

FY 2015-16: DEPARTMENT OF NATURAL RESOURCES
Summary: Conference Report
House Bill 4091 (H-2) CR-1



Analyst: Austin Scott

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Conference	<i>Difference: Conference from FY 2014-15 YTD</i>	
						Amount	%
IDG/IDT	\$1,355,100	\$1,352,700	\$1,352,700	\$1,352,700	\$1,352,700	(\$2,400)	(0.2)
Federal	71,104,500	77,128,000	77,128,000	77,128,000	77,128,000	6,023,500	8.5
Local	0	0	0	0	0	0	--
Private	10,286,300	8,157,700	8,157,700	8,157,700	8,157,700	(2,128,600)	(20.7)
Restricted	262,148,000	276,615,000	277,115,000	277,015,100	277,765,000	15,617,000	6.0
GF/GP	47,591,500	39,772,800	37,775,800	39,522,800	39,597,800	(7,993,700)	(16.8)
Gross	\$392,485,400	\$403,026,200	\$401,529,200	\$403,176,300	\$404,001,200	\$11,515,800	2.9
FTEs	2,228.3	2,235.8	2,235.8	2,235.8	2,235.8	7.5	0.3

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Executive, House, Senate, and Conference figures include DNR-requested Executive Budget Revision for Forest Resources and One-time Appropriations.

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.

NOTE: Information on House budget action in this document is based on House Bill 4102 (H-1) as passed the House. Information on Senate budget action in this document is based on Senate Bill 133 (H-1) as passed the Senate.

Major Budget Changes From FY 2014-15 YTD Appropriations	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
1. Shooting Range Enhancement Projects – One-time	Gross	\$1,000,000
<u>Executive</u> 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. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Private	0
	Federal	1,000,000
	GF/GP	\$0
	Gross	\$3,000,000
	Private	750,000
	Federal	2,000,000
	GF/GP	\$250,000
2. Forestry Investment – One-time	Gross	\$4,000,000
<u>Executive</u> 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. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Restricted	4,000,000
	GF/GP	\$0
	Gross	\$0
	Restricted	0
	GF/GP	\$0
3. Wildlife Restoration	Gross	\$2,150,000
<u>Executive</u> 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. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Federal	2,150,000
	GF/GP	\$0
	Gross	\$5,000
	Federal	5,000
	GF/GP	\$0

Major Budget Changes From FY 2014-15 YTD Appropriations	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change	
4. Non-Motorized Trail Initiative	Gross	N/A	\$100,000
<u>Executive</u> 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 & maintenance grants. <u>House</u> reduces Michigan Historical Center by \$147,000 GF/GP and non-motorized trail development & maintenance grants by \$100,000 GF/GP. These House reductions of \$247,000 GF/GP exceed the <u>Executive</u> increase of \$100,000 GF/GP for a net change of a \$147,000 GF/GP reduction. <u>Senate</u> and <u>Conference</u> concur with Executive and does not include the House reductions.	GF/GP	N/A	\$100,000
5. Recreation Passport Grants – One-time	Gross	\$1,000,000	\$500,000
<u>Executive</u> 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. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Restricted	1,000,000	500,000
	GF/GP	\$0	\$0
6. State Parks Repair and Maintenance	Gross	\$12,200,000	\$200,000
<u>Executive</u> 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. <u>House</u> concurs with Executive and adds a \$500,000 reduction in GF/GP matched by a \$500,000 increase in restricted funding from the Michigan State Parks Endowment Fund. <u>Senate</u> concurs with Executive but do not concur with the House funding shift. <u>Conference</u> concurs with House and adds an additional \$500,000 reduction in GF/GP matched by a \$500,000 increase in restricted funding from the Michigan State Parks Endowment Fund. Total fund shift is a decrease of \$1.0 million GF/GP and an increase of \$1.0 million in restricted funding.	Private	2,500,000	(2,500,000)
	Restricted	6,000,000	4,950,000
	GF/GP	\$3,500,000	(\$2,250,000)
7. State Game and Wildlife Area Infrastructure	Gross	N/A	\$3,600,000
<u>Executive</u> 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. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Federal	N/A	3,600,000
	GF/GP	N/A	\$0
8. Wetland restoration, enhancement, and acquisition	Gross	\$3,000,000	(\$3,000,000)
<u>Executive</u> 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 fund expand water recreation opportunities through projects focused in southern Michigan. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Restricted	3,000,000	(3,000,000)
	GF/GP	\$0	\$0
9. Removal of FY 2014-15 One-time GF/GP	Gross	\$4,750,000	(\$4,750,000)
<u>Executive</u> 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). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	GF/GP	\$4,750,000	(\$4,750,000)
10. Cormorant Population Mitigation Program	Gross	\$150,000	\$0
<u>Executive</u> 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. <u>House</u> concurs with Executive, <u>Senate</u> and <u>Conference</u> do not concur and maintain funding.	GF/GP	\$150,000	\$0

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
11. Hart-Montague Trail			
<u>Executive</u> 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. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .	Gross GF/GP	\$530,000 \$530,000	(\$530,000) (\$530,000)
12. Great Lakes Research Vessel			
<u>Executive</u> 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. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .	Gross Private Restricted GF/GP	\$2,000,000 500,000 500,000 \$1,000,000	(\$2,000,000) (500,000) (500,000) (\$1,000,000)
13. Dam Management Grant Program			
<u>House</u> reduces dam management grant program by \$50,000 GF/GP. This program provides grants for the repair or removal of failing dams from public and private lands. <u>Senate</u> and <u>Conference</u> do not concur with <u>House</u> .	Gross GF/GP	\$350,000 \$350,000	\$0 \$0
14. Michigan Conservation Corps			
<u>House</u> removes \$1.0 million GF/GP for the Michigan Conservation Corps which eliminates program funding. This program provides DNR-supervised summer employment opportunities for at-risk youth and returning veterans up to 27 years of age. <u>Senate</u> and <u>Conference</u> do not concur with <u>House</u> .	Gross GF/GP	\$1,000,000 \$1,000,000	\$0 \$0
15. State Parks			
<u>House</u> reduces state parks line item by \$200,000 GF/GP. This line item includes 661.4 FTE authorizations and funds the maintenance & operation of Michigan's 102 state parks. It also funds the campground reservation system for state parks and state forest campgrounds. <u>Senate</u> and <u>Conference</u> do not concur with <u>House</u> .	FTE Gross Private Federal Restricted GF/GP	661.4 \$64,232,800 421,200 139,300 61,934,700 \$1,737,600	0.0 \$0 0 0 0 \$0
16. Wildfire Protection – Fund Shift			
<u>Senate</u> increases wildfire protection by \$400,100 in restricted funding from the forest development fund and decreases wildfire protection by \$400,100 GF/GP. <u>Conference</u> concurs with <u>Senate</u> but reduces fund shift down to a \$150,000 increase in restricted funding from the forest development fund and a \$150,000 decrease in GF/GP.	Gross Restricted GF/GP	N/A N/A N/A	\$0 150,000 (\$150,000)
17. Marquette Breakwall Repair			
<u>Senate</u> provides \$100 in GF/GP for repairs to a breakwall in the City of Marquette. <u>Conference</u> does not include funding.	Gross GF/GP	N/A N/A	\$0 \$0
18. Cooperative Resource Programs – Budget Revision			
<u>Conference</u> provides \$200,000 in federal funding for a USDA grant program. Budget revision made at the request of DNR and included in <u>Executive</u> , <u>House</u> , and <u>Senate</u> totals.	Gross Federal	N/A N/A	\$200,000 200,000
19. Forest Management & Timber Market Development – Budget Revision			
<u>Conference</u> provides 4.0 FTEs and \$1.9 million Gross for forest management and timber market development. Budget revision made at the request of DNR and included in <u>Executive</u> , <u>House</u> , and <u>Senate</u> totals.	FTE Gross Federal Restricted	N/A N/A N/A N/A	4.0 \$1,900,000 900,000 1,000,000
20. Wildfire Protection – Budget Revision			
<u>Conference</u> provides 6.0 FTEs and \$220,000 in restricted funding for wildfire protection. Budget revision made at the request of DNR and included in <u>Executive</u> , <u>House</u> , and <u>Senate</u> totals.	FTE Gross Restricted	N/A N/A N/A	6.0 \$220,000 220,000
21. Forestry Investment (One-time) – Budget Revision			
<u>Conference</u> provides \$4.0 in one-time restricted funding 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. Budget revision made at the request of DNR and included in <u>Executive</u> , <u>House</u> , and <u>Senate</u> totals.	Gross Restricted	N/A N/A	\$3,992,000 3,992,000

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
22. Forest Development Infrastructure (Capital Outlay, One-time) – Budget Revision	Gross	N/A	\$2,120,000
<u>Conference</u> provides \$2.1 million in one-time restricted funding for forest development infrastructure projects. Budget revision made at the request of DNR and included in <u>Executive</u> , <u>House</u> , and <u>Senate</u> totals.	Restricted	N/A	2,120,000
23. Fish Production (One-time) – Budget Revision	Gross	N/A	\$100,000
<u>Conference</u> provides \$100,000 in one-time restricted funding for fish production. Budget revision made at the request of DNR and included in <u>Executive</u> , <u>House</u> , and <u>Senate</u> totals.	Restricted	N/A	100,000
24. Kalamazoo River Watershed Improvements (Capital Outlay, One-time) – Budget Revision	Gross	N/A	\$5,000,000
<u>Conference</u> provides \$5.0 million in one-time restricted funding for watershed improvements in the Kalamazoo River watershed. Budget revision made at the request of DNR and included in <u>Executive</u> , <u>House</u> , and <u>Senate</u> totals.	Restricted	N/A	5,000,000
25. Special Grant Programs – One-time	Gross	N/A	\$825,000
<u>Conference</u> provides \$825,000 in one-time GF/GP for special grant programs.	GF/GP	N/A	\$825,000
26. Revenue Adjustments	Gross	N/A	\$797,000
<u>Executive</u> 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. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .	Private	N/A	(375,000)
	Federal	N/A	(343,800)
	Restricted	N/A	1,515,800
	GF/GP	N/A	\$0
27. Economic Adjustments	Gross	N/A	(\$333,700)
<u>Executive</u> 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. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .	IDG	N/A	(2,400)
	Private	N/A	(3,600)
	Federal	N/A	(58,200)
	Restricted	N/A	(280,800)
	GF/GP	N/A	\$11,300

Major Boilerplate Changes From FY 2014-15

Sec. 203. Acronyms Definitions – RETAINED

Specifies acronym definitions contained in this article. Executive deletes, House, Senate, and Conference retain.

Sec. 204. Performance Benchmarks – RETAINED & REVISED

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. Executive deletes, House retains. Senate and Conference retain and revise.

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, House, Senate, and Conference retain.

Sec. 217. Retention of Reports – RETAINED

Requires DNR to retain copies of all reports funded from appropriations. Executive deletes, House, Senate, and Conference retain.

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, House, Senate, and Conference retain.

Sec. 238. Attorney General Spending on Wolf Hunt Litigation – DELETED

Limits the Attorney General to spending no more than \$100,000 on litigation related to the 2014 decision of the US District Court for the District of Columbia that added gray wolves to the endangered & threatened species list. House adds new section, Conference deletes.

Sec. 238. Pittman-Robertson Fund Grant Report – DELETED

Requires DNR to report on the receipt and expenditure of Federal Pittman-Robertson Funds. Senate adds new section, Conference deletes.

Major Boilerplate Changes From FY 2014-15

Sec. 239. DNR Spending on Wolf Hunt Litigation – DELETED

Prevents DNR from spending federal or state appropriations on enforcing the federal wolf hunt decision of 2014. House adds new section, Conference deletes.

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. Executive deletes, House, Senate, and Conference concur.

Sec. 408. Land Transactions – RETAINED

Requires detailed report to Legislature on land purchases, sales and exchanges. Executive deletes, House, Senate, and Conference retain.

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. Executive adds new section, House, Senate, and Conference concur.

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 and House delete, Senate and Conference retain.

Sec. 504. Cervid Operation Fees – RETAINED

Requires report on the use of registration fees from privately owned cervid operations. Executive deletes, House, Senate, and Conference retain.

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, House, Senate, and Conference retain.

Sec. 603. Cormorant Management – RETAINED

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 and House delete, Senate and Conference retain.

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. Executive, House, and Conference delete, Senate retains.

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). Executive deletes, House, Senate, and Conference concur.

Sec. 705. State Parks Capital Outlay and Maintenance Report – NEW (SENATE)

Requires DNR to produce a report detailing its five year plan for capital outlay and maintenance in state parks. Senate adds new section, Conference concurs.

Sec. 706. Grand River Waterway Study – NEW

Directs DNR to work with the State Budget Office to ensure that the Grand River Waterway Study carryforward as a work project appropriation. This study was originally appropriated in 2013. Senate adds new section, Conference revises and renumbers from 1506 to 706.

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. Executive adds new section, House, Senate, and Conference concur.

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, House, Senate, and Conference retain.

Sec. 804. Horseback Riding Opportunities – DELETED

Directs Department to work cooperatively with horseback riding interests to increase horseback riding opportunities. Executive, House, and Conference delete; Senate retains.

Sec. 805. Contract Foresters – RETAINED

Allows Department to hire sufficient contract foresters to mark timber. Executive deletes, House, Senate, and Conference retain.

Major Boilerplate Changes From FY 2014-15

Sec. 808. Gas and Oil Lease Development – RETAINED

Requires DNR to develop a plan to motivate state-land oil and gas lessees to undertake warranted new operations. Executive and Senate delete, House and Conference retain.

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, House, Senate, and Conference retain.

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; House, Senate, and Conference retain.

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. Executive, House, and Conference delete; Senate retains.

Sec. 1201. Saginaw River Study – DELETED

Requires DNR to conduct a study concerning the deepening of the Saginaw River. Executive deletes, House, Senate, and Conference concur.

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. Executive, House, and Conference delete; Senate retains.

Sec. 2001. FY 2015-16 Anticipated Appropriations – RETAINED

States legislative intent that FY 2016-17 line item appropriations will be the same as those for FY 2015-16 with certain economic adjustments. Executive and House delete; Senate retains, Conference retains and renumbers from 1301 to 2001.

<u>FY 2014-15 Supplemental Appropriations</u>		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2014-15 Conference Change
1. Grand River Waterway Study	Gross	N/A	\$0
<u>Senate</u> includes FY 2014-15 supplemental adjustment in Part 1B of the bill to conduct a study on the depth of the Grand River in Grand Rapids to assess the cost of dredging to a depth sufficient for recreational boat traffic. <u>Conference</u> does not include supplemental appropriation.	GF/GP	N/A	\$0

FY 2014-15 Supplemental Boilerplate Changes

Sec. 1401. Total State Spending and Grants to Local Governments – DELETED

Specifies total state spending and expected grants to locals from state revenue sources for FY 2014-15 supplemental appropriation included in Part 1B. Senate adds new section, Conference deletes.

Sec. 1402. Appropriations Subject to Management and Budget Act – DELETED

Expends appropriations under the limitations and requirements of Management and Budget Act for FY 2014-15 supplemental appropriation included in Part 1B. Senate adds new section, Conference deletes.