

**Summary: Executive Budget Recommendation  
for Fiscal Year 2022-23  
DEPARTMENT OF NATURAL RESOURCES**



**Analyst: Austin Scott**

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$203,100	\$203,100	\$0	0.0
Federal	91,291,300	93,630,000	2,338,700	2.6
Local	0	0	0	--
Private	7,039,200	7,039,200	0	0.0
Restricted	317,195,300	337,504,200	20,308,900	6.4
GF/GP	48,612,500	95,775,700	47,163,200	97.0
<b>Gross</b>	<b>\$464,341,400</b>	<b>\$534,152,200</b>	<b>\$69,810,800</b>	<b>15.0</b>
FTEs	2,360.9	2,418.8	57.9	2.5

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (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.

<b>Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations</b>	<b>FY 2021-22 YTD (as of 2/9/22)</b>	<b>Executive Change from YTD</b>
<b>1. State Fish Hatchery Upgrades and Improvements (One-Time)</b> Appropriates \$30.0 million GF/GP for biosecurity, equipment, and infrastructure updates at state fish hatcheries including expansion of facilities and fish production at the Wolf Lake hatchery in Van Buren County.	<b>Gross</b> NA GF/GP NA	<b>\$30,000,000</b> \$30,000,000
<b>2. Equipment Lifecycle Replacement (One-Time)</b> Appropriates \$12.4 million Gross (\$10.9 GF/GP) to replace aging equipment and vehicles in multiple DNR divisions including Fisheries, Forest Resources, and Law Enforcement.	<b>Gross</b> NA Restricted NA GF/GP NA	<b>\$12,421,700</b> 1,550,000 \$10,871,700
<b>3. Great Lakes Research Vessel (One-Time)</b> Appropriates \$4.0 million GF/GP to replace the aging Lake Michigan Survey Vessel.	<b>Gross</b> NA GF/GP NA	<b>\$4,000,000</b> \$4,000,000
<b>4. Mass Timber Facility Newberry Customer Service Center (One-Time)</b> Appropriates \$2.0 million GF/GP for the construction of a facility in Luce County for departmental staff and equipment storage.	<b>Gross</b> NA GF/GP NA	<b>\$2,000,000</b> \$2,000,000
<b>5. Wildfire Protection</b> Appropriates \$751,900 GF/GP to expand wildfire prevention and protection by funding staff overtime and vacancies.	FTE 115.0 <b>Gross</b> \$15,030,900 Federal 1,370,200 Restricted 7,212,500 GF/GP \$6,448,200	0.0 <b>\$751,900</b> 0 0 \$751,900
<b>6. Fisheries Resource Management</b> Appropriates \$652,800 GF/GP and authorizes 4.0 FTE positions to improve state and tribal relations in the co-management of fisheries.	FTE 158.0 <b>Gross</b> \$21,714,000 Federal 4,382,400 Private 136,700 Restricted 16,653,200 GF/GP \$541,700	4.0 <b>\$652,800</b> 0 0 0 \$652,800

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<b>7. Archives of Michigan Digitization (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$485,000</b>
Appropriates \$485,000 GF/GP to digitize and index decaying physical historical records.	GF/GP	NA	\$485,000
<b>8. Parks and Recreation Division Employee Initiatives</b>	FTE	NA	40.8
Appropriates \$9.2 million in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund and authorizes 40.8 FTE positions for division employee recruitment and retention initiatives, including increases in work hours and wages.	<b>Gross</b>	<b>NA</b>	<b>\$9,159,700</b>
	Restricted	NA	9,159,700
	GF/GP	NA	\$0
<b>9. Off-Road Vehicle Trail Improvements</b>	FTE	NA	13.1
Appropriates an additional \$3.1 million of available restricted revenue and authorizes 13.1 FTE positions to support trail improvement grants and law enforcement across Michigan's ORV system.	<b>Gross</b>	<b>NA</b>	<b>\$3,059,900</b>
	Restricted	NA	3,059,900
	GF/GP	NA	\$0
<b>10. State Parks Improvement Revenue Bonds – Debt Service</b>	<b>Gross</b>	<b>\$1,201,800</b>	<b>(\$1,201,800)</b>
Eliminates \$1.2 million from the Park Improvement Fund as no debt payments are required after FY 2021-22.	Restricted	1,201,800	(1,201,800)
	GF/GP	\$0	\$0
<b>11. Parks and Recreation Division Campsite and Harbor Operations</b>	<b>Gross</b>	<b>NA</b>	<b>\$2,820,000</b>
Appropriates \$2.8 million in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund to increase funding for state campsites and harbors.	Restricted	NA	2,820,000
	GF/GP	NA	\$0
<b>12. Pay Increases for Recruitment and Retention of Short-Term Employees</b>	<b>Gross</b>	<b>NA</b>	<b>\$678,800</b>
Appropriates \$678,800 in available federal and restricted revenue to provide pay increases for short-term employees in fisheries, shooting ranges, and cultural centers.	Federal	NA	130,100
	Restricted	NA	548,700
	GF/GP	NA	\$0
<b>13. Marketing and Outreach</b>	FTE	137.3	0.0
Appropriates \$297,800 in available restricted revenue to align spending authorization with available Youth Hunting and Fishing Education and Outreach funding, to support the increased online credit card processing of hunting and fishing licenses, and to support maintenance of the MiConnect Outdoors license sales system.	<b>Gross</b>	<b>\$14,705,400</b>	<b>\$297,800</b>
	Federal	1,721,600	0
	Restricted	12,682,400	297,800
	GF/GP	\$301,400	\$0
<b>14. Wildlife Management</b>	FTE	221.5	0.0
Appropriates \$100,000 in available restricted revenue to align spending authorization with available Pheasant Hunting License fee revenue.	<b>Gross</b>	<b>\$46,042,300</b>	<b>\$100,000</b>
	Federal	25,638,700	0
	Private	315,700	0
	Restricted	15,635,300	100,000
	GF/GP	\$4,452,600	\$0
<b>15. Capital Outlay – State Parks Repair and Maintenance</b>	<b>Gross</b>	<b>\$16,100,000</b>	<b>\$3,100,000</b>
Appropriates \$3.1 million in available restricted revenue from Recreation Passport Fees for state park infrastructure maintenance, renovation, and upgrades.	Restricted	14,600,000	3,100,000
	GF/GP	\$1,500,000	\$0
<b>16. Capital Outlay – State Game and Wildlife Area Infrastructure</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,400,000</b>
Establishes new appropriation of \$1.4 million Gross (\$0 GF/GP) for facility improvements and wildlife restoration projects at state game areas.	Federal	NA	1,050,000
	Restricted	NA	350,000
	GF/GP	NA	\$0
<b>17. Capital Outlay – State Boating Infrastructure Maintenance</b>	<b>Gross</b>	<b>\$7,752,500</b>	<b>\$1,100,000</b>
Appropriates \$1.1 million in available federal and Michigan State Waterways funding for facility maintenance and infrastructure projects at state harbors and boating access sites.	Federal	1,075,000	400,000
	Restricted	6,677,500	700,000
	GF/GP	\$0	\$0

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<b>18. Capital Outlay – Wetlands Restoration, Enhancement, and Acquisition</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,000,000</b>
	Restricted	NA	1,000,000
Reestablishes appropriation of \$1.0 million from Waterfowl Hunt Stamp revenue to facilitate access for public recreation in wetland areas. This program was last funded in FY 2020-21.	GF/GP	NA	\$0
<b>19. Capital Outlay – Local Boating Infrastructure Maintenance and Improvements</b>	<b>Gross</b>	<b>\$3,322,500</b>	<b>\$300,000</b>
	Restricted	3,322,500	300,000
Appropriates \$300,000 in available Michigan State Waterways funding for local grants for facility maintenance and infrastructure projects at publicly-accessible local harbors and boating access sites	GF/GP	\$0	\$0
<b>20. Removal of FY 2021-22 One-Time Funding</b>	<b>Gross</b>	<b>\$8,495,800</b>	<b>(\$8,495,800)</b>
	Restricted	6,000,000	(6,000,000)
Removes \$8.5 million Gross (\$2.5 million GF/GP) for one-time projects included in the FY 2021-22 budget. Projects included Chronic Wasting Disease Testing, Fish Hatchery Energy Efficiencies, and Kalamazoo River Watershed Improvements.	GF/GP	\$2,495,800	(\$2,495,800)
<b>21. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$6,180,800</b>
	Federal	NA	758,600
	Restricted	NA	4,524,600
Reflects increased costs of \$6.2 million Gross (\$897,600 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	GF/GP	NA	\$897,600

### **Major Boilerplate Changes from FY 2021-22**

#### **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. *(Governor's signing letter stated this section was unenforceable.)*

#### **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 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. *(Governor's signing letter stated this section was unenforceable.)*

#### **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. *(Governor's signing letter stated this section was unenforceable.)*

#### **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.

## **Major Boilerplate Changes from FY 2021-22**

### **Sec. 221. Severance Reporting – DELETED**

Requires department to report details of severance pay for certain departmental employees.

### **Sec. 222. COVID-19 Vaccine Disclosure – DELETED**

Prohibits state officials from requiring COVID-19 vaccine disclosure as a condition of receiving state services or developing a vaccine passport.

### **Sec. 225. Contracts and Grants for Local Governments, Colleges and Universities, Nonprofits – DELETED**

Authorizes department to contract with or provide grants to local governments, institutions of higher education, or nonprofits.

### **Sec. 408. Land Transactions – DELETED**

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

### **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. If lost revenue does not exceed \$505,000 by February 1 then the department is required to end the discount and allocate remaining funding to the Habitat Improvement Partnership Initiative. Revises lost revenue date to a date to be specified by the department but not before November 15 and replaces the Deer Habitat Initiative with "costs associated with testing for chronic wasting disease that were harvested outside the areas designated as chronic wasting disease surveillance areas where sample collection sites are available" and provides for the department to implement this change "in a form and manner prescribed by the department.

### **Sec. 601. Stream Habitat Improvement Grant – 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.

### **Sec. 602. Water Control Structure Certification – DELETED**

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

### **Sec. 802. Timber Marking – REVISED**

Requires department to report quarterly on number of acres of state forest land marked or treated for timber harvest. Revised to exclude specific reporting requirements.

### **Sec. 803. Federal Forest Fire Compact Expenditure Authorization – REVISED**

Authorizes expenditure of funds for forest fire suppression efforts on federal lands, provided DNR is reimbursed. Revised to add hazard incidents as allowable expenditure.

### **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. 1201. Chronic Wasting Disease Testing – DELETED**

Directs expenditure of funding for the provision of CWD check stations or drop stations in core CWD areas, management zones, or surveillance areas before the 2022 hunting season.

### **Sec. 1202. Kalamazoo River Watershed Improvements – Capital Outlay – DELETED**

Directs expenditure of funding for Kalamazoo River watershed improvements in accordance with the Kalamazoo River Supplemental Restoration Plan.