

FY 2014-15: DEPARTMENT OF NATURAL RESOURCES
Summary: Conference Report
Senate Bill 774 (S-1) CR-1



Analyst: Viola Bay Wild

	FY 2013-14 YTD as of 2/5/14	FY 2014-15 Executive	FY 2014-15 House	FY 2014-15 Senate	FY 2014-15 Conference	Difference: House From FY 2013-14 YTD	
						Amount	%
IDG/IDT	\$1,412,300	\$1,355,100	\$1,355,100	\$1,355,100	\$1,355,100	(57,200)	(4.1)
Federal	67,127,300	67,954,500	67,954,500	67,954,500	67,954,500	827,200	1.2
Local	0	0	0	0	0	0	--
Private	7,237,200	10,286,300	10,286,300	10,286,300	10,286,300	3,049,100	42.1
Restricted	241,925,500	256,498,000	256,498,000	256,498,000	256,498,000	14,572,500	6.0
GF/GP	25,436,600	47,091,500	36,091,500	46,841,500	48,591,500	23,154,900	91.0
Gross	\$343,138,900	\$383,185,400	\$372,185,400	\$382,935,400	\$384,685,400	41,546,500	12.1
FTEs	2,141.3	2,229.3	2,296.3	2,228.3	2,228.3	87.0	4.1

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. (4) Information on House budget action in this document is based on House Bill 5313 as passed by the House.

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.

Major Budget Changes From FY 2013-14 YTD Appropriations

1. Funding Adjustments

Executive removes \$600,000 one-time GF/GP funding for conservation officer academy in FY 2013-14; reduces gross funding 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 recreation passport local grants. House, Senate, and Conference concur with Executive.

	FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Conference Change
Gross	N/A	(\$689,300)
IDG	N/A	(85,000)
Federal	N/A	(783,700)
Restricted	N/A	779,400
GF/GP	N/A	(\$600,000)

2. Conservation Officers

Executive provides \$3.5 million GF/GP to fund 25 additional conservation officers and a conservation officer academy in FY 2014-15. In current year, FY 2013-14, it is projected there will be 202 officers after current academy is completed. FTE increases for FY 2014-15 would bring total to 227. House, Senate, and Conference concur with Executive.

FTE	N/A	25.0
Gross	N/A	\$3,500,000
GF/GP	N/A	\$3,500,000

3. Annualize Increased Hunting and Fishing License Fees Revenues

Executive includes \$8.1 million additional restricted funding and 26.0 FTEs to reflect full-year implementation of hunting and fishing license fee increase enacted in PA 108 of 2013; increased fees go into effect March 1, 2014. House, Senate, and Conference concur with Executive.

FTE	N/A	26.0
Gross	N/A	\$8,057,500
Restricted	N/A	8,057,500

4. Great Lakes Research Vessel

Executive includes \$2.0 million (\$1.0 million GF/GP) one-time funding to replace the *Chinook*, DNR's 67-year-old Lake Huron research vessel. House, Senate, and Conference concur with Executive.

Gross	N/A	\$2,000,000
Private	N/A	500,000
Restricted	N/A	500,000
GF/GP	N/A	\$1,000,000

5. Cormorant Population Mitigation Program

Senate includes \$50,000 additional GF/GP funding for the Cormorant Population Mitigation Program. Conference concurs with Senate.

Gross	\$100,000	\$50,000
GF/GP	\$100,000	\$50,000

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Conference Change	
6. 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.	Federal	136,300	0	0
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Private	411,900	0	0
	Restricted GF/GP	56,634,900	2,000,000	2,000,000
		\$1,700,000	\$0	\$0
7. Invasive Species Initiative	FTE	0.0	16.0	16.0
<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	\$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 for local grants in FY 2014-15. <u>Senate</u> concurs with Executive, but includes an additional \$170,000 funding. <u>Conference</u> appropriates \$5.0 million ongoing GF/GP and 4.0 FTES..	GF/GP	\$0	\$5,000,000	\$5,000,000
8. Michigan Conservation Corps	FTE	0.0	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	(\$1,500,000)	(\$1,500,000)
<u>House</u> does not include additional \$1.0 million funding and FTE position and funds program at current-year levels. <u>Senate</u> eliminates program funding. <u>Conference</u> reduces current-year funding by \$1.5 million GF/GP.	GF/GP	\$2,500,000	(\$1,500,000)	(\$1,500,000)
9. Forestry Program	FTE	N/A	10.0	10.0
<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	\$3,920,000	\$3,920,000
<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. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with Executive, but provides \$3.92 million funding.	GF/GP	N/A	\$3,920,000	\$3,920,000
10. Forestry – Best Management Practices Audit	Gross	\$0	\$0	\$0
<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	\$0	\$0
<u>Senate</u> does not include funding. <u>Conference</u> does not include funding because program is funded in MDARD Conference Report for FY 2014-15.				
11. Non-Motorized Trail Initiative	FTE	N/A	10.0	10.0
<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	\$2,500,000	\$2,500,000
<u>House</u> does not include additional GF/GP funding or FTEs. <u>Senate</u> and <u>Conference</u> concurs with Executive.	GF/GP	N/A	\$2,500,000	\$2,500,000

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Conference Change
12. Capital Outlay Projects – State Parks	Gross	\$9,500,000	\$2,750,000
<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).	Private	0	2,500,000
	Restricted	9,500,000	(3,500,000)
	GF/GP	\$0	\$3,750,000
<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).			
<u>Senate</u> increases funding by \$2.75 million Gross (\$3.75 million GF/GP and \$2.5 million private; restricted funding reduced by \$3.5 million).			
<u>Conference</u> concurs with Senate.			
13. 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.	Restricted	0	3,000,000
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.			
14. 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.	Federal	1,638,000	787,000
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Restricted	5,277,600	(702,600)
15. River Raisin National Battlefield Foundation Grant	Gross	\$0	\$2,000,000
<u>Senate</u> includes \$2.0 million one-time GF/GP funding in a new line item for the preservation of the battlefield, building a museum, and other improvements.	GF/GP	\$0	\$2,000,000
<u>Conference</u> concurs with Senate.			
16. Saginaw River Feasibility Study	Gross	\$0	\$280,000
<u>Senate</u> includes \$280,000 one-time GF/GP funding in a new line item to fund a study concerning the feasibility of deepening the Saginaw River between the City of Saginaw and the Saginaw Bay.	GF/GP	\$0	\$280,000
<u>Conference</u> concurs with Senate.			
17. Flint River Dike Repair	Gross	\$0	\$1,000,000
<u>Senate</u> includes \$1.0 million one-time GF/GP funding for repair of Flint River dike.	GF/GP	\$0	\$1,000,000
<u>Conference</u> concurs with Senate.			
18. Hart-Montague Trail	Gross	\$0	\$1,000,000
<u>Conference</u> includes \$1.0 million GF/GP funding for Hart-Montague Trail.	GF/GP	\$0	\$1,000,000
19. City of Alma/Alma College Public Safety Land Improvements	Gross	\$0	\$1,000,000
<u>Conference</u> includes \$1.0 million one-time GF/GP funding in a new line item to fund Alma College public safety land improvements.	GF/GP	\$0	\$1,000,000
20. 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.	IDG	N/A	27,800
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	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. Performance Benchmarks – NEW

Requires report of benchmarks to measure performance or return for each new program or program increase; includes intent language that any new program include list of benchmarks in future. House includes language; Conference revises language to apply to increases of \$500,000 or more.

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, Senate, and Conference retain language.

Major Boilerplate Changes From FY 2013-14

Sec. 217. Retention of Reports – RETAINED

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

Sec. 233. FTE Report – DELETED

Requires report on the number of FTEs in pay status; report required quarterly. Executive deletes language; House retains language; Senate and Conference concur with Executive.

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

Prohibits DNR 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). Executive deletes language; House, Senate, and Conference concur 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, Senate, and Conference concur with Executive.

Sec. 250. Michigan Civilian Conservation Corps (MCCC) – NEW

Requires DNR to work with MCCC steering committee to plan for a nonprofit MCCC outside of state government. Senate and Conference include new language.

Sec. 251. Invasive Species Initiative – NEW

Requires \$3.77 million of funding for the Invasive Species Initiative be allocated for grants for prevention, detection, eradication, and control of invasive species. Senate includes new language; House revises language to require that \$4.4 million be allocated for grants; Conference revises language to require \$3.6 million be allocated for grants.

Sec. 408. Land Transactions – RETAINED

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

Dec. 409. Oil and Gas Lease Report – DELETED

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; Senate and Conference concur with Executive.

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, Senate, and Conference retain language.

Sec. 504. Cervid Operation Fees – RETAINED

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

Sec. 603. Cormorant Management – REVISED

Requires quarterly report on use of cormorant management funding; provides that Department submit funding to USDA to pay for increased taking of cormorants and their nests. Executive deletes language; House concurs with Executive; Senate and Conference revise language to require any retained or additional funds for cormorant control be used for program.

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, Senate, and Conference retain 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, Senate, and Conference concur with Executive.

Sec. 704. Pure Michigan Trails – NEW

Allocates \$200,000 from appropriations in part 1 for Pure Michigan Trails if Senate Bills 873 through 877 are enacted. Senate and Conference include new language.

Major Boilerplate Changes From FY 2013-14

Sec. 705. Burt Lake Connector Trail – NOT INCLUDED

Allocates \$100,000 from appropriations in part 1 for the completion of the Burt Lake connector trail. Senate includes new language; Conference does not include new language.

Sec. 802. Timber Marking – RETAINED

Directs DNR 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, Senate, and Conference retain 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 concurs with Executive; Senate and Conference retain language.

Sec. 805. Contract Foresters – RETAINED

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

Sec. 808. Forestry – Best Management Practices Audit – NOT INCLUDED

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; Senate and Conference do not include language.

Sec. 808. Gas and Oil Lease Development – NEW

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

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

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

Sec. 1102. Capital Outlay Lump Sum Appropriations – DELETED

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; Senate and Conference concur with Executive.

Sec. 1104. Federal Reimbursement For Harbor Dredging – DELETED

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; Senate and Conference concur with Executive.

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; Senate concurs with Executive; Conference concurs with House.

Sec. 1201. Saginaw River Study – NEW

Requires Department to conduct a study concerning the deepening of the Saginaw River. Senate includes new language; Conference concurs with Senate.

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, Senate, and Conference retain language, updates fiscal year.