

FY 2014-15: DEPARTMENT OF NATURAL RESOURCES
Summary: As passed House
Article XV, House Bill 5313 (H-1)



Analyst: Viola Bay Wild

IDG/IDT	FY 2013-14 YTD as of 2/5/14	FY 2014-15 Executive	FY 2014-15 House	FY 2014-15 Senate	FY 2014-15 Enacted	Difference: House From FY 2013-14 YTD	
						Amount	%
	\$1,412,300	\$1,355,100	\$1,355,100			(\$57,200)	(4.1)
Federal	67,127,300	67,954,500	67,954,500			827,200	1.2
Local	0	0	0			0	--
Private	7,237,200	10,286,300	10,286,300			3,049,100	42.1
Restricted	241,925,500	256,498,000	256,498,000			14,572,500	6.0
GF/GP	25,436,600	47,091,500	36,091,500			10,654,900	41.9
Gross	\$343,138,900	\$383,185,400	\$372,185,400			\$29,046,500	8.5
FTEs	2,141.3	2,229.3	2,196.3			55.0	2.6

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Executive figures do not reflect revisions submitted subsequent to House subcommittee action.

Overview

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

	FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 House Change
Major Budget Changes From FY 2013-14 YTD Appropriations		
1. Funding Adjustments		
<u>Executive</u> removes \$600,000 one-time GF/GP funding for conservation officer academy in FY 2013-14; reduces gross funding authorization by \$1.5 million to align with anticipated revenues; replaces \$1.5 million federal funding with restricted funding for recreational boating; increases restricted funding by \$674,000 for various programs due to available revenue – including \$350,000 for forest fire equipment and \$228,700 for additional recreation passport local grants. <u>House</u> concurs with Executive.	Gross	N/A
	IDG	N/A
	Federal	N/A
	Restricted	N/A
	GF/GP	N/A
		(\$689,300)
		(85,000)
		(783,700)
		779,400
		(\$600,000)
2. Conservation Officers		
<u>Executive</u> provides \$3.5 million GF/GP to fund 25 additional conservation officers and a conservation officer academy which would begin in first quarter of FY 2014-15. In current year, FY 2013-14, it is projected that there will be 202 officers after the current academy is completed. FTE increases for FY 2014-15 would bring the total to 227 conservation officers. <u>House</u> concurs with Executive.	FTE	N/A
	Gross	N/A
	GF/GP	N/A
		25.0
		\$3,500,000
		\$3,500,000
3. Annualize Increased Revenue from Hunting and Fishing License Fees		
<u>Executive</u> includes \$8.1 million additional restricted funding and 26.0 FTE authorizations to reflect full-year implementation of the hunting and fishing license fee increase enacted in PA 108 of 2013; increased fees go into effect March 1, 2014. <u>House</u> concurs with Executive.	FTE	N/A
	Gross	N/A
	Restricted	N/A
		26.0
		\$8,057,500
		8,057,500

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 House Change
4. Invasive Species Initiative	FTE	0.0	4.0
<u>Executive</u> provides \$4.0 million ongoing GF/GP funding and 16.0 FTEs to develop a comprehensive response program for invasive species. Funding and FTEs would be dedicated to DNR, DEQ, MDARD, and MDOT; DNR would be the lead agency. Program would also fund local grants. One-time funding in FY 2014-15 provides additional \$2.0 million GF/GP for local grants and one-time funding in FY 2015-16 would provide \$4.0 million for grants.	Gross	\$0	\$5,000,000
<u>House</u> appropriates \$3.0 million ongoing GF/GP funding and 4.0 FTEs for program and an additional \$2.0 million GF/GP one-time funding for local grants in FY 2014-15.	GF/GP	\$0	\$5,000,000
5. Michigan Conservation Corps	FTE	0.0	0.0
<u>Executive</u> merges the Summer Youth Initiative Program with the Michigan Conservation Corps, increases funding by \$1.0 million GF/GP, and adds 1.0 FTE position. Program would be expanded statewide and year-long to employ individuals up to 27 years old and include returning veterans.	Gross	\$2,500,000	\$0
<u>House</u> does not include additional \$1.0 million funding and FTE position and funds program at current-year levels.	GF/GP	\$2,500,000	\$0
6. Forestry Program	FTE	N/A	0.0
<u>Executive</u> provides \$4.0 million GF/GP funding to wildfire protection program to replace \$4.0 million forest development fund revenue that would be transferred to forest management, increasing funding for that program by \$4.0 million (wildfire program funding would not increase). The use of new forestry funding would include enhanced technology, increased contracts and agreements with forestry partners, increased wood fiber extraction, and the hiring of 10 additional foresters.	Gross	N/A	\$0
<u>House</u> does not include additional GF/GP funding or FTEs and funds the forestry management and wildfire protection programs at current-year levels.	GF/GP	N/A	\$0
7. Forestry – Best Management Practices Audit	Gross	\$0	\$125,000
<u>House</u> includes \$125,000 GF/GP funding in a new line item to be used to work with public and private forestland owners to conduct site visits and prepare an analysis and audit of state wide best management practices for water quality and forestry.	GF/GP	\$0	\$125,000
8. Great Lakes Research Vessel	Gross	N/A	\$2,000,000
<u>Executive</u> includes \$2.0 million (\$1.0 million GF/GP) one-time funding to replace the <i>Chinook</i> , DNR's 67-year-old Lake Huron research vessel. <u>House</u> concurs with Executive.	Private	N/A	500,000
	Restricted	N/A	500,000
	GF/GP	N/A	\$1,000,000
9. Non-Motorized Trail Initiative	FTE	N/A	0.0
<u>Executive</u> includes additional 10.0 FTE positions and \$2.5 million GF/GP funding to increase funding for non-motorized trail programs. New funding would be distributed to DNR forest recreation and trails program, Mackinac Island State Park, Michigan Historical Center, and trail grants. Funding would also support the development of a 1,000 mile showcase trail stretching from Belle Isle in Detroit to the Wisconsin border.	Gross	N/A	\$0
<u>House</u> does not include additional GF/GP funding or FTEs.	GF/GP	N/A	\$0
10. State Park Funding	Gross	\$58,883,100	\$2,000,000
<u>Executive</u> includes additional \$2.0 million restricted funding from the State Park Improvement Fund to maintain and operate state parks. <u>House</u> concurs with Executive.	Federal	136,300	0
	Private	411,900	0
	Restricted	56,634,900	2,000,000
	GF/GP	\$1,700,000	\$0
11. Capital Outlay Projects – State Parks	Gross	\$9,500,000	\$375,000
<u>Executive</u> increases funding for state parks repair and maintenance by \$3.0 million Gross overall (\$4.0 million GF/GP and \$2.5 million private funding are added, restricted funding is reduced by \$3.5 million). <u>House</u> increases funding by \$375,000 Gross overall (\$1.4 million GF/GP and \$2.5 million private funding are added, restricted funding is reduced by \$3.5 million).	Private	0	2,500,000
	Restricted	9,500,000	(3,500,000)
	GF/GP	\$0	\$1,375,000

<u>Major Budget Changes From FY 2013-14 YTD Appropriations</u>		<u>FY 2013-14 Year-to-Date (as of 2/5/14)</u>	<u>FY 2014-15 House Change</u>
12. Capital Outlay Projects – Wetlands	Gross	\$0	\$3,000,000
<u>Executive</u> includes \$3.0 million restricted funding from the waterfowl hunting stamp in a new line item for wetlands restoration and acquisition. <u>House</u> concurs with Executive.	Restricted	0	3,000,000
13. Capital Outlay Projects – Waterways Boating Program	Gross	\$6,915,600	\$84,400
<u>Executive</u> includes additional \$84,400 Gross funding for waterways boating projects. Restricted funding is appropriated from the State Waterways Fund. <u>House</u> concurs with Executive.	Federal	1,638,000	787,000
	Restricted	5,277,600	(702,600)
14. Economic Adjustments	Gross	N/A	\$5,593,900
<u>Executive</u> increases funding for increased costs of \$5.6 million Gross (\$254,900 GF/GP) for negotiated salary and wage amounts (2.0% ongoing increase plus 0.5% lump sum payments), actuarially-required retirement rate increases, and other economic adjustments. Insurance costs held flat due to recent state employee health plan revisions. <u>House</u> concurs with Executive.	IDG	N/A	27,800
	Private	N/A	49,100
	Federal	N/A	823,900
	Restricted	N/A	4,438,200
	GF/GP	N/A	\$254,900

Major Boilerplate Changes From FY 2013-14

Sec. 204. List of Performance Benchmarks – NEW

Requires DNR to report a list of specific benchmarks to measure the performance or return of each new program or program increase by November 1, 2014; requires an update on benchmarks and expenditures by March 1, 2015. Includes legislative intent language that beginning in FY 2015-16, any new program shall include a list of benchmarks to measure performance as part of the original proposal. House includes new language.

Sec. 212. Disciplinary Action Against State Employees – RETAINED

Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes language; House retains language.

Sec. 217. Retention of Reports – RETAINED

Requires DNR to retain copies of all reports funded from appropriations. Executive deletes language; House retains language.

Sec. 223. Waterways Fund Projects – RETAINED

Requires report on activities of Waterways Commission during the previous fiscal year; list of completed waterways fund projects to be provided to Legislature. Executive deletes language; House retains language.

Sec. 233. FTE Report – RETAINED

Requires report on the number of FTEs in pay status; report required quarterly. Executive deletes language; House retains language.

Sec. 236. Request for Proposal (RFP) Language – DELETED

Prohibits Department from issuing an RFP for a contract greater than \$5.0 million unless issuing a request for information (RFI) or a request for qualification (RFQ) has been considered. Executive deletes language; House concurs with Executive.

Sec. 237. FY 2014-15 Retirement Costs – NEW

States that appropriations for legacy costs in part 1 for FY 2014-15 equal \$46.7 million. Of this amount, pension-related legacy costs are estimated to be \$26.1 million and retiree health care legacy costs are estimated to be \$20.6 million. Executive includes new language; House concurs with Executive.

Sec. 251. Invasive Species Prevention and Control – NEW

Requires DNR to allocate at least \$4.4 million from the Invasive Species Prevention and Control funding towards grants for the prevention, detection, eradication, and control of invasive species. House includes new language.

Sec. 408. Land Transactions – RETAINED

Requires detailed report to Legislature on land purchases, sales and exchanges. Executive deletes language; House retains language.

Dec. 409. Oil and Gas Lease Report – RETAINED

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. Executive deletes language; House retains language.

Sec. 503. Invasive Species Order Enforcement – RETAINED

Requires report on efforts taken to enforce the Natural Resources Commission's invasive species order concerning raising feral swine in Michigan. Executive deletes language; House retains language.

Major Boilerplate Changes From FY 2013-14

Sec. 504. Cervid Operation Fees – RETAINED

Requires report on the use of registration fees from privately owned cervid operations. Executive deletes language; House retains language.

Sec. 602. Water Control Structure Certification – RETAINED

Directs Fisheries Division to not interfere with the certification process for dams and other water control structures. Executive deletes language; House retains language.

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. Executive deletes language; House concurs with Executive.

Sec. 702. State Park Campground Closures – RETAINED

Requires DNR to notify Legislature if Department intends to reduce operations or recreation opportunities at any state park or recreation area. Executive deletes language; House retains language.

Sec. 703. Soo-Raco Trail – DELETED

Requires DNR to work with MDOT, local officials, and local landowners to investigate traffic routing and flow on the Soo-Raco trail through Brimley. Executive deletes language; House concurs with Executive.

Sec. 802. Timber Marking – RETAINED

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. Executive deletes language; House retains language.

Sec. 804. Horseback Riding Opportunities – DELETED

Directs Department to work cooperatively with horseback riding interests to increase horseback riding opportunities. Executive deletes language; House concurs with Executive.

Sec. 805. Contract Foresters – RETAINED

Allows Department to hire sufficient contract foresters to mark timber. Executive deletes language; House retains language.

Sec. 808. Forestry – Best Management Practices Audit – NEW

Requires Department to use funding in part 1 for forestry best management practices audit to work with public and private forestland owners to conduct site visits and prepare an analysis and audit of state wide best management practices for water quality and forestry. House includes new language.

Sec. 901. Snowmobile Law Enforcement Grants – RETAINED

Provides snowmobile law enforcement grants to county law enforcement agencies in counties with state snowmobile trails. Executive deletes language; House retains language.

Sec. 902. Marine Safety Grants – RETAINED

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. Executive deletes language; House retains language.

Sec. 1002. Off Road Vehicle (ORV) Trail Improvement Grants – RETAINED

Requires expenditure of not less than \$980,000 for the development of new ORV trails. Executive deletes language; House retains language.

Sec. 1101. Capital Outlay Appropriations for the Harbors and Docks Grants in Aid – RETAINED

Provides for disbursement of Waterways Fund appropriation to the federal government and local governmental units. Executive deletes language; House retains language.

Sec. 1102. Capital Outlay Lump Sum Appropriations – RETAINED

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. Executive deletes language; House retains language.

Sec. 1104. Federal Reimbursement For Harbor Dredging – RETAINED

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. Executive deletes language; House retains language.

Sec. 1201. FY 2014-15 Anticipated Appropriations – RETAINED

States legislative intent that the FY 2014-15 line item appropriations will be the same as those for FY 2013-14 with certain economic adjustments. Executive deletes language; House retains language, updates fiscal year.

Sec. 1202. Identification of Future Retirement Costs – RETAINED

States legislative intent that the DNR identify the FY 2014-15 retirement costs for line items listed in Part 1. Executive deletes language; House retains language, updates fiscal year.