



Background Briefing

NATURAL RESOURCES AND ENVIRONMENT

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The fiscal information in this background briefing is based on data through January 1, 2011.

Department of Natural Resources and Environment (DNRE) Budget

On January 17, 2010, the Department of Natural Resources and the Department of Environmental Quality were merged into one new department, the DNRE, in accordance with Executive Order 2009-45.

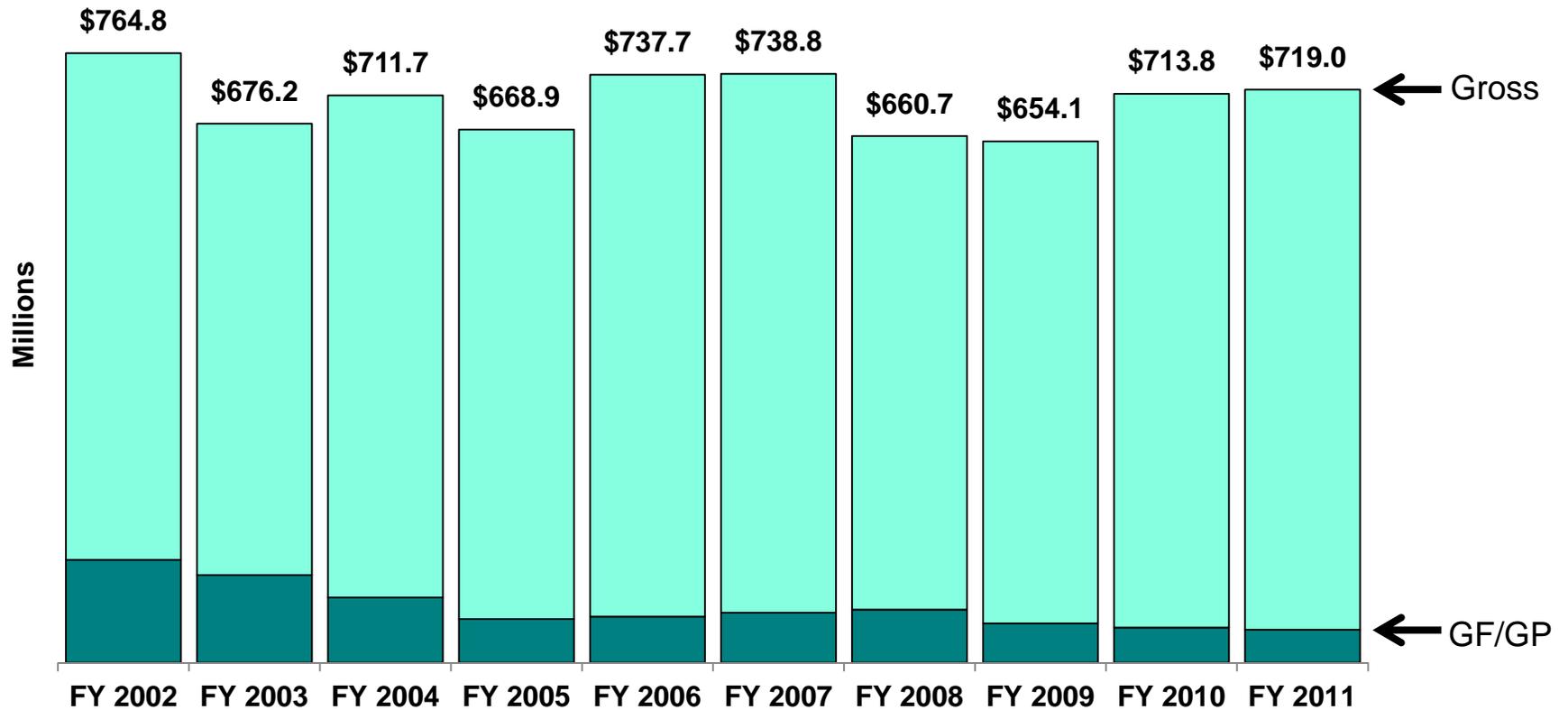
Major DNRE natural resource programs do the following:

- Manage the state wildlife and fisheries environments and populations
- Administer the state park system and state boating programs
- Manage state land and timber resources
- Regulate the development of Michigan's oil, gas, and mineral resources
- Provide law enforcement for game and fish laws

Major DNRE environmental programs do the following:

- Administer cleanup and reuse of contaminated properties
- Protect water quality of surface waters and local water supplies
- Monitor air pollution emissions and regulate through air quality permits

DNRE: Gross Appropriations

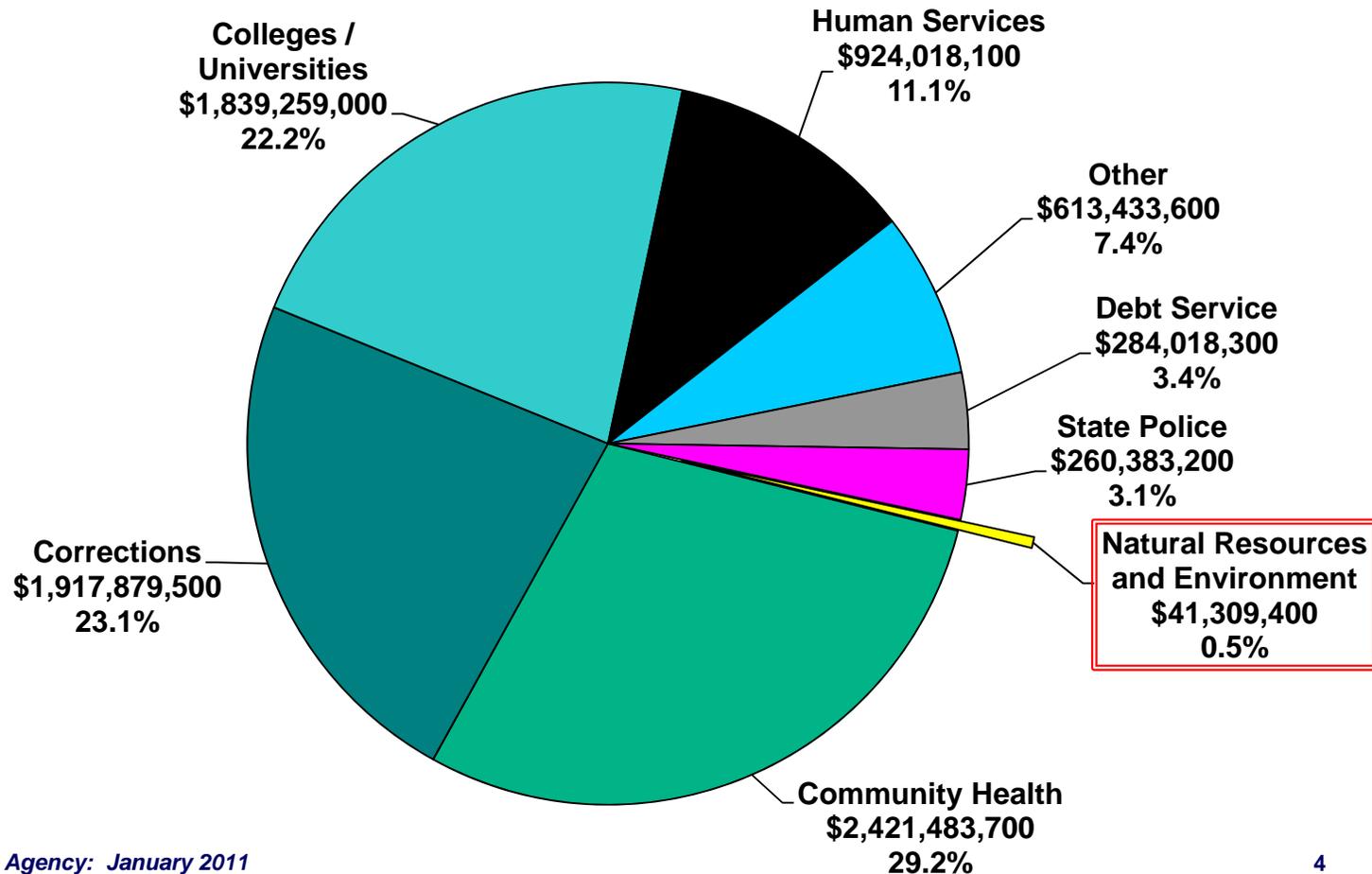


FY 2009 amount does not include \$248.6 million in one-time American Reinvestment and Recovery Act (ARRA) funding; FY 2010 and FY 2011 both include \$65.0 million new federal funding for the Great Lakes Restoration Initiative.

DNRE Share of State GF/GP

DNRE makes up 0.5% of the total state GF/GP budget

FY 2010-11 GF/GP Total = \$8,301,784,800

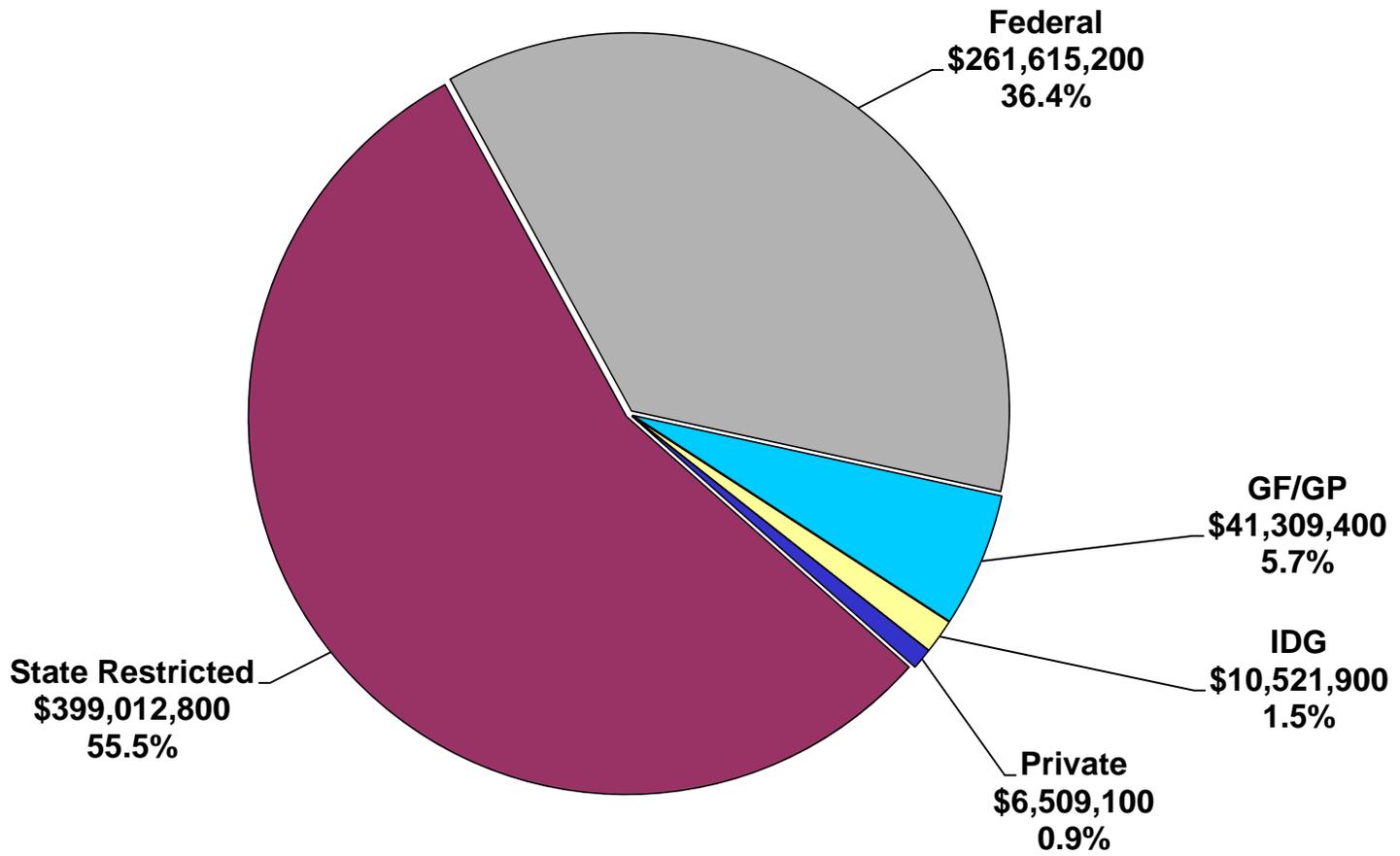


SOURCES OF FUNDING

DNRE Funding Sources

State restricted funds and federal revenue represent over 90% of funding in the DNRE budget.

FY 2010-11 Gross = \$718,968,400



DNRE Revenue

- For FY 2010-11, the DNRE budget totals \$719.0 million. Of that amount, only 5.8% is GF/GP funding (\$41.3 million).
- 55.5% of funding is from state restricted revenue (mainly license and permit fees).
- From FY 1999-2000 to FY 2010-11, GF/GP funding has decreased by over 75%: from \$174.0 million to \$41.3 million.
- Since the 1990s, within the DNR and the DEQ budgets, increasing amounts have been appropriated from fee revenue and other restricted revenue sources.
- In FY 2010-11, 32.1% of restricted funding (\$128.1 million) is appropriated from funds that have constitutional restrictions on their use.
- Both FY 2009-10 and FY 2010-11 include \$65.0 million of new federal funding for a new program, the Great Lakes Restoration Initiative.

DEPARTMENT APPROPRIATIONS

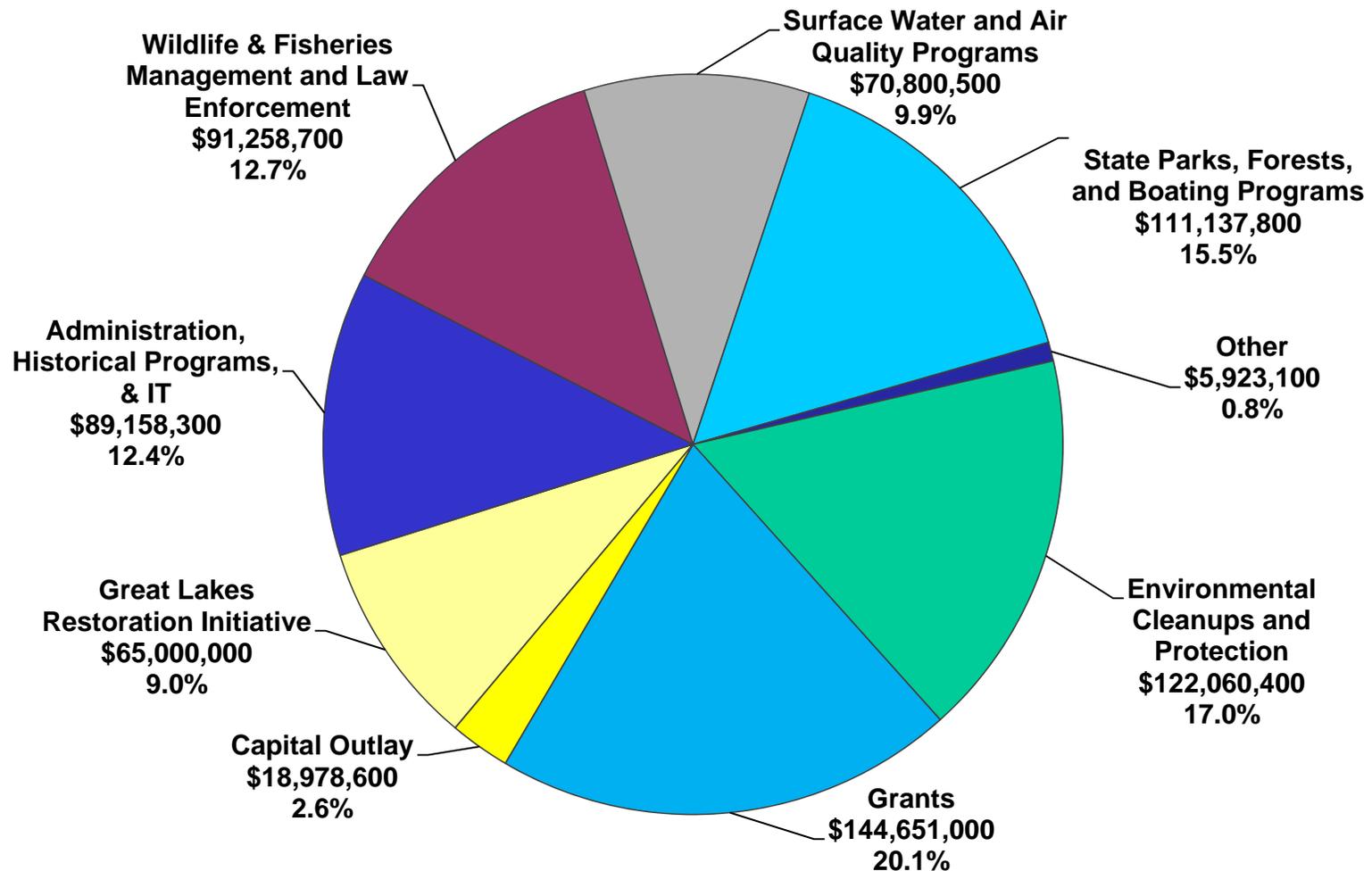
DNRE Appropriations

The DNRE budget is allocated into the following major spending areas:

- Administration/ Historical Programs/ IT
- Wildlife and Fisheries Management/ Law Enforcement
- Surface Water and Air Quality
- State Parks, Forests, and Boating
- Environmental Cleanups and Protection
- Grants
- Great Lakes Restoration Initiative
- Capital Outlay

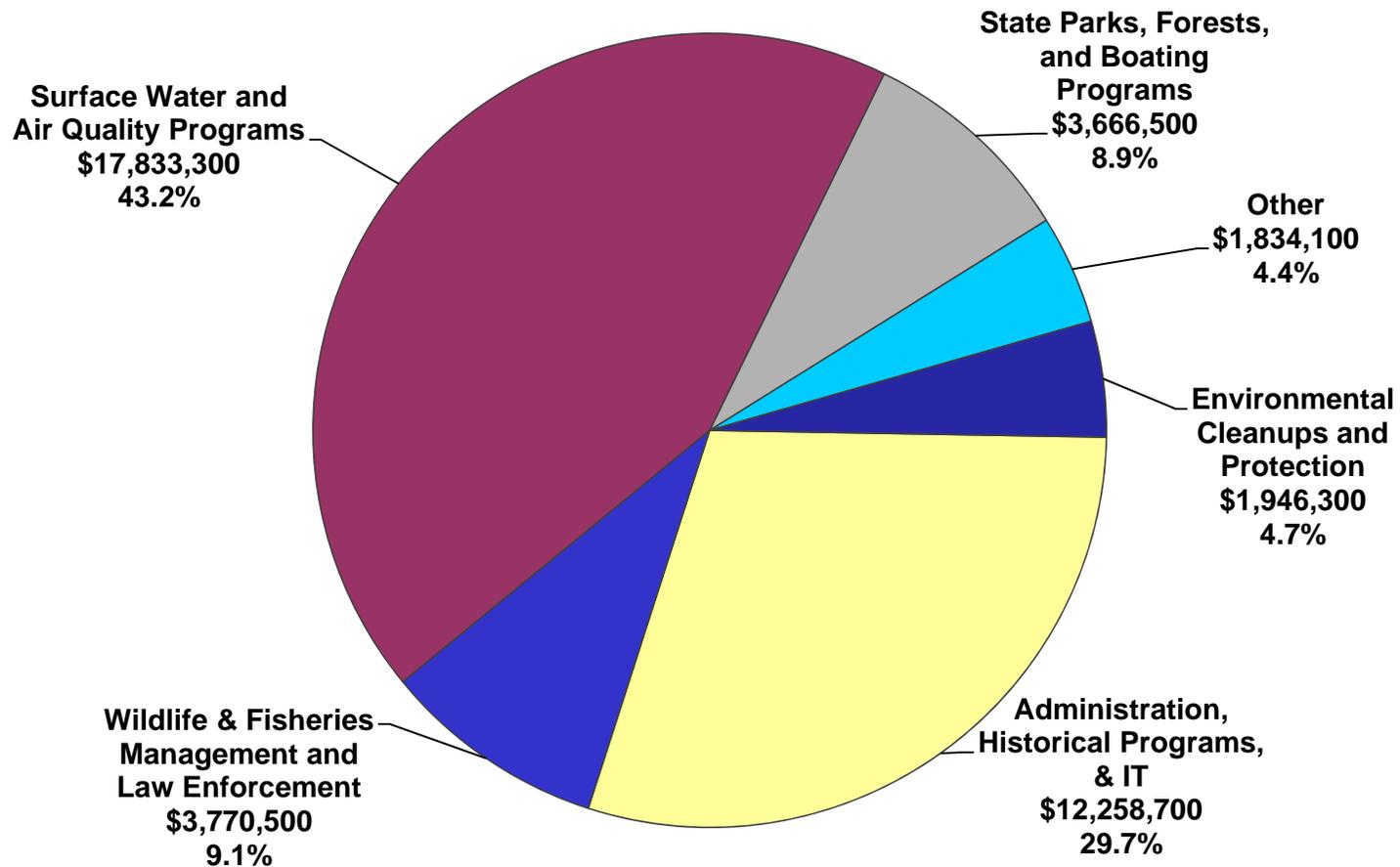
DNRE Appropriations

FY 2010-11 Gross = \$718,968,400



DNRE GF/GP Appropriations by Category

FY 2010-11 GF/GP = \$41,309,400



MAJOR BUDGET ISSUES

DNRE Major Programs

The DNRE budget supports both environmental and natural resource programs. Major programs include the following:

Environmental Quality

- Office of the Great Lakes – lead state agency for the policies and programs to protect and guide the management of the Great Lakes.
- Surface Water – protects the water quality of the state’s surface waters, issues permits for the discharge of industrial and municipal waste waters, inspects wastewater treatment facilities, and monitors large scale water withdrawals.
- Air Quality – protects the state’s air quality through monitoring air pollution emissions, inspecting emission sources, and issuing air quality permits.
- Waste and Hazardous Materials – regulates the disposal of hazardous and non-hazardous solid and liquid wastes, scrap tires, radioactive materials, and the land application of processed solid waste.
- Environmental Cleanups – promotes the cleanup and reuse of contaminated properties through response activities at contamination sites and funds the cleanup of leaking underground storage tanks.

DNRE Major Programs (Continued)

Natural Resources

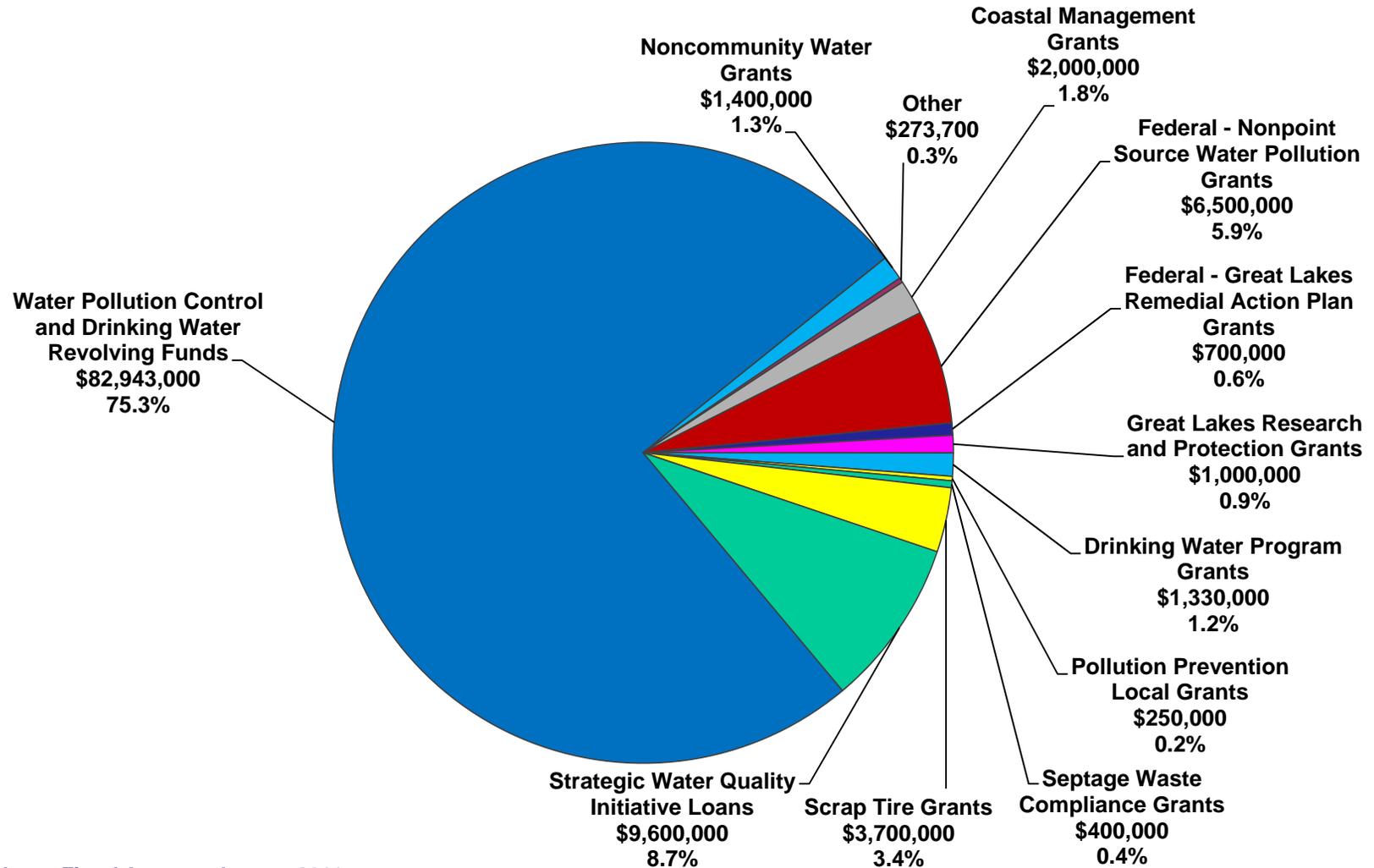
- **Marketing and Education** – funding for education programs, including hunter safety education, publications, and the sale of hunting and fishing licenses.
- **Wildlife and Fisheries Management** – manages state wildlife and fishery resources by creating and protecting habitats, populations, and providing wildlife recreational opportunities.
- **State Parks and Boating Areas** – manages 98 state parks and 1,000 public boat launches.
- **State Forests** – manage state forests. Program administers the sale of timber products commercially, manages the development of the state's oil, gas, and mineral resources, and oversees the state's 145 state forest campgrounds.
- **Law Enforcement** – enforces game and fish laws. Division also conducts criminal investigations concerning environmental issues.

DNRE Grants and Loan Programs

- The DNRE awards grants, administers loan programs and distributes payments to local units of government and nonprofit organizations.
- 20% of total department funding is distributed to communities and nonprofit organizations through these programs (\$144.7 million).
- The grant and loan programs receive no GF/GP funding; programs are funded with federal revenue, state restricted funding, and private funds.
- There are 14 environmental grant/loan programs. 75% of the funding is for the Water Pollution Control and Drinking Water Revolving Fund which funds water pollution and drinking water capital project loans.
- Environmental grants also fund pollution prevention programs, Great Lakes research, radon detection programs, septage waste transportation programs, and scrap tire removal.
- The Department administers 14 natural resources grant and payment programs. These programs fund forestry activities, forest firefighting equipment, ORV and snowmobile trail improvements, land acquisition, and royalty payments to local governments.

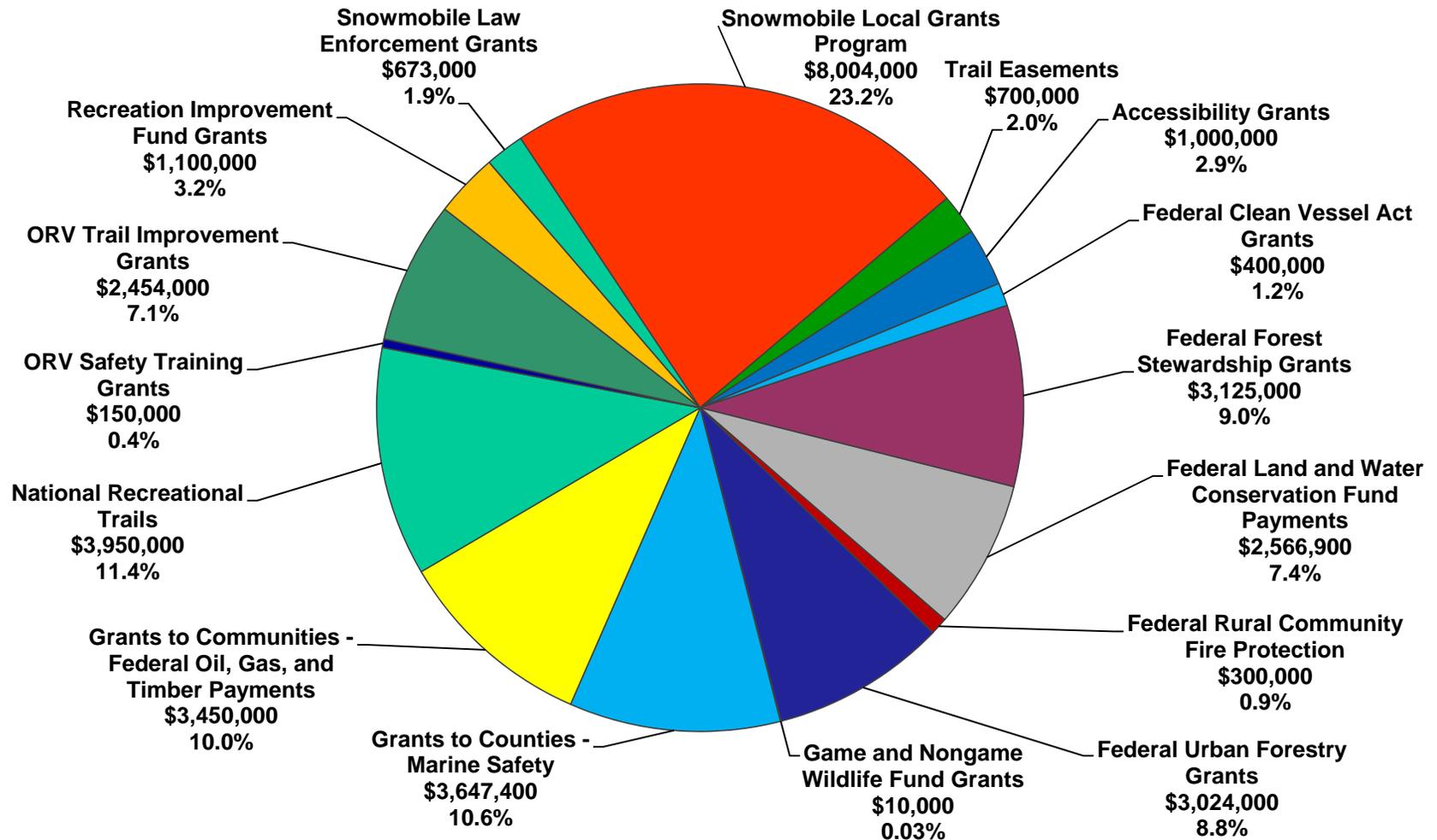
DNRE Environmental Grant Programs

FY 2010-11 Gross = \$110,096,700



DNRE Natural Resource Grant Programs

FY 2010-11 Gross = \$34,554,300



DNRE Restricted Funds in the Michigan Constitution

There are five restricted funds in the DNRE budget that have constitutional restrictions on the fund revenues and how the funding may be used. In FY 2010-11, 32.1% of the restricted funding in the DNRE budget (\$128.1 million) is appropriated from these funds:

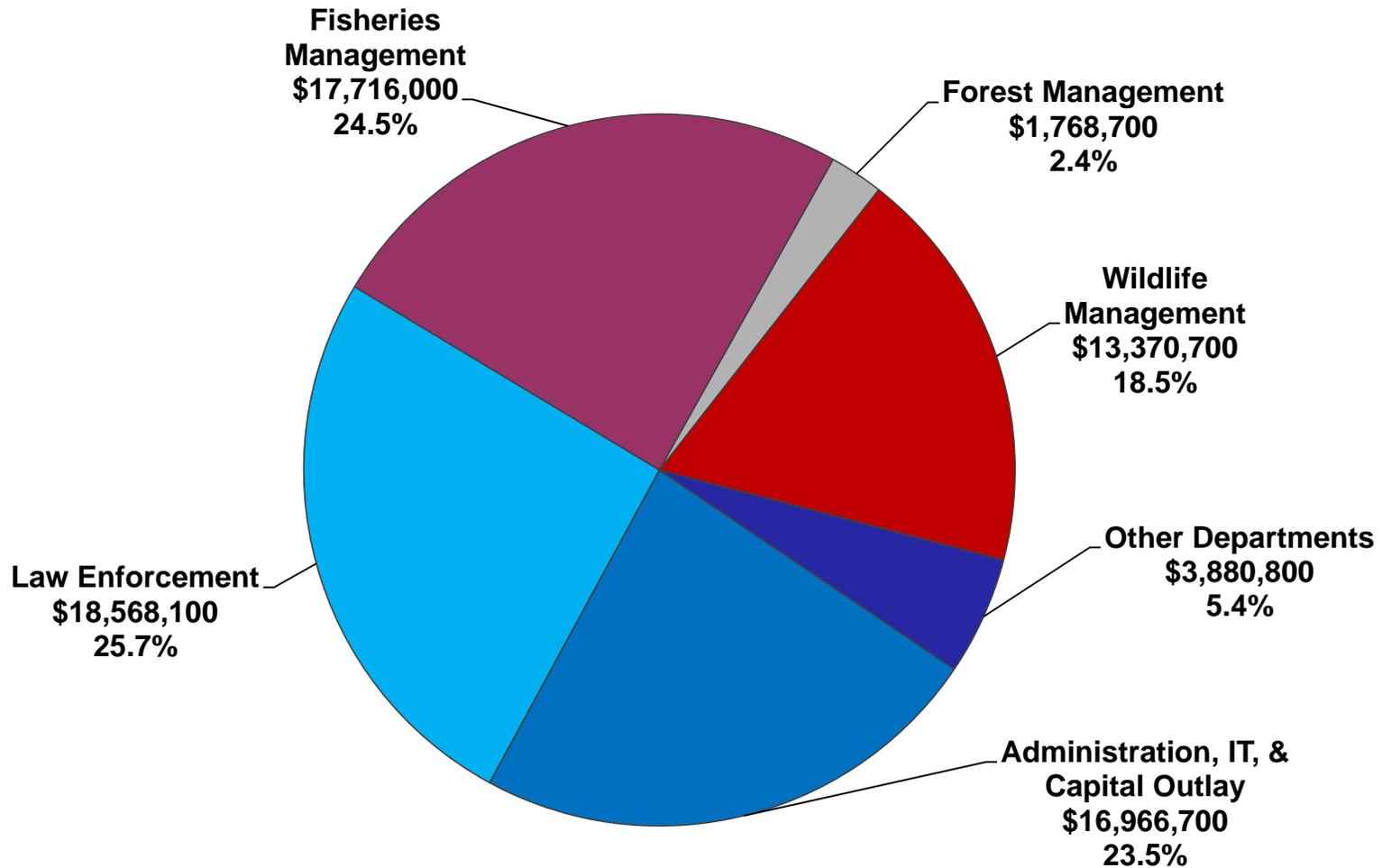
- **Michigan Natural Resources Trust Fund (MNRTF)**
 - revenues from the sale of oil and gas leases on state lands purchased with MNRTF funding are deposited into MNRTF.
- **Michigan State Parks Endowment Fund (MSPEF)**
 - funds land acquisition and state park operation and maintenance.
- **Michigan Conservation and Recreation Legacy Fund**
 - includes 7 restricted funds that receive user fees and tax revenue.
- **Michigan Game and Fish Protection Trust Fund**
 - revenues from the sale of oil and gas leases on state lands purchased with Game and Fish funding are deposited into the Fund.
- **Michigan Nongame Fish and Wildlife Trust Fund**
 - receives revenue from the sale of wildlife habitat license plates.

Game and Fish Protection Fund

- **The largest restricted funding source within the DNRE is from the Game and Fish Protection Fund, which is financed principally from the sale of hunting and fishing licenses.**
- **In FY 2010-11, \$68.4 million is appropriated from this fund and its sub funds in the DNRE budget. An additional \$3.9 million is appropriated to other departments for natural resource-related expenditures.**
- **The number of licensed hunters and fishers has been declining over the last 20 years.**
- **The decline in license and fee revenue has resulted in expenditure reductions for game and fish management programs.**

Statewide Game and Fish Fund Appropriation

FY 2010-11 Gross = \$72,271,000



Michigan Historical Program

The Michigan Historical Program was transferred to the DNR from the Department of History, Arts, and Libraries (DHAL) in FY 2008-09. The program provides advice on site management, maintenance and preservation of Michigan records, archives, and the State Historical Museum.

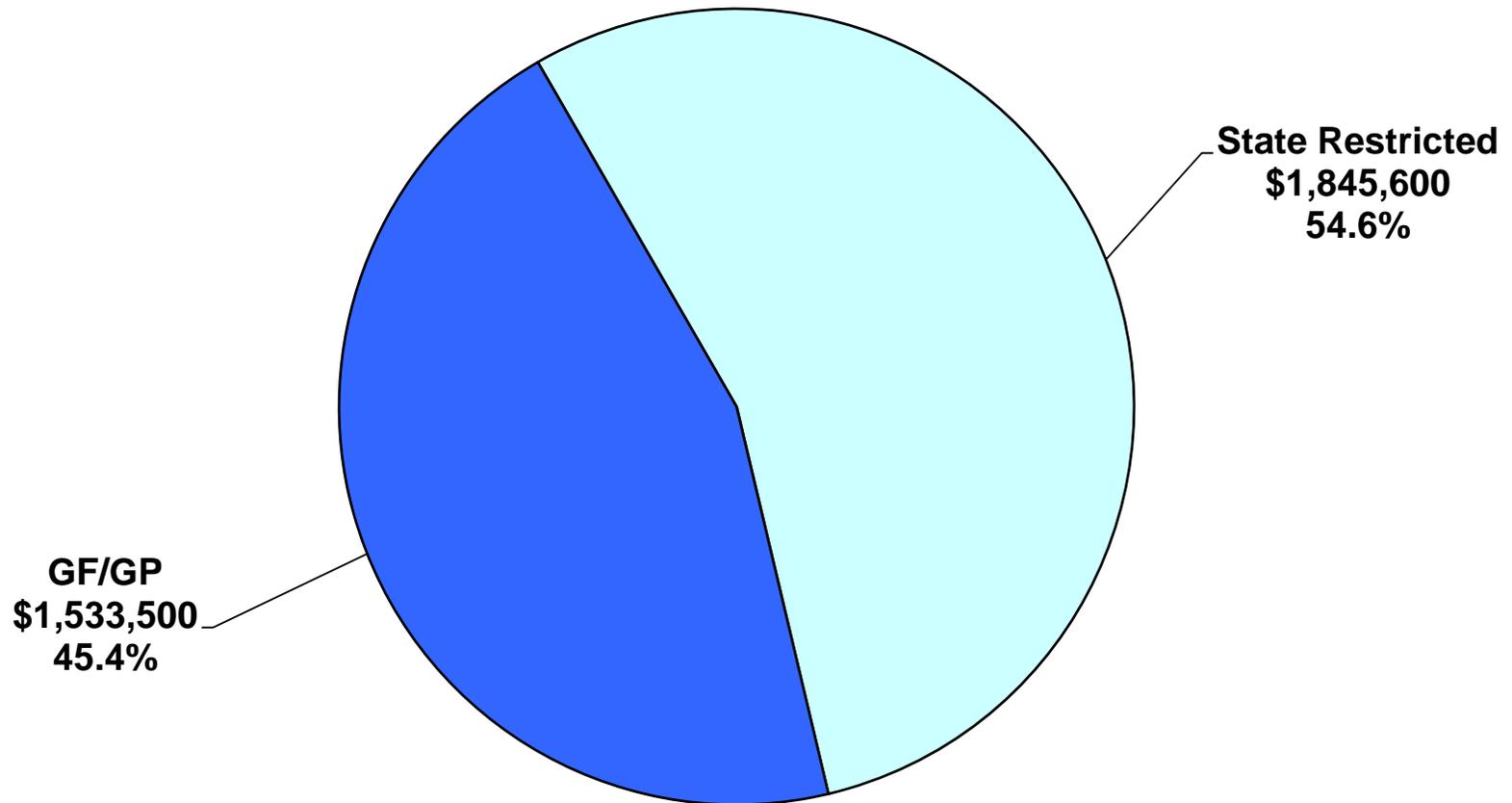
FY 2010-11 Gross = \$5,722,400

PROGRAM	DESCRIPTION	FUNDING	% FUNDING
Historical Administration and Services	Fund Michigan Historical Museum system: one museum in Lansing, nine field museums, one historic site; records management services for state agencies; state records center.	\$4,149,500	72.5
Archives	Care for state and local government records; assist with land, probate, and circuit court records management.	768,300	13.4
Museum Stores	Operational support for stores at four Michigan museums and historic sites.	528,100	9.2
Thunder Bay Sanctuary	Manage shipwrecks in the bottomlands of Thunder Bay.	140,800	2.5
Special Programs	Allow receipt and expenditure of private grants or gifts; includes Mann House funding in Concord.	113,200	2.0
Freedom Trail Commission	Fund Commission; preserve, protect, and promote the legacy of the Freedom Trail.	22,500	0.4
TOTAL		\$5,722,400	100.0

Mackinac Island State Park Commission

The Commission was transferred to the DNR from DHAL in FY 2008-09. Commission provides oversight of operational activities and preservation of historic resources at Mackinac Island State Park, Michilimackinac State Park, and Mill Creek State Park.

FY 2010-11 Gross = \$3,379,100



**For more information about the
Natural Resources and Environment
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