

**Summary: Executive Budget Recommendation
for Fiscal Years 2013-14 and 2014-15
NATURAL RESOURCES**



Analyst: Viola Bay Wild

	FY 2012-13 Year-to-Date as of 2/7/13	FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13		FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14	
			Amount	%		Amount	%
IDG/IDT	\$2,027,200	\$1,412,300	(\$614,900)	(30.3)	\$1,412,300	\$0	0.0
Federal	66,524,800	67,127,300	602,500	0.9	67,127,300	0	0.0
Local	0	0	0	0.0	0	0	0.0
Private	7,239,200	7,237,200	(2,000)	0.0	7,237,200	0	0.0
Restricted	242,353,700	251,325,500	8,971,800	3.7	255,441,100	4,115,600	1.6
GF/GP	19,737,900	27,286,600	7,548,700	38.2	24,904,000	(2,382,600)	(8.7)
Gross	\$337,882,800	\$354,388,900	\$16,506,100	4.9	\$356,121,900	\$1,733,000	0.5
FTEs	2,099.8	2,141.3	41.5	2.0	2,141.3	0.0	0.0

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2014-15 figures are projected budget amounts only and would not be legally binding appropriations.

Overview

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

<u>Major Budget Changes From FY 2012-13 YTD Appropriations</u>		FY 2012-13 YTD (as of 2/7/13)	Executive Changes	
			FY 2012-13 to FY 2013-14	FY 2013-14 to FY 2014-15
1. Funding and FTE Authorization Adjustments	FTE	N/A	(54.5)	0.0
Reduces gross funding authorization by \$14.7 million to align with anticipated revenues; eliminates 54.5 FTE unfilled and unfunded positions. Major restricted funds reductions include:	Gross	N/A	(\$14,689,900)	\$0
<i>Game and Fish Protection Fund</i> \$5.2 million	IDG	N/A	(626,700)	0
<i>Forest Development Fund</i> 5.0 million	Federal	N/A	(37,600)	0
<i>Marine Safety Fund</i> 522,700	Private	N/A	(17,900)	0
<i>Snowmobile Trail Improvement Fund</i> 500,000	Restricted	N/A	(14,007,700)	0
<i>Game and Fish - Turkey Permit Fees</i> 536,300				
<i>Game and Fish - Deer Habitat Reserve</i> 353,300				
2. Hunting and Fishing License Fees Increase	FTEs	N/A	44.0	0.0
Includes additional \$11.4 million restricted funding in FY 2013-14 and 44.0 FTE positions. Funding would be realized through an increase in hunting and fishing license fees. The current license fee structures would be replaced. Hunting licenses would require a base \$10 license that allows hunters to hunt small game and waterfowl. Additional tags can be purchased for deer, turkey, bear, elk, and fur bearing animals to add to base license. The following fishing licenses would be offered: 24 hour all-species license, and all-species licenses for residents, senior residents, and non-residents. Fee increases would begin on March 1, 2014. Proposal estimated to generate \$18.1 million funding annually; a portion of new revenue would fund 16 additional conservation officers and 20 wildlife/fisheries positions. (See chart in back for detailed summary of license increases.)	Gross	N/A	\$11,365,000	\$0
	Restricted	N/A	11,365,000	0

		Executive Changes			
Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 YTD (as of 2/7/13)	FY 2012-13 to FY 2013-14	FY 2013-14 to FY 2014-15	
3. Off Road Vehicle (ORV) License Fee Increase		Gross	N/A	\$2,700,000	\$0
Includes \$2.7 million additional restricted funding to be realized through an increase in ORV licenses from the current annual fee of \$16.25 to a \$26.25 annual fee. Proposal also includes an additional optional cost of \$10 to the license fee to be authorized to ride on state trails.		Restricted	N/A	2,700,000	0
4. Conservation Officer Academy and Training		FTE	N/A	25.0	0.0
Includes \$3.5 million GF/GP funding and 25.0 FTE positions for a conservation officer academy for 25 conservation officers. Of the GF/GP funding, \$2.9 million will be ongoing funding and \$600,000 will be one-time GF/GP funding for the academy.		Gross	N/A	\$3,500,000	(\$600,000)
		GF/GP	N/A	\$3,500,000	(\$600,000)
5. Research Vessel Replacement		Gross	N/A	\$2,000,000	(\$2,000,000)
Includes \$2.0 million one-time GF/GP funding to replace the <i>Chinook</i> , DNR's 65-year-old Great Lakes research vessel. The vessel performs critical assessments on the Great Lakes concerning aquatic invasive species and helps DNR conduct research and annual fish assessments.		GF/GP	N/A	\$2,000,000	(\$2,000,000)
6. Aquatic Invasive Species Prevention and Control		FTE	N/A	1.0	0.0
Includes \$150,000 GF/GP funding and 1.0 FTE position within Fisheries Resource Management to fund an AIS specialist and an Aquatic Invasive Species (AIS) Prevention and Control Program within the DNR.		Gross	N/A	\$150,000	\$0
		GF/GP	N/A	\$150,000	\$0
7. IT Rate Adjustments and Upgrades		Gross	N/A	\$155,200	\$0
Includes additional \$95,700 Gross (\$11,000 GF/GP) funding for IT charges due to program rate changes. Appropriates an additional \$59,500 Gross (\$6,900 GF/GP) for wireless infrastructure and Internet bandwidth rate increases.		Restricted	N/A	137,300	0
		GF/GP	N/A	\$17,900	\$0
8. Accounting Service Center Funding Adjustment		Gross	N/A	\$5,000	\$0
Includes additional restricted funding of \$5,000 as a technical adjustment to properly align expenditures with services received from the accounting service center.		Restricted	N/A	5,000	0
9. Removal of FY 2012-13 One-Time Funding Items		Gross	\$3,892,600	(\$3,892,600)	\$0
Eliminates \$3.9 million one-time funding items from previous year that will not receive any funding in FY 2013-14:		IDG	11,300	(11,300)	0
-State Employees Lump-Sum Payments (\$1.9 million)		Federal	260,500	(260,500)	0
-Dam Management Program (\$2.0 million)		Private	15,500	(15,500)	0
		Restricted	1,509,100	(1,509,100)	0
		GF/GP	\$2,096,200	(\$2,096,200)	\$0
10. Belle Isle		FTEs	N/A	26.0	0.0
Includes additional \$3.7 million GF/GP funding and 26.0 FTE positions for the operation of Belle Isle as a state park, assuming a lease agreement with the City of Detroit. The new FTE positions would include 10.0 additional FTE authorizations within the State Parks program and 10.0 FTE authorizations in General Law Enforcement.		Gross	N/A	\$3,700,000	\$0
		GF/GP	N/A	\$3,700,000	\$0
11. Capital Outlay Projects -- State Parks		Gross	\$12,125,900	(\$2,625,900)	\$0
Reduces funding for state parks repair and maintenance capital outlay projects by \$2.6 million to align funding with available revenue.		Restricted	12,125,900	(\$2,625,900)	\$0
12. Capital Outlay Projects -- Waterways Boating Program		Gross	\$6,250,600	\$10,065,000	\$0
Includes additional \$9.7 million restricted funding and \$338,000 additional federal funding for waterways boating projects. Of the restricted waterways funding, \$9.4 million would be dedicated to emergency dredging of harbors and generated by a portion of a proposed increase in the state gasoline tax.		Federal	1,300,000	338,000	0
		Restricted	4,950,600	9,727,000	0

<u>Major Budget Changes From FY 2012-13 YTD Appropriations</u>		<u>FY 2012-13 YTD (as of 2/7/13)</u>	<u>Executive Changes</u>	
			<u>FY 2012-13 to FY 2013-14</u>	<u>FY 2013-14 to FY 2014-15</u>
13. Economic Adjustments	Gross	N/A	\$4,074,300	\$4,333,000
Reflects increased costs of \$4.1 million Gross (\$277,000 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. Additional increase of \$4.3 million Gross (\$217,400 GF/GP) projected for FY 2014-15.	IDG	N/A	23,100	0
	Federal	N/A	562,600	0
	Private	N/A	31,400	0
	Restricted	N/A	3,180,200	4,115,600
	GF/GP	N/A	\$277,000	\$217,400

Major Boilerplate Changes From FY 2012-13

NOTE: No boilerplate language proposed specific to FY 2014-15.

Executive Boilerplate Deletions

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2012-13 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections deleted.

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. 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 and State Budget Director.

Sec. 230. Measurable Outcomes Report – DELETED

Requires report identifying 10 principal measurable outcomes of budget expenditures.

Sec. 233. FTE Report – DELETED

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

Sec. 235. Website Scorecard – NEW

Requires DNR to maintain on a publicly accessible website a department scorecard with key metrics concerning the agency's performance.

Sec. 406. Historical Program Fees – REVISED

Allows DNR to charge fees for historical program services and museum admissions; Executive eliminates language of legislative intent to allow children under 18 be admitted free to the Michigan Historical Museum, if sufficient funding is available.

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. 801. Abandoned Mine Shaft Closures – DELETED

Appropriates \$350,000 for any declared emergency for the collapse of an abandoned mine shaft on state land.

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. 806. State Forest Campground Closures – DELETED

States legislative intent that the state forest campgrounds proposed by the DNR to be closed will remain open.

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. 1003. Dam Management Program – DELETED

Provides that unexpended funds for the Dam Management Grant Program are considered work project appropriations; requires that a long term plan be part of grant application.

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. 14-807. Disaster and Emergency Contingency Fund – NEW

Includes new language that appropriates up to \$800,000 funding from the Disaster and Emergency Contingency Fund to cover disaster-related costs. Funds cannot be expended without State Budget Director recommendation and notification to House and Senate Appropriations Committees; requires report.

Sec. 14-1104. Federal Reimbursement For Harbor Dredging – NEW

Includes new language that 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.

**DNR FY 2013-14
EXECUTIVE RECOMMENDATION
PROPOSED HUNTING AND FISHING FEE INCREASE**

LICENSE	Current Fee	Proposed Fee	Estimated New Revenue
HUNTING LICENSES			
<u>Base Hunting License (New)</u> <i>Note: Must purchase base license to buy any additional hunting licenses</i>			
• Base License; Resident (small game and waterfowl)	N/A	\$10.00	
• Base License; Non-Resident (small game and waterfowl)	N/A	\$150.00	
• Base License; Junior (small game and waterfowl)	N/A	\$5.00	
• Base Senior License (small game and waterfowl)	N/A	\$4.00	
<u>Hunting License (Increase)</u>			
• Antlerless Deer	\$15.00	\$20.00	\$18.1 million annually (\$11.8 million in FY 2013-14)
• Hunting License Application	\$4.00	\$5.00	
• Bear	\$15.00	\$25.00	
• Bear, Senior	\$6.00	N/A	
• Deer	\$15.00	\$20.00	
• Military (active duty and disabled veteran)	\$1.00	\$0.00	
FISHING LICENSES			
<u>Fishing License (Increase)</u>			
• 24 hour Fishing License	\$7.00	\$15.00	
• 24 hour Fishing License; Senior	\$3.00	N/A	
• Resident All Species Fishing License	\$28.00	\$25.00	
• Resident All Species Fishing License, Senior	\$11.20	\$10.00	
• Non-Resident All Species Fishing License	\$42.00	\$75.00	
OFF ROAD VEHICLE (ORV) LICENSES			
• ORV Base License (Increase)	\$16.25	\$26.25	\$2.7 million annually
• Additional Off-Road Vehicle License Fee for State Trails (New)	\$0	\$10.00	