

**Summary: Executive Budget Recommendation
for Fiscal Years 2012-13 and 2013-14
NATURAL RESOURCES**



Analyst: Viola Bay Wild

	FY 2011-12 Year-to-Date as of 2/9/12	FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12		FY 2013-14 Executive	Difference: FY 2013-14 Vs. FY 2012-13	
			Amount	%		Amount	%
IDG/IDT	6,587,500	2,027,200	(4,560,300)	(69.2)	2,015,900	(11,300)	(0.6)
Federal	69,356,200	66,603,000	(2,753,200)	(4.0)	66,342,500	(260,500)	(0.4)
Local	0	0	0	0	0	0	0
Private	2,931,600	7,239,200	4,307,600	146.9	7,223,700	(15,500)	(0.2)
Restricted	246,939,100	244,254,800	(2,684,300)	(1.1)	244,532,200	277,400	0.1
GF/GP	18,326,700	21,637,900	3,311,200	18.1	19,844,200	(1,793,700)	(8.3)
Gross	344,141,100	341,762,100	(2,379,000)	(0.7)	339,958,500	(1,803,600)	(0.5)
FTEs	2,179.4	2,152.5	-26.9	(1.2%)	2,152.5	0.0	0.0

Notes: (1) FY 2011-12 year-to-date figures include mid-year budget adjustments through February 9, 2012, as well as anticipated adjustments for Other Post Employment Benefit prefunding under Senate Bill 683. (2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and boilerplate appropriations designated as "one-time." (3) FY 2013-14 figures are projected budget amounts only and would not be legally-binding appropriations. (4) 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 2011-12 YTD Appropriations		FY 2011-12 YTD (as of 2/9/12)	Executive Changes	
			FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
1. Funding and FTE Authorization Adjustments	FTE	N/A	(24.0)	0.0
Reduces restricted funding authorization by \$10.1 million and private funding by \$260,100 to align with anticipated revenues. Includes a net federal funding authorization increase of \$1.6 million; reduces FTE authorizations by 24.0 positions through the elimination of unfilled and unfunded positions.	Gross	N/A	(\$8,728,900)	\$0
	Federal	N/A	1,648,800	0
	Private	N/A	(\$260,100)	0
	Restricted	N/A	(10,117,600)	\$0
2. Great Lakes Restoration Initiative	Gross	10,000,000	(\$4,500,000)	\$0
Reduces federal funding by \$4.5 million to align with anticipated revenues.	Federal	10,000,000	(\$4,500,000)	\$0
3. Gifts and Bequests Authorization	Gross	\$500,000	\$4,500,000	\$0
Includes additional \$4.5 million private funding authorization and changes name of line item to Gifts and Pass-Through Transactions.	Private	500,000	\$4,500,000	\$0
4. Dam Management Grant Program	FTE	N/A	1.0	0.0
Includes \$500,000 GF/GP funding and 1.0 FTE position for competitive grants for removal or maintenance of failing dams from private and state-owned land; additional one-time GF/GP funding of \$2.0 million appropriated in boilerplate (additional \$2.0 million funding is shown in item #13 below).	Gross	N/A	\$500,000	\$0
	GF/GP	N/A	\$500,000	\$0

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		FY 2011-12 YTD (as of 2/9/12)	Executive Changes	
			FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
5. Summer Youth Initiative	Gross	N/A	\$5,000,000	\$0
Appropriates \$5.0 million GF/GP funding for a new summer employment program for youth in the following urban areas: Pontiac, Flint, Saginaw, and Detroit.		GF/GP	\$5,000,000	\$0
6. Off Road Vehicle (ORV) License Fee Increase	Gross	N/A	\$2,530,700	\$0
Includes \$2.5 million additional restricted funding to be realized through an increase in the ORV license from the current annual fee of \$16.25 to a \$35.00 annual fee.		Restricted	2,530,700	\$0
7. Duplicate Recreational Safety Certificate Fee	Gross	N/A	\$70,400	\$0
Includes additional \$70,400 funding to be realized through a new fee charged for duplicate safety certificates such as boating, hunter, snowmobile, or ORV safety certificates; fee for replacement certificates would be \$11.00; \$28,200 of fee increase deposited into federal Hunter Education Fund.		Federal	28,200	\$0
		Restricted	42,200	
8. Shooting Range Fees	Gross	N/A	\$50,000	\$0
Increases restricted funding by \$50,000 in anticipation of a statutory change that would allow the DNR to charge a \$5.00 daily fee at all shooting ranges on state-owned land; currently range fees can only be charged at state parks; revenue will be deposited into the federal Hunter Education Fund.		Federal	\$50,000	\$0
9. FY 2011-12 Contingency Plans Funding		N/A	(3.9)	0.0
Includes reduction of \$364,200 GF/GP funding and elimination of authorization for 3.9 FTE positions as part of contingency plan for budgetary savings for FY 2011-12.		FTE		
		Gross	N/A	(\$364,200)
		GF/GP	(\$364,200)	\$0
10. State Park Improvement Revenue Bond Payment	Gross	N/A	\$3,300	\$0
Includes \$3,300 restricted funding for State Park Improvement Revenue Bond Payment.		Restricted	\$3,300	\$0
11. Other Post-Employment Benefits (OPEB) FY 2011-12 GF/GP Relief Adjustment	Gross	N/A	\$0	\$0
Includes the following funding adjustments to replace the one-time IDG funding relief of \$4.6 million for OPEB costs in FY 2011-12.		IDG	(4,590,100)	0
		Federal	1,300,800	0
		Restricted	3,289,300	0
12. Grand Marais Harbor One-Time Appropriation	Gross	N/A	(\$4,000,000)	\$0
Eliminates one-time funding of \$4.0 million GF/GP for Grand Marais Harbor appropriated through boilerplate in FY 2011-12.		GF/GP	(\$4,000,000)	\$0
13. Boilerplate Appropriations	Gross	N/A	\$3,892,600	(\$3,892,600)
Provides FY 2012-13 boilerplate appropriations designated as "one-time":		IDG	11,300	(11,300)
		Federal	260,500	(260,500)
<ul style="list-style-type: none"> \$1.9 million Gross (\$96,200 GF/GP) for negotiated one-time lump sum payments to state employees. 		Private	15,500	(15,500)
		Restricted	1,509,100	(1,509,100)
<ul style="list-style-type: none"> \$2.0 million Gross and GF/GP for Dam Management Grant Program. 		GF/GP	\$2,096,200	(\$2,096,200)
14. Economic Adjustments	Gross	N/A	\$5,370,600	\$5,511,200
Reflects increased costs of \$5.4 million Gross (\$79,200 GF/GP) for negotiated salary and wage increases, actuarially-required retirement rate increase, reduced employer health insurance costs due to 20% employee contribution and other economic adjustments. Additional increase of \$5.5 million Gross (\$302,500 GF/GP) projected for FY 2013-14.		IDG	18,500	0
		Federal	908,500	0
		Private	52,200	0
		Restricted	4,312,200	5,208,700
		GF/GP	N/A	79,200

<u>Major Budget Changes From FY 2011-12 YTD Appropriations</u>		FY 2011-12 YTD (as of 2/9/12)	Executive Changes	
			FY 2011-12 to FY 2012-13	FY 2012-13 to FY 2013-14
15. Capital Outlay Projects	Gross	\$25,080,000	(\$6,703,500)	(\$3,422,200)
Decreases funding for capital outlay projects in FY 2012-13 by \$6.7 million. Restricted funding for state parks and forest area projects is changed to state parks repair and maintenance projects and decreased by \$3.3 million; restricted funding for waterways projects is reduced by \$979,400 and federal funding is reduced by \$2.5 million. For FY 2013-14, proposed funding for waterways boating projects is reduced by \$3.4 million.	Federal	3,750,000	(2,450,000)	0
	Restricted	21,330,000	(4,253,500)	(3,422,200)

Major Boilerplate Changes From FY 2011-12

NOTE: No boilerplate language proposed specific to FY 2013-14.

Executive Boilerplate Deletions

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2011-12 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections deleted.

Sec. 212. Disciplinary Action Against State Employees – DELETED

Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs.

Sec. 223. Waterways Fund Projects – DELETED

Requires report on activities of Waterways Commission during the previous fiscal year; list of completed waterways fund projects to be provided to Legislature and State Budget Director by January 31, 2012.

Sec. 233. FTE Report – DELETED

Requires report on the number of FTEs in pay status; report required quarterly.

Sec. 301. Engineering Services Fees – DELETED

Allows fee charge against capital outlay or special maintenance appropriation to recover engineering service cost.

Sec. 306. Historical Program Fees – REVISED

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 (Renumbered to Sec. 14-403).

Sec. 308. Land Transactions – DELETED

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

Dec. 309. 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.

Sec. 402. Livestock Loss Indemnification – DELETED

State legislative intent that the DNR reimburse Department of Agriculture and Rural Development for livestock losses caused by wolves, coyotes, or cougars.

Sec. 502. Water Control Structure Certification – DELETED

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

Sec. 602. State Park Campground Closures – DELETED

Requires Legislature be notified if reduced operations or recreation opportunities are planned at any state park or recreation area.

Sec. 702. Timber Marking – DELETED

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.

Sec. 704. Horseback Riding Opportunities – DELETED

Directs Department to work cooperatively with horseback riding interests to increase horseback riding opportunities.

Sec. 705. Contract Foresters – DELETED

Allows Department to hire sufficient contract foresters to mark timber.

Major Boilerplate Changes From FY 2011-12

Sec. 706. State Forest Campground Closures – DELETED

States legislative intent that the state forest campgrounds proposed by the DNR to be closed will remain open.

Sec. 707. State Forest Campgrounds Mini-State Parks Pilot Program – DELETED

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.

Sec. 710. DNR Aircraft Report – DELETED

Requires DNR to report on the wildfire protection aircraft program. Report shall include the number of planes owned, aircraft costs, airplane usage, number of wildfires, and annual flight hours logged.

Sec. 801. Snowmobile Law Enforcement Grants – DELETED

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

Sec. 802. 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. 902. Off Road Vehicle (ORV) Trail Improvement Grants – DELETED

Requires expenditure of not less than \$980,000 for the development of new ORV trails.

Sec. 1001. 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.

Sec. 1004. Capital Outlay - Grand Marais Harbor Project – DELETED

Requires that DNR fund a capital outlay project to construct a breakwall at the Grand Marais Harbor once the necessary permits have been issued; project estimate cost is \$7.0 million.

Sec. 1101. One-Time Basis Appropriation - Grand Marais Harbor Capital Outlay Project – DELETED

Appropriates \$4.0 million GF/GP for the Grand Marais harbor capital outlay project; funding is on a one-time basis only.

Sec. 14-902. Dam Management Program – NEW

Provides that the unexpended funds for the Dam Management Grant Program are considered work project appropriations.