

**Summary: Executive Budget Recommendation
for Fiscal Years 2015-16 and 2016-17
DEPARTMENT OF NATURAL RESOURCES**



Analyst: Austin Scott

	FY 2014-15 Year-to-Date as of 2/11/15	Proposed FY 2014-15 Adjustments	Adjusted FY 2014-15 Year-to-Date	FY 2015-16 Executive Recommendation	Change: FY 2015-16 vs. FY 2014-15 Adjusted	
					Amount	%
IDG/IDT	\$1,355,100	\$0	\$1,355,100	\$1,352,700	(\$2,400)	(0.2)
Federal	67,954,500	3,150,000	71,104,500	76,028,000	4,923,500	6.9
Local	0	0	0	0	0	--
Private	10,286,300	0	10,286,300	8,157,700	(2,128,600)	(20.7)
Restricted	256,498,000	5,650,000	262,148,000	264,183,000	2,035,000	0.8
GF/GP	48,591,500	(2,000,000)	46,591,500	39,772,800	(6,818,700)	(14.6)
Gross	\$384,685,400	\$6,800,000	\$391,485,400	\$389,494,200	(\$1,991,200)	(0.5)
FTEs	2,228.3	0.0	2,228.3	2,225.8	(2.5)	(0.1)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through February 11, 2015. (2) Proposed FY 2014-15 adjustments include Executive Order 2015-5 and House Bill 4112. (3) 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.

Major Budget Changes From Adjusted FY 2014-15 Appropriations

1. Shooting Range Enhancement Projects – One-time

Continues a \$1.0 million federal funding increase appropriated for FY 2014-15 in HB 4112 with an additional \$3.0 million Gross (\$750,000 private, \$2.0 million federal, and \$250,000 GF/GP) to support recreational shooting opportunities through range projects in the following 12 priority counties: Alger, Allegan, Alpena/Presque Isle, Barry, Crawford, Jackson, Livingston, Marquette, Oakland, Ontonagon, Roscommon, and St. Clair. Private and GF/GP funding will be used as required non-federal match.

	FY 2014-15 Adjusted Year-to-Date	FY 2015-16 Executive Change
Gross	\$1,000,000	\$3,000,000
Private	0	750,000
Federal	1,000,000	2,000,000
GF/GP	\$0	\$250,000

2. Forestry Investment – One-time

Continues a \$4.0 million restricted funding increase appropriated for FY 2014-15 in HB 4112; it is designated as a one-time appropriation for FY 2015-16. Funds will be used for timber cultivation equipment and the vegetative management system. This system will assist the DNR's Forest Resources Division in maintaining timber inventory and interacting with industry.

Gross	\$4,000,000	\$0
Restricted	4,000,000	0
GF/GP	\$0	\$0

3. Wildlife Restoration

Continues a \$2.2 million federal funding increase appropriated for FY 2014-15 in HB 4112 with an additional \$5,000 in federal funding to manage wildlife habitats across the state.

Gross	\$2,150,000	\$5,000
Federal	2,150,000	5,000
GF/GP	\$0	\$0

4. Non-Motorized Trail Initiative

Restores \$100,000 GF/GP to the non-motorized trail initiative. This initiative was reduced by \$1.25 million GF/GP for FY 2014-15 in EO 2015-5. The non-motorized trail initiative includes appropriations for forest recreation and trails, Mackinac Island state park operations, the Michigan Historical Center, and non-motorized trail development and maintenance grants.

Gross	NA	\$100,000
GF/GP	NA	\$100,000

Major Budget Changes From Adjusted FY 2014-15 Appropriations		FY 2014-15 Adjusted Year-to-Date	FY 2015-16 Executive Change
5. Recreation Passport Grants – One-time		Gross	\$1,000,000
Increases the recreation passport grants program by \$500,000 in restricted funding. This program provides grants to local units of government for the construction, maintenance, and enhancement of public recreation facilities; it is funded by the sale of Recreation Passports. This one-time appropriation is intended to provide DNR the authority to expend an available fund balance.		Restricted	500,000
		GF/GP	\$0
6. State Parks Repair and Maintenance		Gross	\$12,000,000
Continues a \$250,000 GF/GP reduction to state parks repair and maintenance for FY 2014-15 in EO 2015-5 with additional reductions of \$1.25 million GF/GP and \$2.5 million in private funding. These FY 2015-16 reductions are exceeded by an increase of \$4.0 million in restricted funding from the state parks endowment and Recreation Passport fees for a net increase of \$200,000 to the line item. This appropriation addresses capital projects in state parks including trail improvements, road maintenance, and recreation structure repairs.		Private	(2,500,000)
		Restricted	3,950,000
		GF/GP	(\$1,250,000)
7. State Game and Wildlife Area Infrastructure		Gross	NA
Increases federal funding for state game and wildlife area infrastructure by \$3.6 million. Federal Pittman-Robertson funds will be used to support maintenance, renovations, repairs, and some construction of facilities in state game and wildlife management areas.		Federal	3,600,000
		GF/GP	\$0
8. Wetland Restoration, Enhancement, and Acquisition		Gross	\$3,000,000
Reduces restricted funding for wetland restoration, enhancement, and acquisition by \$3.0 million. The waterfowl hunt stamp program (game and fish protection fund) was used to expand water recreation opportunities through projects focused in southern Michigan.		Restricted	(3,000,000)
		GF/GP	\$0
9. Removal of FY 2014-15 One-time GF/GP		Gross	\$4,750,000
Removes one-time GF/GP for River Raisin national battlepark foundation (\$2.0 million), Saginaw River feasibility study (\$280,000), Flint River dike repair (\$1.0 million), Hart-Montague Trail (\$470,000), and City of Alma/Alma College public safety land improvements (\$1.0 million).		GF/GP	(\$4,750,000)
10. Cormorant Population Mitigation Program		Gross	\$150,000
Removes funding for the cormorant population mitigation program resulting in a reduction of \$150,000 GF/GP. Program was intended to control the cormorant population statewide.		GF/GP	(\$150,000)
11. Hart-Montague Trail		Gross	\$530,000
Removes on-going funding for the Hart-Montague trail in west Michigan by reducing \$530,000 GF/GP. The removal of this on-going funding in addition to the removal of one-time funding eliminates support for the trail.		GF/GP	(\$530,000)
12. Great Lakes Research Vessel		Gross	\$2,000,000
Removes \$2.0 million Gross funding (\$500,000 private, \$500,000 restricted, and \$1.0 million GF/GP) for the Great Lakes research vessel. This new vessel was purchased to replace an outdated vessel and is used to conduct research on Lake Huron.		Private	(500,000)
		Restricted	(500,000)
		GF/GP	(\$1,000,000)
13. Revenue Adjustments		Gross	\$797,000
Increases \$797,000 Gross funding to reflect necessary adjustments in anticipated revenue and expenditures for FY 2015-16. Reductions of \$375,000 in private funding and \$343,800 in federal funding are exceeded by an increase of \$1.5 million in restricted funding.		Private	(375,000)
		Federal	(343,800)
		Restricted	1,515,800
		GF/GP	\$0
14. Economic Adjustments		Gross	NA
Reflects net cost reduction of \$333,700 Gross (\$11,300 GF/GP increase) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments.		IDG	(2,400)
		Private	(3,600)
		Federal	(58,200)
		Restricted	(280,800)
		GF/GP	\$11,300

Major Boilerplate Changes From FY 2014-15

Sec. 204. Performance Benchmarks – DELETED

Requires report of benchmarks to measure performance or return for each new program or program increase of \$500,000 or more; includes intent language that any new program include list of benchmarks in future.

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. 250. Michigan Civilian Conservation Corps (MCCC) – DELETED

Requires DNR to work with MCCC steering committee to plan for a nonprofit MCCC outside of state government.

Sec. 408. Land Transactions – DELETED

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

Sec. 501. Wildlife Management – NEW

Requires DNR to use increased federal funding available from increased firearm and ammunition sales for the purpose of wildlife management which includes habitat restoration, conservation, and enhancement.

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. 704. Pure Michigan Trails – DELETED

Allocates \$200,000 from appropriations in part 1 for Pure Michigan Trails if Senate Bills 873 through 877 are enacted. (Note: Four of these bills were enacted: Senate Bill 873 - PA 210, Senate Bill 875 - PA 211, Senate Bill 876 – PA 212, Senate Bill 877 – PA 213.)

Sec. 801. Forest Management and Timber Market Development – NEW

Requires DNR to use increased restricted funding available from the increased timber harvest for the purpose of forest management and timber market development which includes investments in technology and equipment aimed at growing the timber economy.

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. 808. Gas and Oil Lease Development – DELETED

Requires DNR to develop a plan to motivate state-land oil and gas lessees to undertake warranted new operations.

Sec. 901. Snowmobile Law Enforcement Grants – DELETED

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

Major Boilerplate Changes From FY 2014-15

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. 1201. Saginaw River Study – DELETED

Requires DNR to conduct a study concerning the deepening of the Saginaw River.

Sec. 1301. FY 2015-16 Anticipated Appropriations – DELETED

States legislative intent that FY 2015-16 line item appropriations will be the same as those for FY 2014-15 with certain economic adjustments.

Sec. 1302. Identification of Future Retirement Costs – DELETED

States legislative intent that the DNR identify the FY 2015-16 retirement costs for line items listed in part 1.