14 Year-to-Date as of 2/5/14	FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14		FY 2015-16 Executive	Difference: FY 2015-16 Vs. FY 2014-15	
			Amount	%		Amount	%
IDG/IDT	1,412,300	1,355,100	(57,200)	(4.1)	1,355,100	0	0.0
Federal	67,127,300	67,954,500	827,200	1.2	67,954,500	0	0.0
Local	0	0	0	0.0	0	0	0.0
Private	7,237,200	10,286,300	3,049,100	42.1	9,786,300	(500,000)	(4.9)
Restricted	241,925,500	256,498,000	14,572,500	6.0	255,998,000	(500,000)	(0.2)
GF/GP	25,436,600	47,091,500	21,654,900	85.1	48,091,500	1,000,000	2.1
Gross	343,138,900	383,185,400	40,046,500	11.7	383,185,400	0	0.0
FTEs	2,141.30	2,229.3	88.0	4.1	2,229.3	0.0	0.0

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2015-16 figures are projected budget amounts only and would not be legally binding appropriations. (4) Budget changes described below are based on the "Schedule of Program" sections included in the Executive Budget; amounts listed in those schedules are informational in nature and could be potentially adjusted administratively, without legislative approval, within the larger line items into which programs have been rolled up.

Overview

The Department of Natural Resources (DNR) manages, conserves, and protects Michigan's resources. Program areas include forest management, land and minerals management, wildlife and fisheries management, conservation law enforcement, state parks and forest campgrounds, and Michigan's historical programs.

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 YTD (as of 2/5/14)	Executive Changes	
			FY 2013-14 to FY 2014-15	FY 2014-15 to FY 2015-16
1. Funding Adjustments	Gross	N/A	(\$689,300)	\$0
Removes \$600,000 one-time GF/GP funding for conservation officer academy in FY 2013-14; reduces gross funding authorization by \$1.5 million to align with anticipated revenues; replaces \$1.5 million federal funding with restricted funding for recreational boating; increases restricted funding by \$674,000 for various programs due to available revenue – including \$350,000 for forest fire equipment and \$228,700 for additional recreation passport local grants.	IDG	N/A	(85,000)	0
	Federal	N/A	(783,700)	0
	Restricted	N/A	779,400	0
	GF/GP	N/A	(\$600,000)	\$0
2. Conservation Officers	FTE	N/A	25.0	0.0
Provides additional \$3.5 million GF/GP to fund 25 additional conservation officers and a conservation officer academy which would begin in first quarter of FY 2014-15. In current year, FY 2013-14, it is projected that there will be 202 officers after the current academy is completed. FTE increases for FY 2014-15 would bring the total to 227 conservation officers.	Gross	N/A	\$3,500,000	\$0
	GF/GP	N/A	\$3,500,000	\$0
3. Annualize Increased Revenue from Hunting and Fishing License Fees	FTE	N/A	26.0	0.0
Includes \$8.1 million additional restricted funding and 26.0 FTE authorizations to reflect full-year implementation of the hunting and fishing license fee increase enacted in PA 108 of 2013; increased fees go into effect March 1, 2014.	Gross	N/A	\$8,057,500	\$0
	Restricted	N/A	8,057,500	0

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 YTD (as of 2/5/14)	Executive Changes	
			FY 2013-14 to FY 2014-15	FY 2014-15 to FY 2015-16
4. Invasive Species Initiative	FTE	0.0	16.0	0.0
Provides \$4.0 million ongoing GF/GP funding and 16.0 FTEs to develop a comprehensive response program for invasive species. Funding and FTEs would be distributed to DNR, DEQ, MDARD, and MDOT. DNR would be the lead agency for the initiative. Program would also fund local grants. One-time funding in FY 2014-15 provides additional \$2.0 million GF/GP for local grants and one-time funding in FY 2015-16 would provide \$4.0 million for grants.	Gross	\$0	\$6,000,000	\$2,000,000
	GF/GP	\$0	\$6,000,000	\$2,000,000
5. Michigan Conservation Corps	FTE	0.0	1.0	0.0
Merges the Summer Youth Initiative Program with the Michigan Conservation Corps, increases funding \$1.0 million GF/GP, and adds 1.0 FTE position. Program would be expanded statewide and year-long to employ individuals up to 27 years old and include returning veterans.	Gross	\$2,500,000	\$1,000,000	\$0
	GF/GP	\$2,500,000	\$1,000,000	\$0
6. Forestry Program	FTE	N/A	10.0	0.0
Provides \$4.0 million GF/GP funding to wildfire protection program to offset \$4.0 million forest development fund revenue that would be redirected to forest management, increasing funding for that program by \$4.0 million; the use of new forestry funding would include enhanced technology for program, increased contracts and agreements with forestry partners, increased wood fiber extraction from state lands, and the hiring of 10 additional foresters.	Gross	N/A	\$4,000,000	\$0
	GF/GP	N/A	\$4,000,000	\$0
7. Great Lakes Research Vessel	Gross	N/A	\$2,000,000	(\$2,000,000)
Includes \$2.0 million (\$1.0 million GF/GP) one-time funding to replace the <i>Chinook</i> , DNR's 67-year-old Lake Huron research vessel.	Private	N/A	500,000	(500,000)
	Restricted	N/A	500,000	(500,000)
	GF/GP	N/A	\$1,000,000	(\$1,000,000)
8. Non-Motorized Trail Initiative	FTE	N/A	10.0	0.0
Includes 10.0 FTE positions and \$2.5 million GF/GP funding for non-motorized trail programs. Funding would be distributed to DNR forest recreation and trails program, Mackinac Island Park, Michigan Historical Center, and trail grants. Funding would also support the development of a 1,000 mile showcase trail stretching from Belle Isle in Detroit to the Wisconsin border.	Gross	N/A	\$2,500,000	\$0
	GF/GP	N/A	\$2,500,000	\$0
9. State Park Funding	Gross	\$58,883,100	\$2,000,000	\$0
Includes additional \$2.0 million restricted funding from the State Park Improvement Fund to maintain and operate state parks.	Federal	136,300	0	0
	Private	411,900	0	0
	Restricted	56,634,900	2,000,000	0
	GF/GP	\$1,700,000	\$0	\$0
10. Capital Outlay Projects – State Parks and Wetlands	Gross	\$9,500,000	\$6,000,000	\$0
Increases funding for state parks repair and maintenance by \$3.0 million Gross overall (\$4.0 million GF/GP and \$2.5 million private funding are added, restricted funding is reduced by \$3.5 million). In a new line item, \$3.0 million restricted funding from the waterfowl hunting stamp is appropriated for wetlands restoration and acquisition.	Private	0	2,500,000	0
	Restricted	9,500,000	(500,000)	0
	GF/GP	\$0	\$4,000,000	\$0
11. Capital Outlay Projects – Waterways Boating Program	Gross	\$6,915,600	\$84,400	\$0
Includes additional \$84,400 Gross funding for waterways boating projects. Restricted funding is appropriated from the State Waterways Fund.	Federal	1,638,000	787,000	0
	Restricted	5,277,600	(702,600)	0

<u>Major Budget Changes From FY 2013-14 YTD Appropriations</u>		<u>FY 2013-14 YTD (as of 2/5/14)</u>	<u>Executive Changes</u>	
			<u>FY 2013-14 to FY 2014-15</u>	<u>FY 2014-15 to FY 2015-16</u>
12. Economic Adjustments	Gross	N/A	\$5,593,900	\$0
Reflects increased costs of \$5.6 million Gross (\$254,900 GF/GP)	IDG	N/A	27,800	0
for negotiated salary and wage amounts (2.0% ongoing increase	Private	N/A	49,100	0
plus 0.5% lump sum payments), actuarially-required retirement	Federal	N/A	823,900	0
rate increases, and other economic adjustments. Insurance costs	Restricted	N/A	4,438,200	0
held flat due to recent state employee health plan revisions.	GF/GP	N/A	\$254,900	\$0

Major Boilerplate Changes From FY 2013-14

Sec. 212. Disciplinary Action Against State Employees – DELETED

Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs.

Sec. 217. Retention of Reports – DELETED

Requires DNR to retain copies of all reports funded from appropriations.

Sec. 223. Waterways Fund Projects – DELETED

Requires report on activities of Waterways Commission during the previous fiscal year; list of completed waterways fund projects to be provided to Legislature.

Sec. 233. FTE Report – DELETED

Requires report on the number of FTEs in pay status; report required quarterly.

Sec. 236. Request for Proposal (RFP) Language – DELETED

Prohibits Department from issuing an RFP for a contract greater than \$5.0 million unless issuing a request for information (RFI) or a request for qualification (RFQ) has been considered.

Sec. 15-237. FY 2014-15 Retirement Costs – NEW

States that appropriations for legacy costs in part 1 for FY 2014-15 equal \$46.7 million. Of this amount, pension-related legacy costs are estimated to be \$26.1 million and retiree health care legacy costs are estimated to be \$20.6 million.

Sec. 408. Land Transactions – DELETED

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

Dec. 409. Oil and Gas Lease Report – DELETED

Requires DNR to report on active oil and gas leases entered into before July of 1995 on parcels larger than 160 acres where the producing unit is less than or equal to 1/4 of the total lease acreage.

Sec. 503. Invasive Species Order Enforcement – DELETED

Requires report on efforts taken to enforce the Natural Resources Commission's invasive species order concerning raising feral swine in Michigan.

Sec. 504. Cervid Operation Fees – DELETED

Requires report on the use of registration fees from privately owned cervid operations.

Sec. 602. Water Control Structure Certification – DELETED

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

Sec. 603. Cormorant Management – DELETED

Requires quarterly report on the use of cormorant management funding; provides that the Department must submit funding to the USDA to pay for increased taking of cormorants and their nests.

Sec. 702. State Park Campground Closures – DELETED

Requires DNR to notify Legislature if Department intends to reduce operations or recreation opportunities at any state park or recreation area.

Sec. 703. Soo-Raco Trail – DELETED

Requires DNR to work with MDOT, local officials, and local landowners to investigate traffic routing and flow on the Soo-Raco trail through Brimley.

Sec. 802. Timber Marking – DELETED

Directs Department to mark and prescribe treatment on 79,000 acres, prepare for harvest 67,500 acres at an average rate of 12.5 to 15.0 cords per acre; requires quarterly report.

Sec. 804. Horseback Riding Opportunities – DELETED

Directs Department to work cooperatively with horseback riding interests to increase horseback riding opportunities.

Sec. 805. Contract Foresters – DELETED

Allows Department to hire sufficient contract foresters to mark timber.

Sec. 901. Snowmobile Law Enforcement Grants – DELETED

Provides snowmobile law enforcement grants to county law enforcement agencies in counties with state snowmobile trails.

Sec. 902. Marine Safety Grants – DELETED

Requires report on the Marine Safety Grant Program. Report to include watercraft registrations revenues, revenues and expenditures of the Marine Safety Fund, grant distribution methodology, and a list of grant awards by county.

Sec. 1002. Off Road Vehicle (ORV) Trail Improvement Grants – DELETED

Requires expenditure of not less than \$980,000 for the development of new ORV trails.

Sec. 1101. Capital Outlay Appropriations for the Harbors and Docks Grants in Aid – DELETED

Provides for disbursement of Waterways Fund appropriation to the federal government and local governmental units.

Sec. 1102. Capital Outlay Lump Sum Appropriations – DELETED

Provides for state budget director approval of disbursements of lump sum appropriations for DNR program or facility needs. Funds are available for three years after appropriation.

Sec. 1104. Federal Reimbursement For Harbor Dredging – DELETED

Requires DNR to seek reimbursement from the United States Army Corps of Engineers (ACOE) for emergency dredging of harbors under the ACOE's jurisdiction. Any reimbursement received shall be deposited into the Michigan State Waterways Fund.

Sec. 1201. FY 2014-15 Anticipated Appropriations – DELETED

States legislative intent that the FY 2014-15 line item appropriations will be the same as those for FY 2013-14 with certain economic adjustments.

Sec. 1202. Identification of Future Retirement Costs – DELETED

States legislative intent that the DNR identify the FY 2014-15 retirement costs for line items listed in Part 1.

Supplemental Recommendations for FY 2013-14 Appropriations

FY 2013-14 Recommendation

1. Waterways Boating Capital Outlay Projects

Includes \$1.9 million Gross funding for Waterways Boating Program capital outlay projects. Funding includes \$330,000 restricted funding from the State Waterways Fund for additional local boating facility grants, \$1.5 million federal funding for the Munising Bayshore Marina, and \$80,000 private funding for a boat washing station for an existing park project at South Higgins State Park.

Gross	\$1,910,000
Federal	1,500,000
Private	80,000
Restricted	330,000

2. Michigan Natural Resources Trust Fund (MNRTF) Land Development and Acquisition Projects

Includes \$27.7 million restricted funding for 32 land acquisition projects and 44 land development projects supported with revenues from the MNRTF. The MNRTF provides financial assistance to local units of government and to the DNR for the purchase and/or development of outdoor recreation lands.

Gross	\$27,677,800
Restricted	27,677,800