

FY 2013-14: DEPARTMENT OF NATURAL RESOURCES
Summary: As Reported by House Subcommittee
House Bill 4219 (H-1) Draft 1



Analyst: Viola Bay Wild

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
IDG/IDT	2,027,200	1,412,300	1,412,300			(614,900)	(30.3)
Federal	66,524,800	67,127,300	67,127,300			602,500	0.9
Local	0	0	0			0	0.0
Private	7,239,200	7,237,200	7,237,200			(2,000)	0.0
Restricted	242,353,700	251,325,500	241,873,000			(480,700)	(0.2)
GF/GP	19,737,900	27,286,600	17,929,700			(1,808,200)	(9.2)
Gross	337,882,800	354,388,900	335,579,500			(2,303,300)	(0.7)
FTEs	2,099.8	2,141.3	2,089.3			(10.5)	(0.5)

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(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, 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 2012-13 YTD Appropriations

1. Funding and FTE Authorization Adjustments

Executive reduces gross funding authorization by \$14.7 million to align with anticipated revenues; eliminates 54.5 FTE unfilled and unfunded positions. Major restricted funds reductions include:

Game and Fish Protection Fund	\$5.2 million
Forest Development Fund	5.0 million
Marine Safety Fund	522,700
Snowmobile Trail Improvement Fund	500,000
Game and Fish - Turkey Permit Fees	536,300
Game and Fish - Deer Habitat Reserve	353,300

House concurs with Executive.

2. Hunting and Fishing License Fees Increase

Executive includes additional \$11.4 million restricted funding in FY 2013-14 and 44.0 FTE positions. Funding would be realized through an increase in hunting and fishing license fees. The current license fee structures would be replaced. Hunting licenses would require a base \$10 license that allows hunters to hunt small game and waterfowl. Additional tags can be purchased for deer, turkey, bear, elk, and fur bearing animals to add to base license. The following fishing licenses would be offered: 24 hour all-species license, and all-species licenses for residents, senior residents, and non-residents. Fee increases would begin on March 1, 2014. Proposal estimated to generate \$18.1 million funding annually; a portion of new revenue would fund 16.0 additional conservation officers and 20.0 wildlife/fisheries positions, as well as 8.0 additional FTEs.

House concurs with Executive.

	FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
FTE	N/A	(54.5)
Gross	N/A	(\$14,689,900)
IDG	N/A	(626,700)
Federal	N/A	(37,600)
Private	N/A	(17,900)
Restricted	N/A	(14,007,700)
FTEs	N/A	44.0
Gross	N/A	\$11,365,000
Restricted	N/A	11,365,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
3. Off Road Vehicle (ORV) License Fee Increase	Gross	N/A	\$2,700,000
<u>Executive</u> includes \$2.7 million additional restricted funding to be realized through an increase in ORV licenses from the current annual fee of \$16.25 to a \$26.25 annual fee. Proposal also includes an additional optional cost of \$10 to the license fee to be authorized to ride on state trails. <u>House</u> concurs with Executive.	Restricted	N/A	2,700,000
4. Conservation Officer Academy and Training	FTE	N/A	0.0
<u>Executive</u> includes \$3.5 million GF/GP funding and 25.0 FTE positions for a conservation officer academy for 25 conservation officers. Of the GF/GP funding, \$2.9 million will be ongoing funding and \$600,000 will be one-time GF/GP funding for the academy. <u>House</u> does not include additional funding and FTE positions.	Gross GF/GP	N/A N/A	\$0 \$0
5. Research Vessel Replacement	Gross	N/A	\$0
<u>Executive</u> includes \$2.0 million one-time GF/GP funding to replace the <i>Chinook</i> , DNR's 65-year-old Great Lakes research vessel. The vessel performs assessments on the Great Lakes concerning aquatic invasive species and helps DNR conduct research and annual fish assessments. <u>House</u> does not include additional funding.	GF/GP	N/A	\$0
6. Aquatic Invasive Species (AIS) Prevention and Control	FTE	N/A	0.0
<u>Executive</u> includes \$150,000 GF/GP funding and 1.0 FTE position within Fisheries Resource Management to fund an AIS specialist and an AIS Prevention and Control Program within the DNR. <u>House</u> does not include additional funding and FTE position.	Gross GF/GP	N/A N/A	\$0 \$0
7. IT Rate Adjustments and Upgrades	Gross	N/A	\$95,700
<u>Executive</u> includes additional \$95,700 Gross (\$11,000 GF/GP) funding for IT charges due to program rate changes and appropriates an additional \$59,500 Gross (\$6,900 GF/GP) for wireless infrastructure and Internet bandwidth expansions. <u>House</u> includes \$95,700 Gross (\$11,000 GF/GP) funding for program rate changes, but does not include funding for infrastructure and bandwidth expansions.	Restricted GF/GP	N/A N/A	84,700 \$11,000
8. Summer Youth Initiative	Gross	\$3,000,000	(\$3,000,000)
<u>Executive</u> includes current-year funding of \$3.0 million GF/GP for the Summer Youth Initiative Program. <u>House</u> eliminates funding for program.	GF/GP	\$3,000,000	(\$3,000,000)
9. Wildfire Protection	Gross	N/A	\$1,500,000
<u>House</u> includes additional \$3.0 million GF/GP funding for wildfire protection program, but reduces restricted funding (Forest Development Fund) by \$1.5 million for an overall net increase of \$1.5 million to line item.	Restricted GF/GP	N/A N/A	(1,500,000) \$3,000,000
10. Forest Management	Gross	N/A	\$1,500,000
<u>House</u> includes additional \$1.5 million restricted funding (Forest Development Fund) in the Forest Management and Timber Market Development line item.	Restricted	N/A	(1,500,000)
11. Sustainable Forestry Initiative	Gross	N/A	\$100
<u>House</u> includes additional restricted funding of \$100 as a placeholder for a Sustainable Forestry Initiative Grant program.	Restricted	N/A	100
12. Accounting Service Center Funding Adjustment	Gross	N/A	\$5,000
<u>Executive</u> includes additional restricted funding of \$5,000 as a technical adjustment to properly align expenditures with services received from the accounting service center. <u>House</u> concurs with Executive.	Restricted	N/A	5,000
13. Removal of FY 2012-13 One-Time Funding Items	Gross	\$3,892,600	(\$3,892,600)
<u>Executive</u> eliminates \$3.9 million one-time funding items from previous year that will not receive one-time funding in FY 2013-14:	IDG	11,300	(11,300)
-State Employees Lump-Sum Payments (\$1.9 million)	Federal	260,500	(260,500)
-Dam Management Program (\$2.0 million)	Private	15,500	(15,500)
<u>House</u> concurs with Executive.	Restricted GF/GP	1,509,100 \$2,096,200	(1,509,100) (\$2,096,200)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
14. Belle Isle	FTEs	N/A	0.0
<u>Executive</u> includes additional \$3.7 million GF/GP funding and 26.0 FTE positions for the operation of Belle Isle as a state park, assuming a lease agreement with the City of Detroit. The new FTE positions would include 10.0 additional FTE authorizations within the State Parks program and 10.0 FTE authorizations in General Law Enforcement as well as 6 additional positions. <u>House</u> does not include additional funding and FTE positions.	Gross	N/A	\$0
	GF/GP	N/A	\$0
15. Capital Outlay Projects -- State Parks	Gross	\$12,125,900	(\$2,625,900)
<u>Executive</u> reduces funding for state parks repair and maintenance capital outlay projects by \$2.6 million to align funding with available revenue. <u>House</u> concurs with Executive.	Restricted	12,125,900	(\$2,625,900)
16. Capital Outlay Projects -- Waterways Boating Program	Gross	\$6,250,600	\$665,000
<u>Executive</u> includes additional \$9.7 million restricted funding (Waterways Fund) and \$338,000 additional federal funding for waterways boating projects. Of the restricted waterways funding, \$9.4 million would be dedicated to emergency dredging of harbors and generated by a portion of a proposed increase in the state gasoline tax.	Federal	1,300,000	338,000
<u>House</u> includes an additional \$665,000 Gross funding, but does not include the \$9.4 million restricted funding from the Waterways Fund for emergency dredging.	Restricted	4,950,600	327,000
17. Economic Adjustments	Gross	N/A	\$4,074,300
<u>Executive</u> reflects increased costs of \$4.1 million Gross (\$277,000 GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. <u>House</u> concurs with Executive.	IDG	N/A	23,100
	Federal	N/A	562,600
	Private	N/A	31,400
	Restricted	N/A	3,180,200
	GF/GP	N/A	\$277,000
18. Anticipated FY 2014-15 Budget Changes			
Reflects anticipated increase from FY 2013-14 budget of \$4.3 million Gross (\$217,400 GF/GP) for economic adjustments in FY 2014-15. (Boilerplate intent language only; would not be binding appropriation.)			
Major Boilerplate Changes From FY 2012-13			
Executive Boilerplate Deletions			
In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2012-13 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 – RETAINED			
Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. <u>Executive</u> deletes language; <u>House</u> retains 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 and State Budget Director. <u>Executive</u> deletes language; <u>House</u> retains language.			
Sec. 230. Measurable Outcomes Report – DELETED			
Requires report identifying 10 principal measurable outcomes of budget expenditures. <u>Executive</u> deletes language; <u>House</u> concurs with Executive.			
Sec. 233. FTE Report – RETAINED			
Requires report on the number of FTEs in pay status; report required quarterly. <u>Executive</u> deletes language; <u>House</u> retains language.			
Sec. 235. Website Scorecard – NEW			
Requires DNR to maintain on a publicly accessible website a department scorecard with key metrics concerning the agency's performance. <u>Executive</u> adds new section. <u>House</u> concurs with Executive.			

Major Boilerplate Changes From FY 2012-13

Sec. 406. Historical Program Fees – RETAINED

Allows DNR to charge fees for historical program services and museum admissions; Executive eliminates language of legislative intent to allow children under 18 be admitted free to the Michigan Historical Museum, if sufficient funding is available. House retains current-year language.

Sec. 408. Land Transactions – RETAINED

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

Dec. 409. Oil and Gas Lease Report – RETAINED

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.

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 retains language.

Sec. 504. Cervid Operation Fees – RETAINED

Requires report on the use of registration fees from privately owned cervid operations. Executive deletes language; House retains 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 retains language.

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 deletes language; House retains language.

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 retains language.

Sec. 801. Abandoned Mine Shaft Closures – DELETED

Appropriates \$350,000 for any declared emergency for the collapse of an abandoned mine shaft on state land. Executive deletes language; House concurs with Executive.

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 language; House retains 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 retains language.

Sec. 805. Contract Foresters – RETAINED

Allows Department to hire sufficient contract foresters to mark timber. Executive deletes language; House retains language.

Sec. 806. State Forest Campground Closures – DELETED

States legislative intent that the state forest campgrounds proposed by the DNR to be closed will remain open. Executive deletes language; House concurs with Executive.

Sec. 807. Disaster and Emergency Contingency Fund – NEW

Includes new language that appropriates up to \$800,000 funding from the Disaster and Emergency Contingency Fund to cover disaster-related costs. Funds cannot be expended without State Budget Director recommendation and notification to House and Senate Appropriations Committees; requires report. Executive adds new section. House revises language to appropriate up to \$500,000 funding.

Sec. 808. Wildfire and Forest Management Funding – NEW

Includes new language that requires \$6.5 million GF/GP and \$5.1 million Forest Development Fund be appropriated to the Wildfire Protection line item and requires \$20.3 million Forest Development Fund be appropriated to the Forest Management and Timber Market Development line item. House adds new section.

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 retains 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 retains 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 retains language.

Sec. 1003. Dam Management Program – RETAINED

Provides that unexpended funds for the Dam Management Grant Program are considered work project appropriations; requires that a long term plan be part of grant application. Executive deletes language; House retains language.

Sec. 1004. Sustainable Forestry Initiative Grant – NEW

Includes new legislative intent language to provide grant funding for a pilot program to work with forestland owners and prepare an analysis and audit of state-wide best management practices for water quality and related forestry issues. House adds new section.

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

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

Sec. 1102. Capital Outlay Lump Sum Appropriations – RETAINED

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.

Sec. 1104. Federal Reimbursement For Harbor Dredging – NEW

Includes new language that 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 adds new section. House revises language to refer to federal reimbursement of any dredging of harbors under ACOE's jurisdiction.

Sec. 1201. Anticipated FY 2014-15 Appropriations – RETAINED

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors. (See item 18 under Major Budget Changes for specific anticipated appropriation adjustments.) Executive deletes language; House retains language.