

**Summary: Executive Budget Recommendation  
for Fiscal Years 2011-12 and 2012-13  
DEPARTMENT OF NATURAL RESOURCES**



Analyst: Viola Bay Wild

|                   | FY 2010-11<br>Year-to-Date<br>as of 2/17/11 | FY 2011-12<br>Executive | Difference: FY 2011-12<br>Vs. FY 2010-11 |            | FY 2012-13<br>Executive | Difference: FY 2012-13<br>Vs. FY 2011-12 |            |
|-------------------|---|-------------------------|--|------------|-------------------------|--|------------|
|                   |   |                         | Amount                                   | %          |                         | Amount                                   | %          |
| <b>IDG/IDT</b>    | \$1,830,100                                 | \$1,935,000             | \$104,900                                | 5.7        | \$1,935,000             | \$0                                      | 0.0        |
| <b>Federal</b>    | 78,713,500                                  | 69,319,800              | (9,393,700)                              | (11.9)     | 68,668,800              | (651,000)                                | (0.9)      |
| <b>Local</b>      | 0   | 0                       | 0  | 0          | 0                       | 0  | 0          |
| <b>Private</b>    | 5,824,400                                   | 2,842,400               | (2,982,000)                              | (51.2)     | 2,842,400               | 0  | 0.0        |
| <b>Restricted</b> | 220,947,800                                 | 242,382,400             | 21,434,600                               | 9.7        | 249,018,700             | 6,636,300                                | 2.7        |
| <b>GF/GP</b>      | 15,986,900                                  | 13,716,200              | (2,270,700)                              | (14.2)     | 14,064,500              | 348,300                                  | 2.5        |
| <b>Gross</b>      | <b>\$323,302,700</b>                        | <b>\$330,195,800</b>    | <b>\$6,893,100</b>                       | <b>2.1</b> | <b>\$336,529,400</b>    | <b>\$6,333,600</b>                       | <b>1.9</b> |
| <b>FTEs</b>       | 2,192.4                                     | 2,176.4                 | (16.0)                                   | (0.7)      | 2,176.4                 | 0.0                                      | 0.0        |

**Notes:**

- (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. Year-to-Date numbers are estimates of DEQ's funding after being separated from DNRE by E.O. 2011-1.
- (2) FY 2012-13 figures are projected or proposed budget amounts only and would not be legally-binding appropriations.
- (3) 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. 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.

| <b>Major Budget Changes From FY 2010-11 YTD Appropriations</b>  |              | FY 2010-11 YTD<br>(as of 2/17/11) | Executive Changes           |                             |
|---|--------------|-----------------------------------|-----------------------------|-----------------------------|
|   |              |                                   | FY 2010-11 to<br>FY 2011-12 | FY 2011-12 to<br>FY 2012-13 |
| <b>1. Early Retirement Savings</b>  | <b>Gross</b> | <b>N/A</b>                        | <b>(\$283,900)</b>          | <b>\$0</b>                  |
| Includes \$283,900 Gross and GF/GP savings realized from the FY 2010-11 early retirement incentive program.   | GF/GP        | N/A                               | (\$283,900)                 | 0                           |
| <b>2. GF/GP Reductions</b>  | FTE          | N/A                               | (2.0)                       | 0.0                         |
| Reduces funding by \$838,100 Gross and GF/GP by decreasing funding for various programs. Savings realized from a \$92,400 reduction in Law Enforcement, the elimination of 2.0 FTEs and \$253,100 GF/GP funding for Historical Programs, \$184,700 administrative cost savings, and \$307,900 reduction in Wildlife Division programs which includes \$115,000 reduction in funding for captive cervid program. | <b>Gross</b> | <b>N/A</b>                        | <b>(\$838,100)</b>          | <b>\$0</b>                  |
|   | GF/GP        | N/A                               | (\$838,100)                 | \$0                         |
| <b>3. Mackinac Island State Park Commission</b>   | <b>Gross</b> | <b>N/A</b>                        | <b>\$0</b>                  | <b>\$0</b>                  |
| Reduces GF/GP funding by \$1.6 million and recommends a funding shift of \$1.6 million from GF/GP to Michigan State Park Endowment Fund (MSPEF); MSPEF restricted funding remains in State Parks line item and the Commission will work cooperatively with State Parks to share MSPEF funding, resources and services.  | Restricted   | N/A                               | 1,561,900                   | 0                           |
|   | GF/GP        | N/A                               | (\$1,561,900)               | \$0                         |
| <b>4. Recreation Passport Revenue</b>   | <b>Gross</b> | <b>N/A</b>                        | <b>\$3,114,000</b>          | <b>\$0</b>                  |
| Increases restricted funding to numerous programs by \$3.1 million to reflect additional revenue from Recreation Passport program.  | Restricted   | N/A                               | 3,114,000                   | 0                           |

| <u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>  |              | FY 2010-11 YTD<br>(as of 2/17/11) | Executive Changes           |                             |
|---|--------------|-----------------------------------|-----------------------------|-----------------------------|
|   |              |                                   | FY 2010-11 to<br>FY 2011-12 | FY 2011-12 to<br>FY 2012-13 |
| <b>5. Great Lakes Restoration Initiative (GLRI)</b>   | <b>Gross</b> | <b>\$15,000,000</b>               | <b>(\$5,000,000)</b>        | <b>\$0</b>                  |
| Reduces federal funding authorization by \$5.0 million for the GLRI competitive grant program to align with anticipated grant awards.   | Federal      | 15,000,000                        | (5,000,000)                 | 0                           |
| <b>6. Funding Authorization Reductions</b>  | <b>Gross</b> | <b>N/A</b>                        | <b>(\$3,039,200)</b>        | <b>\$0</b>                  |
| Reduces federal, state restricted, and private funding authorizations by \$3.0 million to align with anticipated revenues.  | Federal      | N/A                               | (1,000)                     | 0                           |
| Reduced restricted funds include Game and Fish Fund - Turkey Permit Fees, Game and Fish Fund - Wildlife Resources Protection Fund, History Fees, Cervidae Licensing Fees, Public Use Deed Fees, and ORV Trail Improvement Fund, among others.   | Private      | N/A                               | (1,050,000)                 | 0                           |
|   | Restricted   | N/A                               | (1,988,200)                 | 0                           |
| <b>7. Accounting Consolidation Changes</b>  | FTE          | 14.0                              | (14.0)                      | 0.0                         |
| Transfers 14.0 FTEs to MDOT to consolidate accounting staff from various departments. The \$1.3 million Gross and \$155,000 GF/GP funding associated with the FTEs will remain in the DNR budget and fund an Accounting Service Center.   | <b>Gross</b> | <b>\$1,348,500</b>                | <b>\$0</b>                  | <b>\$0</b>                  |
|   | Restricted   | 1,193,500                         | 0                           | 0                           |
|   | GF/GP        | \$155,000                         | \$0                         | \$0                         |
| <b>8. Captive Cervid Fee Proposal</b>   | <b>Gross</b> | <b>N/A</b>                        | <b>\$115,000</b>            | <b>\$0</b>                  |
| Includes \$115,000 additional restricted funding to the Cervidae Licensing & Inspection Fees Fund to be realized through an increase in fees on private captive cervid facilities so that fee revenue will support the program.   | Restricted   | N/A                               | 115,000                     | 0                           |
| <b>9. Capital Outlay Projects</b>   | <b>Gross</b> | <b>\$18,978,600</b>               | <b>\$6,101,400</b>          | <b>\$570,000</b>            |
| Increases funding in FY 2011-12 for parks, forestry and waterways capital outlay projects by \$6.1 million Gross. Proposed Capital Outlay funding totals \$25.1 million. For FY 2012-13, proposed Capital Outlay funding is increased by \$570,000 Gross.   | Federal      | 9,075,000                         | (5,325,000)                 | (1,500,000)                 |
|   | Private      | 2,000,000                         | (2,000,000)                 | 0                           |
|   | Restricted   | 7,903,600                         | 13,426,400                  | 2,070,000                   |
| <b>10. Economics</b>  | <b>Gross</b> | <b>N/A</b>                        | <b>\$6,723,900</b>          | <b>\$5,763,600</b>          |
| Increases funding in FY 2011-12 by \$6.7 million Gross and \$413,200 GF/GP for economic increases in retirement costs and Worker's Compensation costs. Total includes \$216,900 Gross and \$26,000 GF/GP for DIT economics. For FY 2012-13, proposed funding for economics is increased by an additional \$5.8 million Gross and \$348,300 GF/GP. | IDG          | N/A                               | 104,900                     | 0                           |
|   | Federal      | N/A                               | 932,300                     | 849,000                     |
|   | Private      | N/A                               | 68,000                      | 0                           |
|   | Restricted   | N/A                               | 5,205,500                   | 4,566,300                   |
|   | GF/GP        | N/A                               | \$413,200                   | \$348,300                   |

### Major Boilerplate Changes From FY 2010-11

**NOTE:** No boilerplate language is proposed for FY 2012-13.

#### **Sec. 204. Civil Service Charges – DELETED**

Requires Civil Service to charge state departments 1% of salary payments.

#### **Sec. 208. DIT User Fees – DELETED**

Directs Department to pay user fees to DTMB for technology-related services and projects.

#### **Sec. 209. Out-of-State Travel Restrictions – DELETED**

Limits purpose/amount of out-of-state travel; requires annual report on January 1 for prior fiscal year.

#### **Sec. 210. Purchase of Foreign Goods and Services – DELETED**

Prohibits purchase of foreign goods and services if competitively priced and comparable American goods or services are available; requires preference for goods and services from Michigan businesses and businesses owned and operated by veterans.

#### **Sec. 211. Businesses in Economically Deprived or Depressed Communities – DELETED**

Encourages contracts with vendors located in economically depressed communities.

#### **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. 213. Rule Promulgation – DELETED**

Requires report on policy changes made to implement a public act; Department is not allowed to adopt a rule that will apply to a small business if it has a disproportionate economic impact.

## **Major Boilerplate Changes From FY 2010-11**

### **Sec. 214. Legal Services – DELETED**

Department may not hire attorneys to provide legal services provided by the Attorney General.

### **Sec. 215. Contingency Fund Transfer Authority – REVISED**

Provides authority for contingency fund transfers: up to \$3.0 million federal, \$10.0 million restricted, \$100,000 local, and \$1.0 million private; transfers must be approved by both House and Senate appropriations committees. (Renumbered Sec. 14-205.)

### **Sec. 218. Pending Permits – DELETED**

Any permit application pending after a 2-year period shall be considered administratively complete on January 1, 2011.

### **Sec. 222. Restricted Fund Revenue, Expenditures, Fund Balances, and FTE Information – DELETED**

Requires report of revenue, spending, and estimated year-end balance for each restricted fund appropriated; requires report on number and funding of FTE positions that are supported by each line item.

### **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 by January 31, 2011.

### **Sec. 225. Out-of-State State Employee Training – DELETED**

Prohibits out-of-state travel to attend a conference or seminar for more than one employee unless the travel is funded by a federal or private source, or conference includes multiple issues in which one employee does not have expertise.

### **Sec. 233. FTE Report and Expenditure Report – DELETED**

Requires report on the number of FTEs in pay status; report required quarterly; requires expenditures to be reported on a publicly accessible internet site, including the purpose for which the expenditures were made.

### **Sec. 234. Website Expenditure Posting Cost – DELETED**

Directs Department to spend less than \$10,000 to post expenditures on the website.

### **Sec. 306. Historical Program Fees – REVISED**

Allows DNRE to charge fees for historical program services and museum admissions; **Executive** eliminates language that requires children under 18 be admitted free to the Michigan Historical Museum.

### **Sec. 307. Freedom Trail Funding – DELETED**

Requires \$22,500 funding for historical administration and services be appropriated for the Freedom Trail Commission.

### **Sec. 308. Land Transactions – DELETED**

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

### **Sec. 406. Operational Memoranda – DELETED**

Prohibits expenditure of funds if using operational memoranda or similar documents to impose regulations on individuals or businesses conducting environmental cleanup projects without written consent.

### **Sec. 501. Bovine TB Eradication Efforts – DELETED**

Requires annual report on enforcement actions taken to eradicate bovine TB, relevant scientific studies and the number of deer found to be infected.

### **Sec. 502. Livestock Loss Indemnification – DELETED**

Requires Department to reimburse Department of Agriculture for livestock losses caused by wolves, coyotes, or cougars.

### **Sec. 702. State Park Campground Closures – DELETED**

Requires Department to notify Legislature if reduced operations or recreation opportunities are planned at any state park or recreation area.

### **Sec. 703. Porcupine Mountain Ski Hill – DELETED**

Prohibits Department from altering or stopping operations of the ski hill or demolishing any buildings related to the ski hill in Porcupine Mountains Wilderness State Park.

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

Directs Department to mark and prescribe treatment on 63,000 acres, prepare for harvest 58,000 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. 807. Timber Industry Meetings – DELETED**

Directs Department Director to meet semiannually with timber industry representatives to discuss timber industry issues.

**Major Boilerplate Changes From FY 2010-11**

***Sec. 808. State Forest Campgrounds Mini-State Parks Pilot Program – DELETED***

Requires a strategic plan be developed to incorporate selected state forest campgrounds into the state park system as mini-state parks and develop a pilot program using 6 of the state forest campgrounds closed by E.O. 2009-22; requires report.

***Sec. 901. Snowmobile Law Enforcement Grants – DELETED***

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

***Sec. 1003. Off Road Vehicle (ORV) Trail Improvement Grants – DELETED***

Requires the 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.