

DEPARTMENT OF NATURAL RESOURCES
Summary: As Reported by House Subcommittee
Fiscal Years 2011-12 and 2012-13; HB 4279 (H-1) Draft 2



Analyst: Viola Bay Wild

	FY 2010-11	FY 2011-12	Difference: FY 2011-12		FY 2012-13	Difference: FY 2012-13	
	Year-to-Date		Vs. FY 2010-11	Vs. FY 2011-12			
	as of 2/17/11	House Subcommittee	Amount	%	House Subcommittee	Amount	%
IDG/IDT	\$1,830,100	\$1,935,000	\$104,900	5.7	\$1,935,000	\$0	0.0
Federal	78,713,500	69,319,800	(9,393,700)	(11.9)	68,668,800	(651,000)	(0.9)
Local	0	0	0	0	0	0	0
Private	5,824,400	2,842,400	(2,982,000)	(51.2)	2,842,400	0	0.0
Restricted	220,947,800	242,267,400	21,319,600	9.6	248,903,700	6,636,300	2.7
GF/GP	15,986,900	13,604,500	(2,382,400)	(14.9)	13,952,700	348,200	2.6
Gross	\$323,302,700	\$329,969,100	\$6,666,400	2.1	\$336,302,600	\$6,333,500	1.9
FTEs	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 DNR'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.

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	House Subcommittee Changes	
			FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
1. Early Retirement Savings	Gross	N/A	(\$283,900)	\$0
Executive and House include \$283,900 Gross and GF/GP savings realized from the FY 2010-11 early retirement program.	GF/GP	N/A	(\$283,900)	0
2. GF/GP Reductions	FTE	N/A	(2.0)	0.0
Executive 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 cervidae program. House does not include the \$115,000 GF/GP reduction for the captive cervidae program, but includes the remaining Executive reductions and reduces GF/GP funding by an additional \$226,800 for a total GF/GP reduction of \$949,900 in various line items.	Gross	N/A	(\$949,900)	\$0
	GF/GP	N/A	(\$949,900)	\$0
3. Mackinac Island State Park Commission	Gross	N/A	\$0	\$0
Executive and House reduce GF/GP funding by \$1.6 million and recommend 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.	Restricted	N/A	1,561,900	0
	GF/GP	N/A	(\$1,561,900)	\$0

House Subcommittee Changes

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	FY 2010-11 to FY 2011-12	FY 2011-12 to FY 2012-13
4. Freedom Trail Commission	Gross	N/A	\$100	\$0
Executive deletes \$22,500 GF/GP funding for program, House includes \$100 placeholder in FY 2012.				
	GF/GP	N/A	\$100	0
5. Recreation Passport Revenue	Gross	N/A	\$3,114,000	\$0
Executive and House increase restricted funding to numerous programs by \$3.1 million to reflect additional revenue from Recreation Passport program.				
	Restricted	N/A	3,114,000	0
6. Great Lakes Restoration Initiative (GLRI)	Gross	\$15,000,000	(\$5,000,000)	\$0
Executive and House reduce 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
7. Funding Authorization Reductions	Gross	N/A	(\$3,039,200)	\$0
Executive and House reduce federal, state restricted, and private funding authorizations by \$3.0 million to align with anticipated revenues. 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.				
	Federal	N/A	(1,000)	0
	Private	N/A	(1,050,000)	0
	Restricted	N/A	(1,988,200)	0
8. Accounting Consolidation Changes	FTE	14.0	(14.0)	0.0
Executive and House transfer 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.				
	Gross	\$1,348,500	\$0	\$0
	Restricted	1,193,500	0	0
	GF/GP	\$155,000	\$0	\$0
9. Captive Cervidae Fee Proposal	Gross	N/A	\$0	\$0
Executive includes \$115,000 additional restricted funding to the Cervidae Licensing & Inspection Fees Fund to be realized through an increase in fees on private captive cervidae facilities. Executive proposal would increase 3-year inspection fees from \$750 to \$2,250 for Class III (ranch) and Full Registration facilities. (Executive reduces GF/GP by \$115,000 - see item #2 above.) House does not include increased fee revenue and does not include the \$115,000 GF/GP reduction.				
	Restricted	N/A	0	0
	GF/GP	N/A	\$0	\$0
10. Capital Outlay Projects	Gross	\$18,978,600	\$6,101,400	\$570,000
Executive and House increase funding in FY 2011-12 for parks, forestry and waterways capital outlay projects by \$6.1 million Gross. 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
11. Economics	Gross	N/A	\$6,723,900	\$5,763,600
Executive and House 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 – RETAINED

Requires Civil Service to charge state departments 1% of salary payments. **Executive** deletes language; **House** retains language.

Sec. 208. DIT User Fees – RETAINED

Directs DNR to pay user fees to DTMB for technology services and projects. **Executive** deletes language; **House** retains language.

Sec. 209. Out-of-State Travel Restrictions – RETAINED

Limits purpose/amount of out-of-state travel; requires annual report. **Executive** deletes language; **House** retains and includes new language to allow state budget director to grant travel exceptions.

Major Budget Changes From FY 2010-11 YTD AppropriationsFY 2010-11 YTD
(as of 2/17/11)FY 2010-11 to
FY 2011-12FY 2011-12 to
FY 2012-13**Sec. 210. Purchase of Foreign Goods and Services – RETAINED**

Prohibits purchase of foreign goods and services if competitively priced and comparable American ones are available; requires preference for Michigan businesses and those operated by veterans. **Executive** deletes language; **House** retains language.

Sec. 211. Businesses in Economically Deprived or Depressed Communities – RETAINED

Encourages vendor contracts in economically depressed communities. **Executive** deletes language; **House** retains 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. 213. Rule Promulgation – RETAINED

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. **Executive** deletes language; **House** retains language.

Sec. 214. Legal Services – RETAINED

Department may not hire attorneys to provide legal services provided by the Attorney General. **Executive** deletes language; **House** retains language.

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. **Executive** and **House** revise language amounts listed above.

Sec. 216. IT Work Projects – NEW

Allows IT projects to be designated as work projects and appropriations to be carried forward. **House** includes new language.

Sec. 217. Retention of Reports – NEW

Requires DNR to retain copies of all reports funded from appropriations. **House** includes new language.

Sec. 218. Pending Permits – REVISED

Any permit application pending after a 2-year period shall be considered administratively complete on January 1, 2011. **Executive** deletes language; **House** includes new language requiring report on pending permits considered complete under this section.

Sec. 219. Hiring Freeze – NEW

Imposes hiring freeze on state classified civil service. **House** includes new language.

Sec. 220. GF/GP Lapse – NEW

Requires report by October 15 of estimated GF/GP appropriation lapses at close of previous year. **House** includes new language.

Sec. 222(1)(2). Restricted Fund Revenue, Expenditures and Fund Balances – RETAINED

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. **Executive** deletes language; **House** retains language.

Sec. 222(3). FTE Information Report – DELETED

Requires report on number and funding of FTE positions supported by each line item. **Executive** and **House** delete language.

Sec. 223. Waterways Fund Projects – RETAINED

Requires report on activities of Waterways Commission during previous fiscal year; list of completed waterways fund projects to be provided to Legislature and State Budget Director by January 31, 2011. **Executive** deletes language; **House** retains language.

Sec. 225. Out-of-State State Employee Training – RETAINED

Prohibits out-of-state travel to attend a conference for more than one employee unless funded by a federal or private source, or for conferences on issues for which one employee does not have expertise. **Executive** deletes language; **House** retains language.

Sec. 233(1). FTE Report and Expenditure Report – RETAINED

Requires report on number of FTEs in pay status; report required quarterly; requires expenditures to be reported on a publicly accessible internet site, including the purpose for the expenditures. **Executive** deletes language; **House** retains language

Sec. 233(2). Expenditure Posting on Internet – RETAINED

Requires expenditures to be reported on a publicly accessible internet site, including the purpose for which the expenditures were made. **Executive** deletes language; **House** retains language (Renumbers to Sec. 234).

Sec. 234. Website Expenditure Posting Cost – RETAINED

Directs DNR to spend less than \$10,000 to post expenditures on the website. **Executive** deletes language; **House** retains language (Renumbers to Sec. 235).

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>	<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>
Sec. 306. Historical Program Fees – RETAINED			
Allows DNR 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; House retains language.			
Sec. 307. Freedom Trail Funding – DELETED			
Requires \$22,500 funding for the Freedom Trail Commission. Executive and House delete language.			
Sec. 308. Land Transactions – RETAINED			
Requires report to Legislature on land purchases, sales and exchanges. Executive deletes language; House retains language.			
Sec. 501. Bovine TB Eradication Efforts – RETAINED			
Requires annual report on enforcement actions taken to eradicate bovine TB, relevant scientific studies and the number of deer found to be infected. Executive deletes language; House retains language (Renumbers to Sec. 401).			
Sec. 502. Livestock Loss Indemnification – RETAINED			
Requires Department to reimburse Department of Agriculture for livestock losses caused by wolves, coyotes, or cougars. Executive deletes language; House retains language (Renumbers to Sec. 402).			
Sec. 702. State Park Campground Closures – RETAINED			
Requires Department to notify Legislature if reduced operations or recreation opportunities are planned at any state park or recreation area. Executive deletes language; House retains language (Renumbers to Sec. 602).			
Sec. 703. Porcupine Mountain Ski Hill – RETAINED			
Prohibits DNR from altering operations of the ski hill or demolishing any buildings related to the ski hill in Porcupine Mountains Wilderness State Park. Executive deletes language; House retains language (Renumbers to Sec. 603).			
Sec. 708. Property Leases – NEW			
Requires DNR to extend or renew existing leases of land that was part of the settlement agreement with utility companies over the Ludington hydroelectric facility to individuals. House includes new language.			
Sec. 802. Timber Marking – REVISED			
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. Executive deletes language; House revises language to require treatment on 95,000 acres and harvest on 77,000 acres (Renumbers to Sec. 702).			
Sec. 802. Marine Safety Grants – NEW			
Requires Marine Safety Grant Program report. 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. House includes new language.			
Sec. 804. Horseback Riding Opportunities – RETAINED			
Directs Department to work cooperatively with horseback riding interests to increase horseback riding opportunities. Executive deletes language; House retains language (Renumbers to Sec. 704).			
Sec. 805. Contract Foresters – RETAINED			
Allows Department to hire sufficient contract foresters to mark timber. Executive deletes language; House retains language (Renumbers to Sec. 705).			
Sec. 807. Timber Industry Meetings – RETAINED			
Directs Department Director to meet semiannually with timber industry representatives to discuss timber industry issues. Executive deletes language; House retains language (Renumbers to Sec. 706).			
Sec. 808. State Forest Campgrounds Mini-State Parks Pilot Program – REVISED			
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. Executive deletes language; House revises language to require completion of the plan (Renumbers to Sec. 707).			
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 (Renumbers to Sec. 801).			
Sec. 1003. Off Road Vehicle (ORV) Trail Improvement Grants – RETAINED			
Requires \$980,000 be expended for new trails. Executive deletes language; House retains language (Renumbers to Sec. 902).			
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 (Renumbers to Sec. 1001).			