

**Summary: Executive Budget Recommendation  
for Fiscal Year 2019-20  
DEPARTMENT OF NATURAL RESOURCES**



**Analyst: Austin Scott**

	FY 2018-19 Year-to-Date as of 3/5/19	FY 2019-20 Executive	Difference: FY 2019-20 Vs. FY 2018-19	
			Amount	%
<b>IDG/IDT</b>	\$232,200	\$232,200	\$0	0.0
<b>Federal</b>	85,339,700	86,011,600	671,900	0.8
<b>Local</b>	0	0	0	--
<b>Private</b>	12,431,400	7,431,600	(4,999,800)	(40.2)
<b>Restricted</b>	309,185,800	329,545,300	20,359,500	6.6
<b>GF/GP</b>	77,241,800	51,224,000	(26,017,800)	(33.7)
<b>Gross</b>	<b>\$484,430,900</b>	<b>\$474,444,700</b>	<b>(\$9,986,200)</b>	<b>(2.1)</b>
<b>FTEs</b>	2,340.3	2,366.1	25.8	1.1

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) 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 the DNR.

<b>Major Budget Changes From FY 2018-19 Year-to-Date (YTD) Appropriations</b>	<b>FY 2018-19 YTD (as of 3/5/19)</b>	<b>Executive Change from YTD</b>
<b>1. Chronic Wasting Disease – Wildlife Management</b>	FTE 221.5	0.0
Increases the Wildlife Management appropriation by \$2.3 million GF/GP for Chronic Wasting Disease research costs (\$2.0 million one-time) and increased laboratory costs associated with the rising number of deer tested (\$300,000 ongoing).	<b>Gross \$44,917,900</b>	<b>\$2,300,000</b>
	Federal 25,164,900	0
	Private 315,700	0
	Restricted 14,986,600	0
	GF/GP \$4,450,700	\$2,300,000
<b>2. Minerals Management</b>	FTEs 19.0	3.0
Increases the Minerals Management Program by \$1.4 million in one-time GF/GP and authorizes 3.0 FTE positions for an inventory of hazardous materials pipelines that cross waterways to prioritize which crossings need attention.	<b>Gross \$2,881,000</b>	<b>\$1,350,000</b>
	Restricted 2,881,000	0
	GF/GP \$0	\$1,350,000
<b>3. Recreation Infrastructure Improvement Projects</b>	<b>Gross NA</b>	<b>\$21,372,800</b>
Includes an increase of \$21.4 million in restricted funding for improvements to public recreation infrastructure and facilities. This additional revenue is projected from the proposed gas tax increase; the DNR receives 2% of gas tax in accordance with constitutional revenue distribution.	Restricted NA	21,372,800
	GF/GP NA	\$0
<b>4. Parks and Recreation Division</b>	FTEs NA	18.8
Includes an increase of \$1.6 million in restricted funding to the Parks and Recreation Division to support the following programs: Forest Recreation and Trails (\$1.2 million and 6.1 FTE positions), Recreational Boating (\$218,500 and 0.9 FTE positions), and State Parks (\$200,000 and 11.8 FTE positions).	<b>Gross NA</b>	<b>\$1,613,100</b>
	Restricted NA	1,613,100
	GF/GP NA	\$0

<b>Major Budget Changes From FY 2018-19 Year-to-Date (YTD) Appropriations</b>		<b>FY 2018-19 YTD (as of 3/5/19)</b>	<b>Executive Change from YTD</b>
<b>5. Forest Resources Division – Forest Development Fund revenue</b>	FTEs	NA	2.0
Increases the Forest Development Fund appropriation by \$2.1 million to support the following programs: Forest Management and Timber Market Development (\$1.4 million and 2.0 FTE positions), Wildfire Protection (\$689,300), and the Michigan Registered Forester Program (\$30,000), which was transferred from Licensing and Regulatory Affairs by 2018 PA 116. A decrease of \$574,300 GF/GP is exceeded by the \$689,300 restricted funding increase for Wildfire Protection.	<b>Gross</b>	<b>NA</b>	<b>\$1,560,000</b>
	Restricted	NA	2,134,300
	GF/GP	NA	(\$574,300)
<b>6. Michigan Historical Center</b>	FTEs	54.5	2.0
Includes an increase of \$850,000 in federal funding and authorizes 2.0 FTE positions to the Michigan Historical Center, which includes the Michigan Historical Museum System, State Archives, and Mann House in Concord.	<b>Gross</b>	<b>\$6,134,900</b>	<b>\$850,000</b>
	Federal	150,000	850,000
	Private	396,200	0
	Restricted	829,600	0
	GF/GP	\$4,759,100	\$0
<b>7. Recreation Passport revenue</b>	<b>Gross</b>	<b>NA</b>	<b>\$350,000</b>
Authorizes an additional \$350,000 in Recreation Passport revenue for Recreation Passport Local Grants (\$325,000), as well as Marketing and Outreach (\$25,000).	Restricted	NA	350,000
	GF/GP	NA	\$0
<b>8. Off-road Vehicle Safety Training Grants</b>	<b>Gross</b>	<b>\$29,200</b>	<b>\$30,800</b>
Includes an increase of \$30,800 from the ORV Safety Education Fund for grants to public school districts for off-road vehicle safety education courses.	Restricted	29,200	30,800
	GF/GP	\$0	\$0
<b>9. Grants GF/GP Reductions</b>	<b>Gross</b>	<b>NA</b>	<b>(\$300,000)</b>
Reduces the budget by \$300,000 GF/GP: Dam Management Grants (\$150,000) and Nonmotorized Trail Development and Maintenance Grants (\$150,000). The FY 2018-19 DNR budget includes \$9.9 million GF/GP for Dam Management and \$350,000 GF/GP for Nonmotorized Trail Development and Maintenance.	GF/GP	NA	(\$300,000)
<b>10. Removal of FY 2018-19 Capital Outlay Projects and One-time Funding</b>	<b>Gross</b>	<b>NA</b>	<b>(\$42,221,000)</b>
Eliminates \$42.2 million Gross (\$29.4 million GF/GP): \$2.5 million for FY 2018-19 capital outlay projects that require no additional appropriation and \$39.7 million for one-time projects included in the FY 2018-19 budget.	Federal	NA	(643,000)
	Private	NA	(5,000,000)
	Restricted	NA	(7,193,000)
	GF/GP	NA	(\$29,385,000)
<b>11. Technical Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$605,200)</b>
Removes \$605,200 in restricted funding to align spending authorization with available restricted revenues.	Restricted	NA	(605,200)
	GF/GP	NA	\$0
<b>12. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$3,713,300</b>
Reflects increased costs of \$3.7 million Gross (\$591,500 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	464,900
	Private	NA	200
	Restricted	NA	2,656,700
	GF/GP	NA	\$591,500

## **Major Boilerplate Changes From FY 2018-19**

### ***Sec. 220. Disciplinary Action Against State Employees – DELETED***

Prohibits DNR from disciplining state employees for communicating with members of the legislature and their staffs.

### ***Sec. 221. Contracts and Grants for Local Governments, Colleges and Universities, Nonprofits – NEW***

Authorizes DNR to contract with or provide grants to local governments, institutions of higher education, or nonprofits.

### ***Sec. 408. Land Transactions – DELETED***

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

### ***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 use of registration fees from privately owned cervid operations.

### ***Sec. 601. Stream Habitat Improvement Grants – DELETED***

Appropriates \$758,000 to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat improvement projects.

### ***Sec. 602. Water Control Structure Certification – DELETED***

Directs Fisheries Division not to interfere with the certification process for dams and other water control structures.

### ***Sec. 603. Cormorant Management – DELETED***

Requires annual report on use of cormorant management funding; requires DNR to submit funding to the USDA to pay for increased taking of cormorants and their nests; requires any retained or additional funds for cormorant control to be used for program.

### ***Sec. 651. Buffalo Reef – DELETED***

Authorizes unexpended funds appropriated for Buffalo Reef to be considered work project appropriations and carried forward until the projects have been completed. The projects will be accomplished using state resources, contracts, and/or grants and have a tentative completion date of September 30, 2023.

### ***Sec. 652. Dam Management Grant Program – DELETED***

Authorizes unexpended funds appropriated for the Dam Management Grant Program to be considered work project appropriations and carried forward until the projects have been completed. The projects will be accomplished using state resources, contracts, and/or grants and have a tentative completion date of September 30, 2023.

### ***Sec. 653. Leland – Good Harbor Reef Improvements – DELETED***

Authorizes unexpended funds appropriated for Leland – Good Harbor Reef Improvements to be considered work project appropriations and carried forward until the projects have been completed. The projects will be accomplished using state resources, contracts, and/or grants and have a tentative completion date of September 30, 2023.

### ***Sec. 654. Michigan Infrastructure Fund – DELETED***

Requires the \$8.0 million GF/GP appropriated for Michigan Infrastructure Fund to be deposited into the Michigan Infrastructure Fund for FY 2018-19.

### ***Sec. 655. Grand River Dredging – DELETED***

Requires funds appropriated for Grand River Dredging to be used for dredging to facilitate recreational boating traffic in the Grand River between the Fulton Street Bridge in Kent County and the Bass River inlet in Ottawa County, in accordance with DTMB's feasibility study. Funds will be expended pending satisfactory sediment tests and required permits. Authorizes unexpended funds to be considered work project appropriations and carried forward until the projects have been completed. This project will be accomplished by issuing requests for proposals and using contracts and has a tentative completion date of September 30, 2022.

### ***Sec. 656. Pheasant Hunting Initiative – DELETED***

Requires \$180,000 appropriation to be distributed for purchase of pheasants to release on state game areas to improve hunting opportunity and to recruit, retain, and reactivate small game hunters; requires DNR to evaluate program for possible renewal in the future; designates appropriation as a work project appropriation.

### ***Sec. 901. Snowmobile Law Enforcement Grants – DELETED***

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

**Major Boilerplate Changes From FY 2018-19**

***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. Silver Lake Law Enforcement Reimbursement – DELETED***

Appropriates \$35,000 in off-road vehicle trail improvement grant funding for reimbursing local units of government for costs related to seasonal law enforcement at Silver Lake.

***Sec. 1201. Swimmer's Itch Pilot Program – DELETED***

Appropriates \$250,000 to be distributed to a Michigan-based nonprofit organization for swimmer's itch mitigation and research and requires a progress report.

***Sec. 1201. Minerals Management (One-time) – NEW***

Authorizes unexpended funds appropriated for Minerals Management to be considered work project appropriations and carried forward until the projects have been completed. The projects will be accomplished using state resources, contracts, and/or grants and have a tentative completion date of September 30, 2022.

***Sec. 1202. Lake Level Assessment Reimbursements – DELETED***

Appropriates \$35,000 to reimburse qualifying costs related to lake level assessments.

***Sec. 1203. Long Lake Boat Launch – DELETED***

Requires DNR to use funds appropriated to develop a boat launch at Long Lake in Alpena County.

***Sec. 1204. Grindstone Harbor Development Grant – DELETED***

Requires DNR to use funds appropriated for planning and development costs at Grindstone Harbor in Huron County.

***Sec. 1205. Dam Management Grant Program (One-Time) – DELETED***

Requires DNR to use funds appropriated for the Dam Management Grant Program to remove a dam in the City of Grand Rapids and designates the appropriation as work project appropriations.

***Sec. 1206. Wildlife and Fisheries Health Study – DELETED***

Requires DNR to use funds appropriated to investigate the effect of PFAS contamination on Michigan's wildlife and fisheries populations.

***Sec. 1207. Wayne County Soil Mapping Program – DELETED***

Requires appropriation for the cooperative resource program (one-time) to fund the Wayne County soil mapping program.

<b><u>Supplemental Recommendations for FY 2018-19 Appropriations</u></b>		<b><u>FY 2018-19 Recommendation</u></b>
<p><b><i>1. State Parks Repair and Maintenance – Capital Outlay</i></b> Includes an increase of \$8.5 million in restricted funding for construction, demolition, maintenance, repair, and renovation projects at state park facilities.</p>	<p><b>Gross</b> Restricted GF/GP</p>	<p><b>\$8,500,000</b> 8,500,000 \$0</p>
<p><b><i>2. Shooting Range Improvements – Capital Outlay</i></b> Authorizes \$1.7 million in federal funding for shooting range projects in Allegan, Lapeer, and Marquette counties. Funds are available from a federal excise tax on the sale of firearms and ammunition.</p>	<p><b>Gross</b> Federal GF/GP</p>	<p><b>\$1,700,000</b> 1,700,000 \$0</p>
<p><b><i>3. Snowmobile Trail Improvement Fund Revenue Increase</i></b> Includes \$6.0 million from the Snowmobile Trail Improvement Fund for grants to replace snowmobile trail groomers, maintain existing groomers, and support trail maintenance by local sponsors (\$3.7 million) and for capital projects across Michigan's snowmobile trail system including erosion mitigation, infrastructure repair, and trail maintenance (\$2.3 million).</p>	<p><b>Gross</b> Restricted GF/GP</p>	<p><b>\$6,000,000</b> 6,000,000 \$0</p>
<p><b><i>4. Off-road Vehicle Trail Improvement Fund Revenue Increase</i></b> Includes \$3.0 million from the ORV Trail Improvement Fund for capital projects across Michigan's ORV trail system including erosion mitigation, infrastructure repair, and trail maintenance (\$1.4 million); grants to maintain existing ORV facilities, develop new facilities, and restore natural resources damaged by ORV use (\$764,500); DNR law enforcement (\$716,800); Finance and Operations (\$44,300); Executive Direction (\$36,000); and Marketing and Outreach (\$13,400).</p>	<p><b>Gross</b> Restricted GF/GP</p>	<p><b>\$3,000,000</b> 3,000,000 \$0</p>

**Major Boilerplate Changes From FY 2018-19**

**5. National Recreational Trails**

Includes an increase of \$1.9 million in federal funding from the Recreational Trails Program to align spending authority with available revenue. This federal program helps individual states develop and maintain recreational trails.

<b>Gross</b>	<b>\$1,900,000</b>
Federal	1,900,000
GF/GP	\$0