

**Summary: Executive Budget Recommendation
for Fiscal Year 2016-17
DEPARTMENT OF NATURAL RESOURCES**



Analyst: Austin Scott

	FY 2015-16	FY 2016-17 Executive	Difference: FY 2016-17 Vs. FY 2015-16	
	Year-to-Date as of 2/10/16		Amount	%
IDG/IDT	\$1,352,700	\$1,375,900	\$23,200	1.7
Federal	77,128,000	72,365,400	(4,762,600)	(6.2)
Local	0	0	0	--
Private	8,157,700	7,446,400	(711,300)	(8.7)
Restricted	277,765,000	277,156,400	(608,600)	(0.2)
GF/GP	39,597,800	39,560,000	(37,800)	(0.1)
Gross	\$404,001,200	\$397,904,100	(\$6,097,100)	(1.5)
FTEs	2,235.8	2,242.8	7.0	0.3

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 DNR.

Major Budget Changes From FY 2015-16 Year-to-Date (YTD) Appropriations		FY 2015-16 YTD (as of 2/10/16)	Executive Change from YTD
1. Land Ownership Tracking System (one-time)	Gross	NA	\$4,000,000
Provides \$4.0 million Gross to convert outdated land management IT system to a web-based system that can interact with current databases.	Federal	NA	100,000
	Restricted	NA	3,900,000
	GF/GP	NA	\$0
2. Forestry Investment – Vegetative Management System (one-time)	Gross	NA	\$2,100,000
Provides \$2.1 million from the Forest Development Fund to continue the replacement of the old timber sale system with the new Vegetative Management System which tracks timber sales, catalogs inventory, and interfaces with the Land Ownership Tracking System.	Restricted	NA	2,100,000
	GF/GP	NA	\$0
3. Invasive Species (one-time)	Gross	NA	\$1,000,000
Provides \$1.0 million GF/GP to prevent invasive carp from migrating into state waterways from outside of Michigan.	GF/GP	NA	\$1,000,000
4. Fisheries Resource Management (one-time)	Gross	NA	\$600,000
Provides \$600,000 Gross (\$300,000 GF/GP) for two web-based systems to replace current paper-based system for real-time fish harvest reporting by state-licensed commercial anglers, tribal fishers, and wholesale dealers.	Restricted	NA	300,000
	GF/GP	NA	\$300,000
5. Forest Management and Timber Market Development	FTE	169.0	7.0
Increases by 7.0 FTEs and \$2.1 million from the Forest Development Fund to increase the state's sustainable timber supply. The additional FTEs include foresters, technicians, and forest economists. This funding will help DNR assess the impact of spruce budworm on 100,000 at-risk acres and develop the state's forest products economy.	Gross	\$29,108,100	\$2,125,000
	Federal	2,193,300	0
	Private	914,600	0
	Restricted	26,000,200	2,125,000
	GF/GP	\$0	\$0
6. Forest Fire Equipment Replacement	Gross	\$431,500	\$1,150,000
Increases restricted funding for forest fire equipment replacement by \$1.2 million (\$150,000 ongoing and \$1.0 million one-time). Departmental inventory includes 350 total pieces of forest fire equipment, over half of which are more than 20 years old.	Restricted	431,500	1,150,000
	GF/GP	\$0	\$0

Major Budget Changes From FY 2015-16 Year-to-Date (YTD) Appropriations		FY 2015-16 YTD (as of 2/10/16)	Executive Change from YTD
7. Recreation Passport Local Grants	Gross	\$1,000,000	\$500,000
Increases restricted authorization by \$500,000 on a one-time basis. Recreation passport local grants are awarded by DNR to local units of government for the development of public recreation facilities.	Restricted	1,000,000	500,000
	GF/GP	\$0	\$0
8. Capital Outlay Project Adjustments	Gross	NA	\$2,654,600
Makes current services baseline adjustments to capital outlay projects by reducing federal funding and increasing restricted and GF/GP funding for a net increase of \$2.7 million.	Federal	NA	(1,970,500)
	Restricted	NA	4,375,100
	GF/GP	NA	\$250,000
9. Removal of FY 2015-16 One-Time Appropriations	Gross	NA	(\$20,537,000)
Removes \$20.0 million Gross (\$1.1 million GF/GP) for one-time projects included in the previous fiscal year's budget.	Federal	NA	(3,000,000)
	Private	NA	(750,000)
	Restricted	NA	(15,712,000)
	GF/GP	NA	(\$1,075,000)
10. Five-Year Early Out Sick Leave Payments	Gross	NA	(\$816,800)
Recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years; removes \$816,800 Gross (\$22,900 GF/GP).	IDG	NA	(900)
	Restricted	NA	(793,000)
	GF/GP	NA	(\$22,900)
11. Revenue Adjustments	Gross	NA	(\$4,240,800)
Reduces federal and restricted authorization by a combined \$4.2 million to reflect available funds. Major adjustments include changes to state park improvement fund and game and fish protection fund authorization.	Federal	NA	(619,200)
	Restricted	NA	(3,621,600)
	GF/GP	NA	\$0
12. Economic Adjustments	Gross	NA	\$5,367,900
Reflects increased costs of \$5.4 million Gross (\$710,100 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments.	IDG	NA	24,100
	Federal	NA	727,100
	Private	NA	38,700
	Restricted	NA	3,867,900
	GF/GP	NA	\$710,100

Major Boilerplate Changes From FY 2015-16

Sec. 204. Performance Benchmarks – DELETED

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 future new program include list of benchmarks.

Sec. 212. Disciplinary Action Against State Employees – DELETED

Prohibits DNR from disciplining state employees for communicating with the Legislature.

Sec. 217. Retention of Reports – DELETED

Requires DNR to retain copies of all reports funded from appropriations.

Sec. 223. Waterways Fund Projects – DELETED

Requires DNR to report on activities of Waterways Commission during the previous fiscal year and provide list of completed Waterways Fund projects to the Legislature and State Budget Director by January 31, 2015.

Sec. 251. Invasive Species Initiative – DELETED

Requires \$3.6 million of funding for the Invasive Species Initiative be allocated for grants for prevention, detection, eradication, and control of invasive species.

Sec. 408. Land Transactions – DELETED

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

Sec. 501. Wildlife Management – DELETED

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.

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.

Major Boilerplate Changes From FY 2015-16

Sec. 504. Cervid Operation Fees – DELETED

Requires report on the use of registration fees from privately owned cervid operations.

Sec. 602. Water Control Structure Certification – DELETED

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

Sec. 603. Cormorant Management – REVISED

Requires quarterly report on the use of cormorant management funding; provides that the DNR must submit funding to the USDA to pay for increased taking of cormorants and their nests; any retained or additional funds for cormorant control must be used for program. Executive budget recommendation revises requirement from quarterly report to annual report.

Sec. 705. State Parks Capital Outlay and Maintenance Report – DELETED

Requires DNR to produce a report detailing its five-year plan for capital outlay and maintenance in state parks.

Sec. 801. Forest Management and Timber Market Development – REVISED

Requires DNR to use increased funding available from the increased timber harvest for the purpose of forest management and timber market development, including investments in technology and equipment aimed at growing the timber economy. Executive budget recommendation revises section to exclude technology and equipment enhancements and include a departmental requirement to develop corresponding metrics to assess performance.

Sec. 802. Timber Marking – DELETED

Directs DNR, subject to forest certification process, to mark and prescribe treatment on 79,000 acres, prepare 76,500 acres for harvest at an average rate of 12.5 to 15.0 cords per acre; requires that the impact of timber harvest on wildlife habitat and recreation uses be considered; requires quarterly report.

Sec. 805. Contract Foresters – DELETED

Allows DNR to hire sufficient contract foresters to mark timber.

Sec. 808. Gas and Oil Lease Development – DELETED

Requires DNR to develop a plan to motivate state-land oil and gas lessees to undertake warranted new operations.

Sec. 809. Forest Fire Equipment Replacement – NEW

Requires DNR to use increased funding available for forest fire equipment and forestry investment for the replacement of aging forest fire equipment. The department is also required to develop corresponding metrics to assess performance.

Sec. 1201. Forest Management and Timber Market Development Technology – NEW

Requires DNR to use increased funding available for the increased timber harvest for the purpose of forest management and timber market development which includes investments in technology aimed at growing the timber economy. The department is also required to develop corresponding metrics to assess performance.

Sec. 1202. Land Ownership Tracking System – NEW

Requires DNR to use increased funding available for the land ownership tracking system to implement a new electronic system to facilitate state land records management for the purpose of increasing access to public land records and updating systems. The department is also required to develop corresponding metrics to assess performance.

Sec. 1203. Invasive Species – NEW

Requires DNR to use increased funding available for invasive species and control to prevent, detect, eradicate, and control invasive species.

Flint-related Supplemental Recommendations for FY 2015-16 Appropriations

FY 2015-16 Recommendation

1. Summer Youth Employment Program

Adds \$250,000 for a program that provides seasonal employment for up to 100 local 16-to 19-year-olds. Participants would help provide residential services for those affected by the Flint water crisis. Services may include the provision of bottled water and filters. This program is similar to DNR's Michigan Conservation Corps.

Gross \$250,000
GF/GP \$250,000

Other Supplemental Recommendations for FY 2015-16 Appropriations

FY 2015-16 Recommendation

1. Off-Road Vehicle Trail Projects

Provides \$4.0 million restricted funding for off-road vehicle trail projects including bridge repair and other infrastructure improvements.

Gross \$4,000,000
Restricted 4,000,000
GF/GP \$0

Other Supplemental Recommendations for FY 2015-16 Appropriations

**FY 2015-16
Recommendation**

2. Dam Management Grant Program

Provides \$3.0 million GF/GP to expand the dam management grant program. These competitive grants are awarded for the removal or maintenance of failing dams from private and state-owned land.

Gross **\$3,000,000**
GF/GP **\$3,000,000**

3. Milliken State Park Improvements (Capital Outlay)

Provides \$800,000 in federal funding for shoreline and aquatic habitat improvements along the Detroit River in Milliken State Park. This grant was awarded to DNR by the United States Fish and Wildlife Service (USFWS).

Gross **\$800,000**
Federal 800,000
GF/GP \$0

4. East Tawas State Harbor Project (Capital Outlay)

Provides \$100,000 in federal funding for the ongoing East Tawas state harbor project. This funding comes from an increase in Michigan's annual apportionment from USFWS's Boating Infrastructure Grant Program.

Gross **\$100,000**
Federal 100,000
GF/GP \$0