



# House Appropriations Subcommittee on Natural Resources

Presented by:

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and

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# Agenda

- Department Overview
- FY 2015 Department Budget Overview
- Hunting and Fishing License Restructuring
  - FY 2014 Revenue
  - FY 2014 Outcomes
  - FY 2015 Revenue Projection







# Department Overview

# Connecting to what is on the public's mind

1. Economy

2. Jobs

3. Quality of life

4. Keep our youth here







# Fishing

- 1.2 million anglers - ranks fifth in the nation
- Value \$2.5 billion to Michigan's economy
- Produces 37,989 direct jobs
- Anglers fish more than 11,000 lakes, 3,000 miles of Great Lake shoreline and 20,000 miles of trout/salmon streams-most diverse freshwater fishing in world



- 760,000 hunters - Michigan ranks third in the nation behind Texas and Pennsylvania
- Hunting generates 34,473 direct jobs and produces \$2.3 billion for Michigan's economy
- Hunters have access to 9.9 million acres of public hunting lands including 187 state game areas and seven managed waterfowl areas

## Hunting





## Recreation

- DNR-managed recreation facilities are the backbone of Michigan's \$17 billion tourism industry that supports 161,000 direct jobs - six of the state's top 10 tourist destinations are managed by DNR
- Facilities include:
  - 102 state parks (22 million state park visits)
  - 1,300 boating access sites and 80 public harbors support \$3.9 billion boating industry
  - 138 state forest campgrounds



- More than 12,000 miles of trails - positions Michigan as “The Trail State”
- 2,600 miles of rail trails (most in nation)
- Michigan mountain biking, ORV and snowmobile trails are regularly cited as among the best in their class

## Recreation





## Resource-Based Industry

- 4 million acres of DNR-managed forest support \$16 billion timber industry and 31,000 direct jobs
- 800,000 cords of certified timber harvested annually from DNR-managed lands
- 6 million seedlings planted each year on DNR-managed forest lands

# Resource-Based Industry

- DNR-managed public lands provide access to 1.1 trillion cubic feet of natural gas storage, the most in the nation
- 50% of state-owned minerals rights in the Lower Peninsula are leased for oil and gas production
- Oil and gas revenues to the Michigan Natural Resources Trust Fund, Game and Fish Protection Fund and State Park Endowment Fund have totaled almost \$2 billion







- Hunting, fishing, and all natural resources are relevant to the people of Michigan

## What does this mean?



- The Michigan Department of Natural Resources is committed to the conservation, protection, management, use and enjoyment of the state's natural and cultural resources for current and future generations.

## Mission



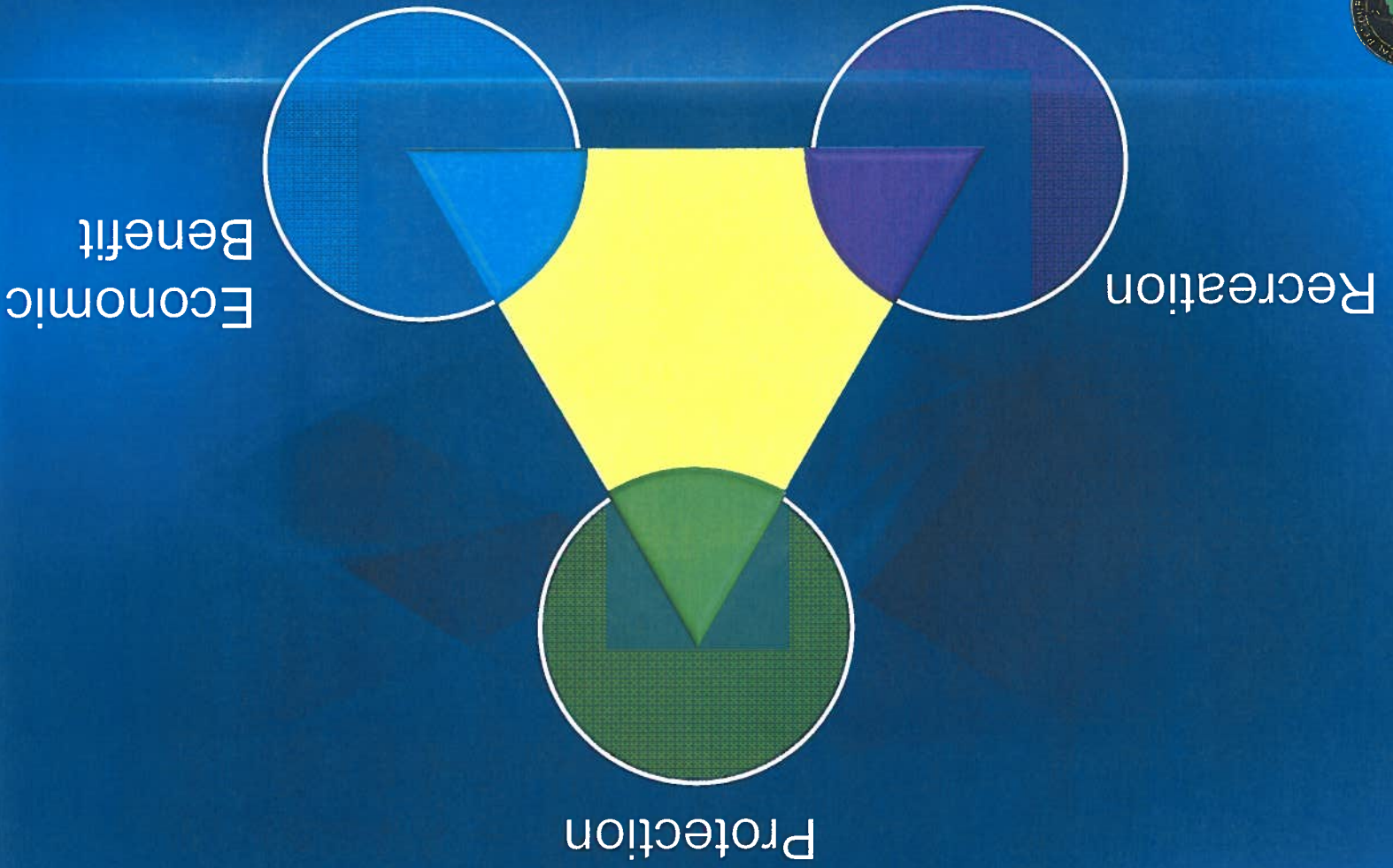


## Goals

- Protect natural and cultural resources
- Ensure sustainable recreation use and enjoyment
- Enable strong natural resource-based economies
- Improve and build strong relationships and partnerships
- Foster effective business practices and good governance

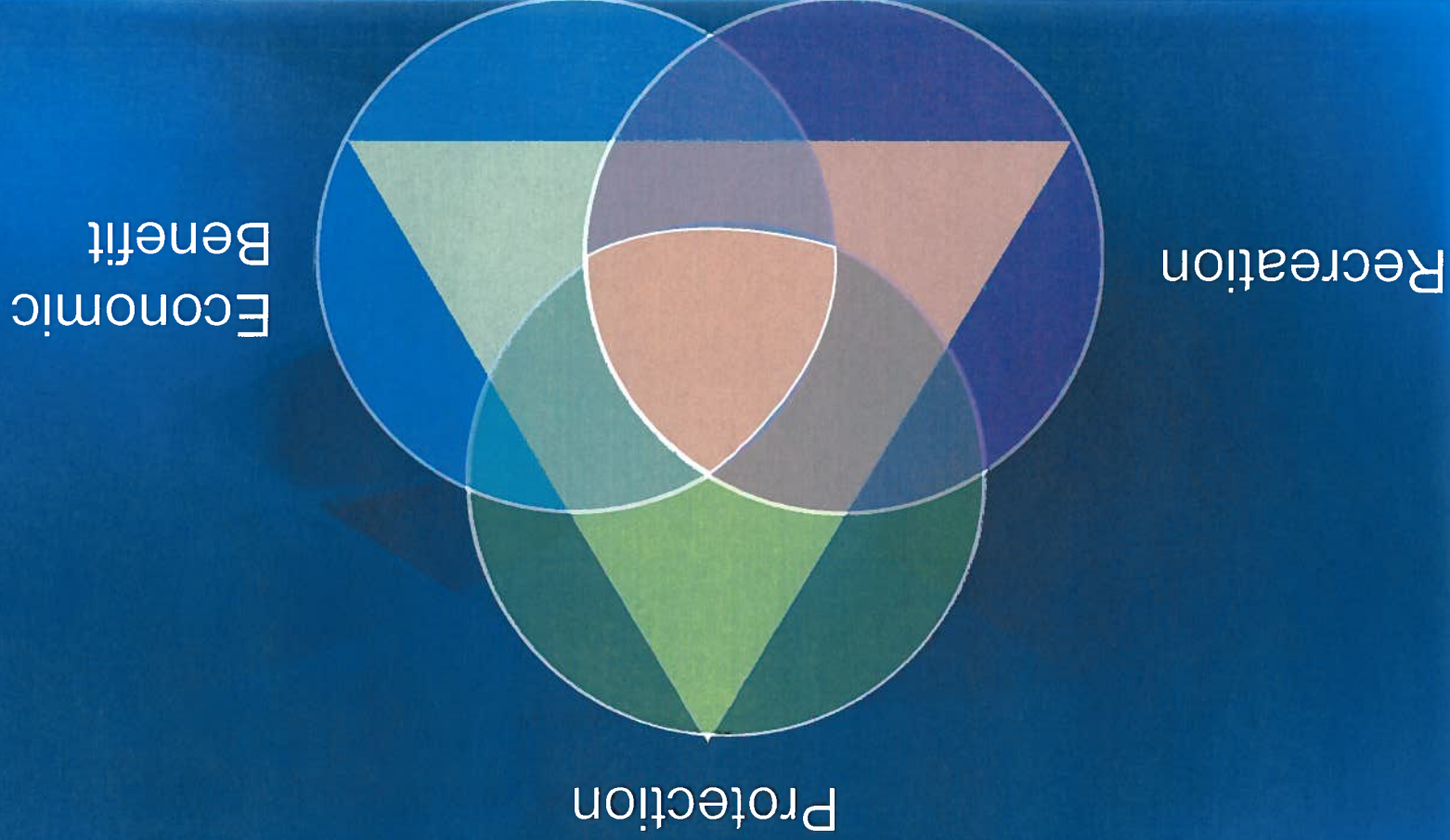


# Balancing the goals





# Finding areas of agreement





# FY 2015 Department Budget Overview

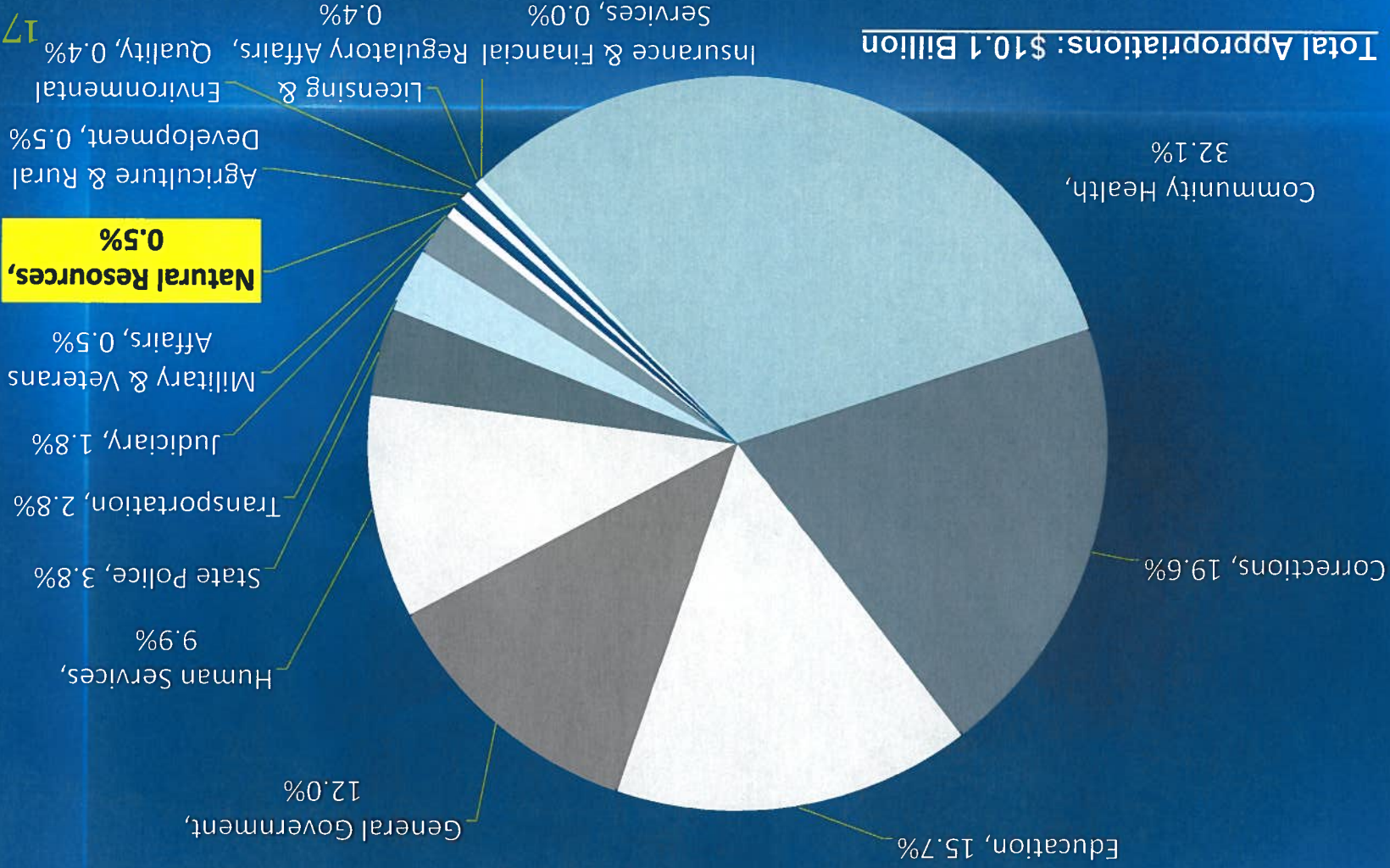


# FY 2015 Statewide General

## Fund Appropriations

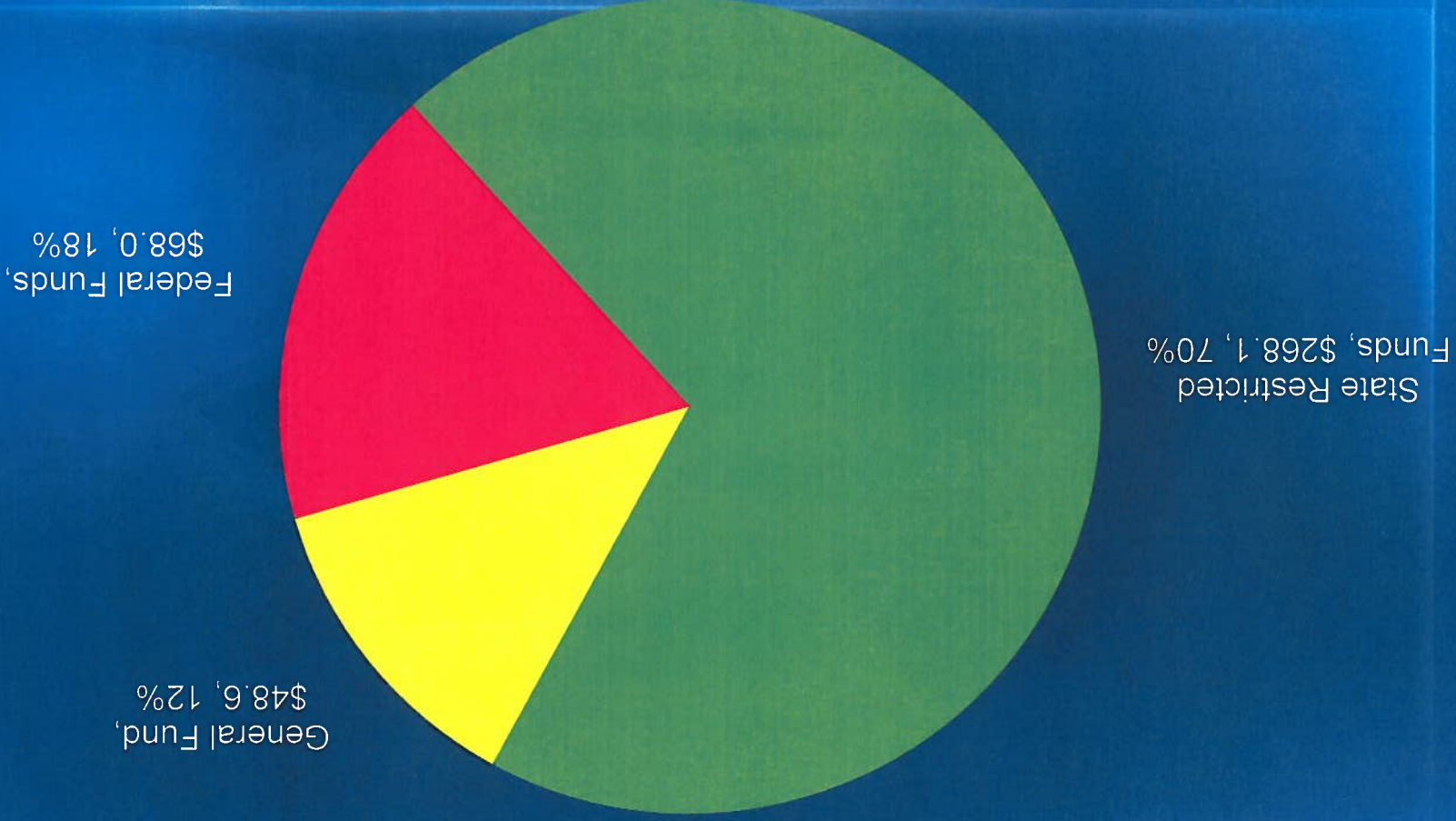
FY 2015 Statewide General Fund Appropriations

Total Appropriations: \$10.1 Billion



**0.5%**  
**Natural Resources,**

**Department of Natural Resources  
Major Funding Sources  
FY 2015 Appropriations (PA 252 of 2014)**  
*\$ in Millions*



Total: \$384.7 million

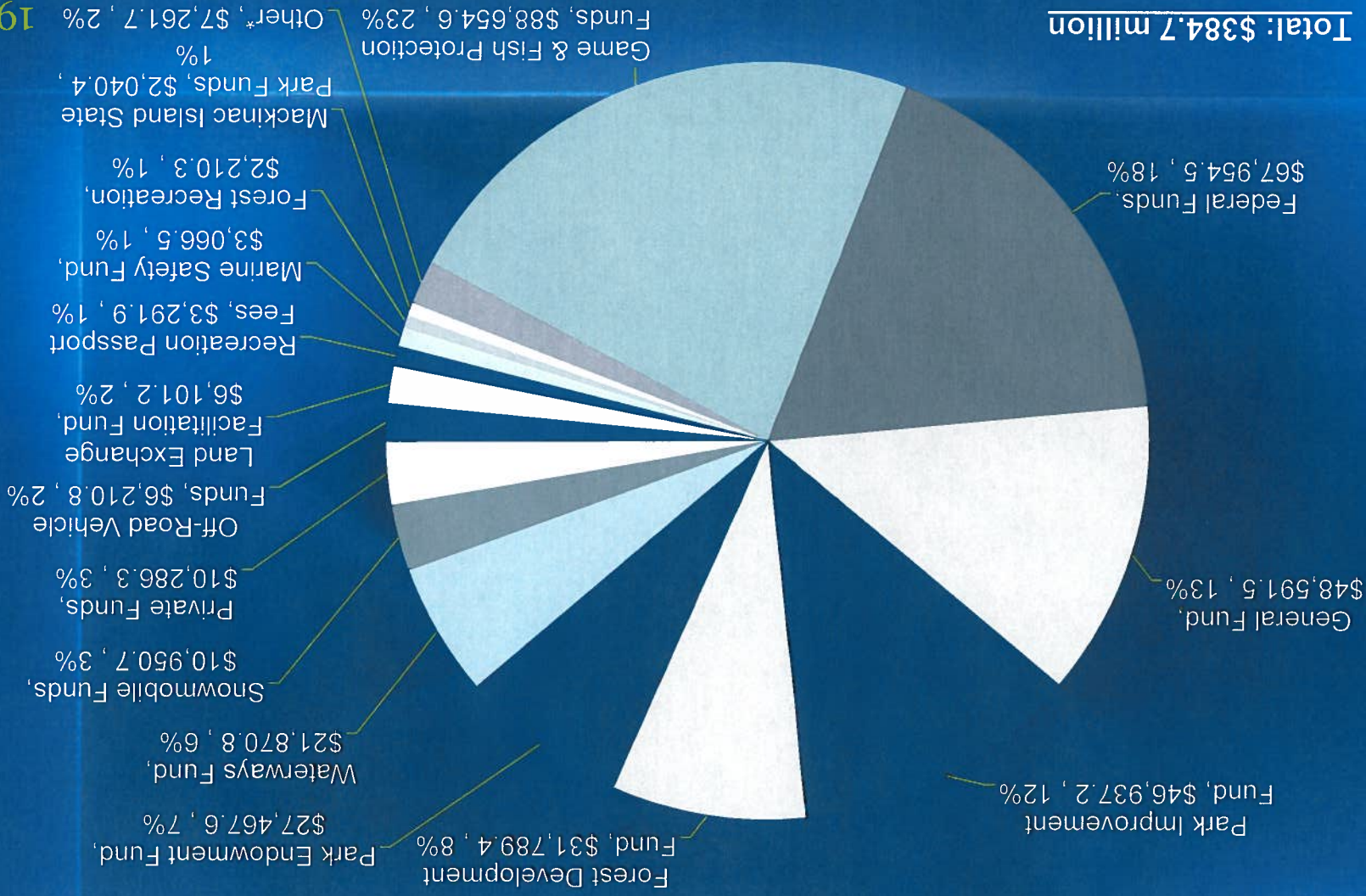




# Department of Natural Resources FY 2015 Fund Source Appropriations PA 252 of 2014 (\$ in Thousands)



**Total: \$384.7 million**





# Hunting and Fishing License Restructuring



# Fiscal Year 2014

Revenue (3-1-2014 through 9-30-2014)

Estimated new revenue \$11,765,000

Actual new revenue

\$7,788,594

Variance

\$3,976,406

Expenditures

Outcomes Authorized

\$11,765,000

Expenditures by outcomes

\$7,788,525

Variance

\$3,976,475



# Outcomes - Law

- FY 2014 authorization: \$1,389,500
- Line item: General Law Enforcement
- Expended 3-1-2014 through 9-30-2014: \$975,480
- Outcome: Increase educational/outreach/public safety contacts per conservation officer

## Projects:

Completed pre-screen, background investigations, and final interviews for 44 new Conservation Officers who began the academy on January 4, 2015

Purchased radios and computers to increase safety of Conservation Officers





# Outcomes - Fisheries

- FY 2014 authorization: \$642,100
- Line item: Fisheries Resource Management
- Expended 3-1-2014 through 9-30-2014: \$307,138
- Outcome: Increase technical assistance for fisheries habitat improvement on cold-water streams

## Projects:

Hired new resource analyst for Habitat Management Unit, provided field staff review for grants, training

Performed site work on cold water streams, trained DEQ staff in identifying impacts to fisheries





## Outcomes - Fisheries

- FY 2014 authorization: \$642,100
- Line item: Fisheries Resource Management
- Expended 3-1-2014 through 9-30-2014: \$373,850
- Outcome: Increase creel surveys and assessments on inland lakes & streams

### Projects:

Conducted 11 creel surveys on various inland lakes

Hired 8 temporary employees



# Outcomes - Fisheries

- FY 2014 authorization: \$285,400
- Line item: Fisheries Resource Management
- Expended 3-1-2014 through 9-30-2014: \$264,025
- Outcome: Increase outreach to anglers that fish for perch, bluegill, and bass to improve retention

## Projects:

Hired new promotional agent to increase communications on inland fishing, social media and Reel in Michigan  
Hosted public discussions to improve bass fishing opportunities such as Michigan Inland Lakes Partnership convention



# Outcomes - Fisheries

- FY 2014 authorization: \$627,800
- Line item: Fish Production
- Expended 3-1-2014 through 9-30-2014: \$417,815
- Outcome: Increase rearing and stocking of fish by addressing infrastructure needs in our hatcheries

## Projects:

Hired a fish production equipment technician and 6 temporary employees to perform hatchery maintenance

Purchased liquid oxygen changeover and purchased pumps, upgraded heated water, incubation battery, etc.

Stocked 22M fish in 2014 vs 16M in 2013





# Outcomes - Fisheries

- FY 2014 authorization: \$1,255,600
- Line item: Fisheries Habitat Improvement Grants
- Expended 3-1-2014 through 9-30-2014: \$1,000,000
- Outcome: Provide grants to stakeholders to increase fisheries habitat in inland lakes and streams

## Projects:

Golden Lotus, Pucker Street, Hubbardston, and Thompson Hatchery dam removals

Restoration of creeks—Sanborn, Thompson, Williams, High Bank, and Paint Creek

Removal of abutment at Ocqueoc River



# Outcomes - Wildlife

- FY 2014 authorization: \$2,441,700
- Line item: Wildlife Management
- Expended 3-1-2014 through 9-30-2014: \$1,588,418
- Outcome: Increase acres of public game areas receiving habitat management or maintenance

## Projects:

Developed 7 Grouse Enhanced Management Systems

Restored wetlands by replacing pumps, bridges, water control

structures at Shiawassee River, Maple River, and Fennville Farm

Unit

Burned over 10,000 acres and maintained game areas





# Outcomes - Wildlife

- FY 2014 authorization: \$941,700
- Line item: Wildlife Habitat Improvement Grants
- Expended 3-1-2014 through 9-30-2014: \$731,665
- Outcome: Provide grants to stakeholders to increase acres receiving habitat management or maintenance

## Projects:

- Improved forage resources by planting trees and grasses
- Trained veterans in wildlife management practices
- Removed invasive species
- Created wildlife openings



# Outcomes - Marketing

- FY 2014 authorization: \$1,569,500
- Line item: Marketing and Outreach
- Expended 3-1-2014 through 9-30-2014: \$1,020,976
- Outcomes:

1. Work with MEDC to enhance marketing
2. Enhance the Retail Sales System
3. Expand natural resource education programs
4. Expand recruitment and retention programs for hunters and anglers

## Projects:

Created digital hunting and fishing campaign

Enhanced Retail Sales System for new license structure





# Outcomes - Finance

- FY 2014 authorization: \$941,800
- Line item: Finance and Operations
- Expended 3-1-2014 through 9-30-2014: \$100,533
- Outcomes:

1. Open priority service centers to the public
2. Increase hours that service centers are open to the public

## Projects:

Hired a grant coordinator and account tech for fish and wildlife habitat grants



# Outcomes – Forestry

- FY 2014 authorization: \$313,900
- Line item: Forest Management and Timber Market Development
- Expended 3-1-2014 through 9-30-2014: \$313,900
- Outcomes: Increase acres of state forests receiving wildlife habitat management or maintenance

Projects:  
Increased timber sales by 1,576 acres





# Outcomes – Forestry

- FY 2014 authorization: \$313,900
- Line item: Wildlife Habitat Improvement Grants in State Forests
- Expended 3-1-2014 through 9-30-2014: \$313,900
- Outcomes: Provide grants to stakeholders to increase acres of state forests receiving wildlife habitat management or maintenance

Projects:  
Increased timber sale marking contracts by 7,432.8 acres



# Outcomes – PILT

- FY 2014 authorization: \$400,000
- Line item: Purchased Lands
- Expended 3-1-2014 through 9-30-2014: \$380,825
- Outcomes: Pay property taxes to local governments for access to public lands

Projects:

Payments in lieu of taxes on purchased lands were paid on time and in full





# FY 2015 Revenue Projection

- Use actual sales from 10-1-14 to 11-30-14
- Assume sales from 12-1-13 to 2-28-14 will occur from 12-1-14 to 2-28-15 (only 2% of sales)
- Assume sales from 3-1-14 to 9-30-14 will occur from 3-1-15 to 9-30-15 (same weather conditions, quotas, regulations, etc.)
- Revise increased revenue estimate to \$13.1 million - \$5 million less than original estimate
- Must align spending with projected revenue
- Input from stakeholders

*Note: Projection only estimates revenue to the Game & Fish Protection Fund – General Purpose Subfund.*





Questions?