HOUSE FISCAL AGENCY

Budget Briefing: Natural Resources

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September 2026

Briefing Topics

- Funding Sources
- Appropriation Areas
- Major Budget Topics

Department of Natural Resources

The Department of Natural Resources (DNR) was established by the Michigan legislature in 1921 as the Department of Conservation. This name was changed to Department of Natural Resources in 1968.

- The DNR budget provides funding for:
  - Great Lakes protection and restoration
  - Wildlife management
  - Invasive species prevention and control
  - Fisheries management
  - Law enforcement protecting the state's natural resources and enforcing recreational laws
  - State parks and recreation areas
  - Forestry and timber management

Key Budget Terms

Fiscal Year: The state's fiscal year (FY) runs from October to September. FY 2026-27 is October 1, 2026 through September 30, 2027.

Appropriation: Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the legislature.

Line Item: Specific appropriation amount that establishes spending authorization for a particular program or function in a budget bill.

Boilerplate: Specific language sections in a budget bill that direct, limit, or restrict line item expenditures, express legislative intent, and/or require reports.

Lapses: Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a multi-year work project under a statutory process. Lapsed funds are available for expenditure in the subsequent fiscal year.

Note: Unless otherwise indicated, historical budget figures in this presentation have not been adjusted for inflation.

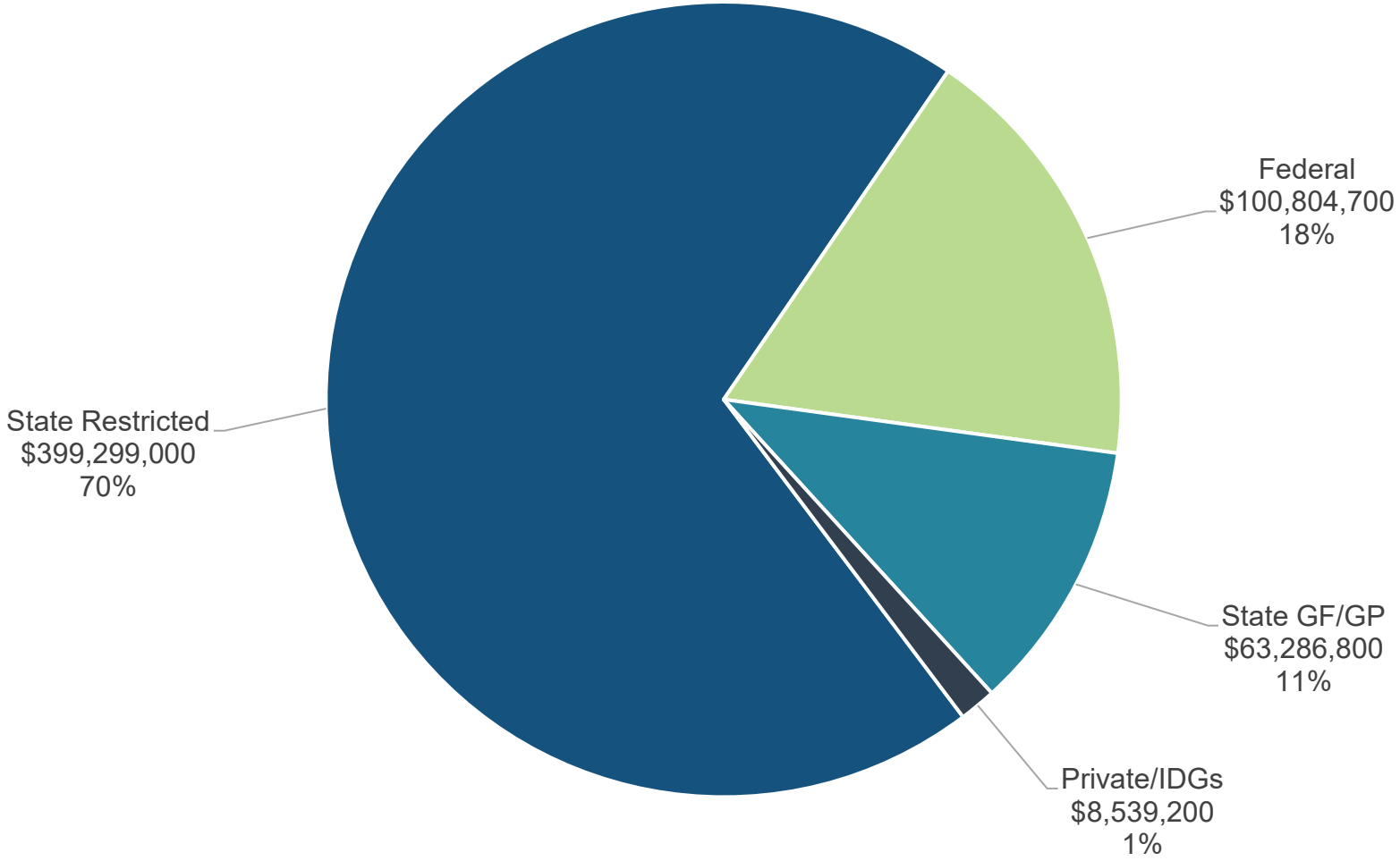
Funding Sources

FY 2026-27 DNR Budget

Fund Source	Funding	Description
Gross Appropriations	$571,939,700	Total spending authority from all revenue sources
Interdepartmental Grants (IDG) Revenue	208,300	Funds received by one state department from another state department, usually for services provided
Adjusted Gross Appropriations	$571,721,400	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	100,804,700	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	0	Revenue received from local units of government for state services
Private Revenue	8,330,900	Revenue from individuals and private entities, including payments for services, grants, and other contributions
State Restricted Revenue	399,299,000	State revenue restricted by the Michigan Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue
State General Fund/General Purpose (GF/GP) Revenue	$63,286,800	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the legislature

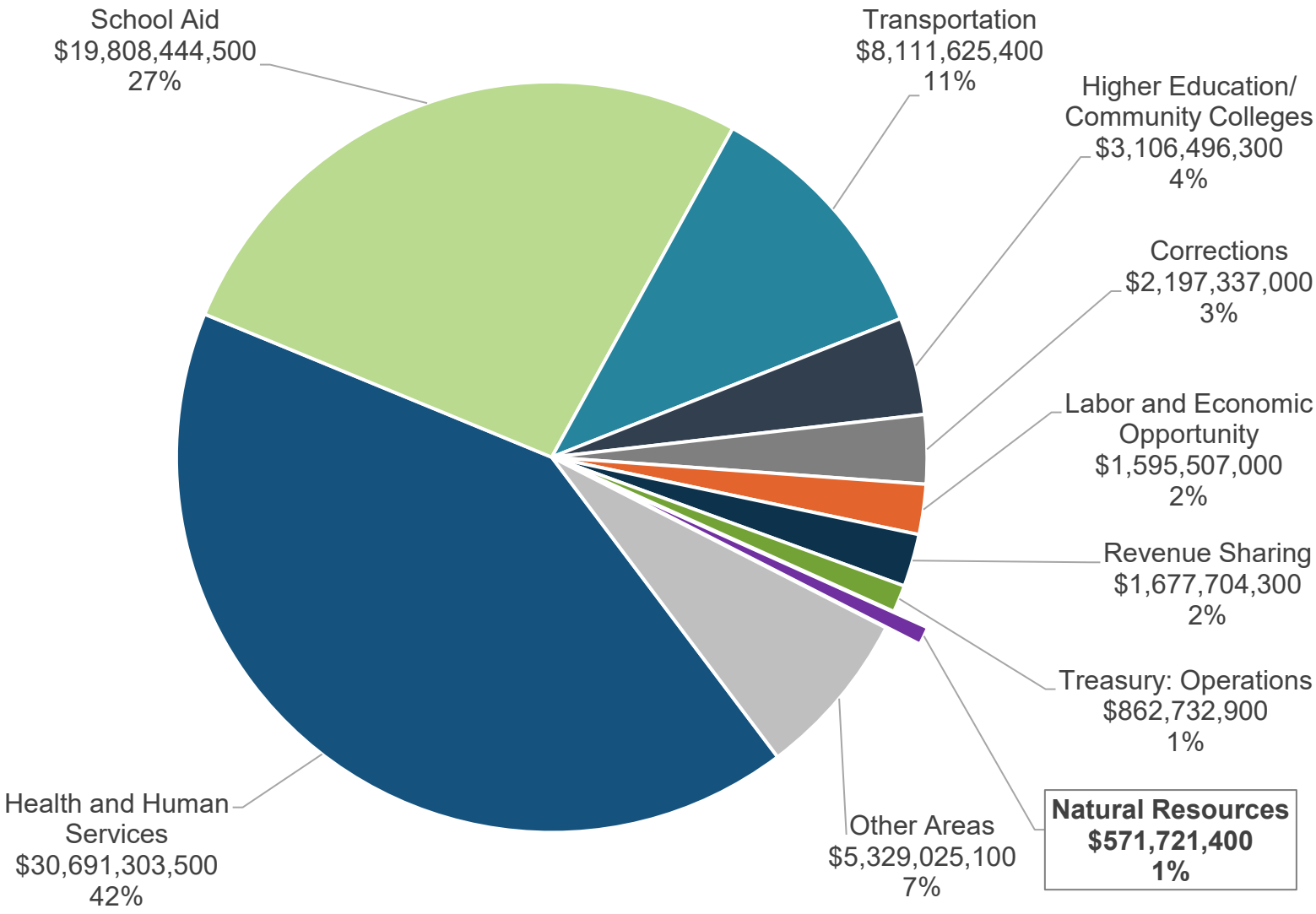
FY 2026-27 Fund Sources

More than two-thirds of the **$571.9 million** DNR budget is funded by state restricted revenue. There are 40 funds that comprise this revenue, three of which make up more than half of the total: State Park Improvement Account (**$96.8 million**), Game and Fish Protection Account (**$85.9 million**), and Forest Development Fund (**$50.1 million**).



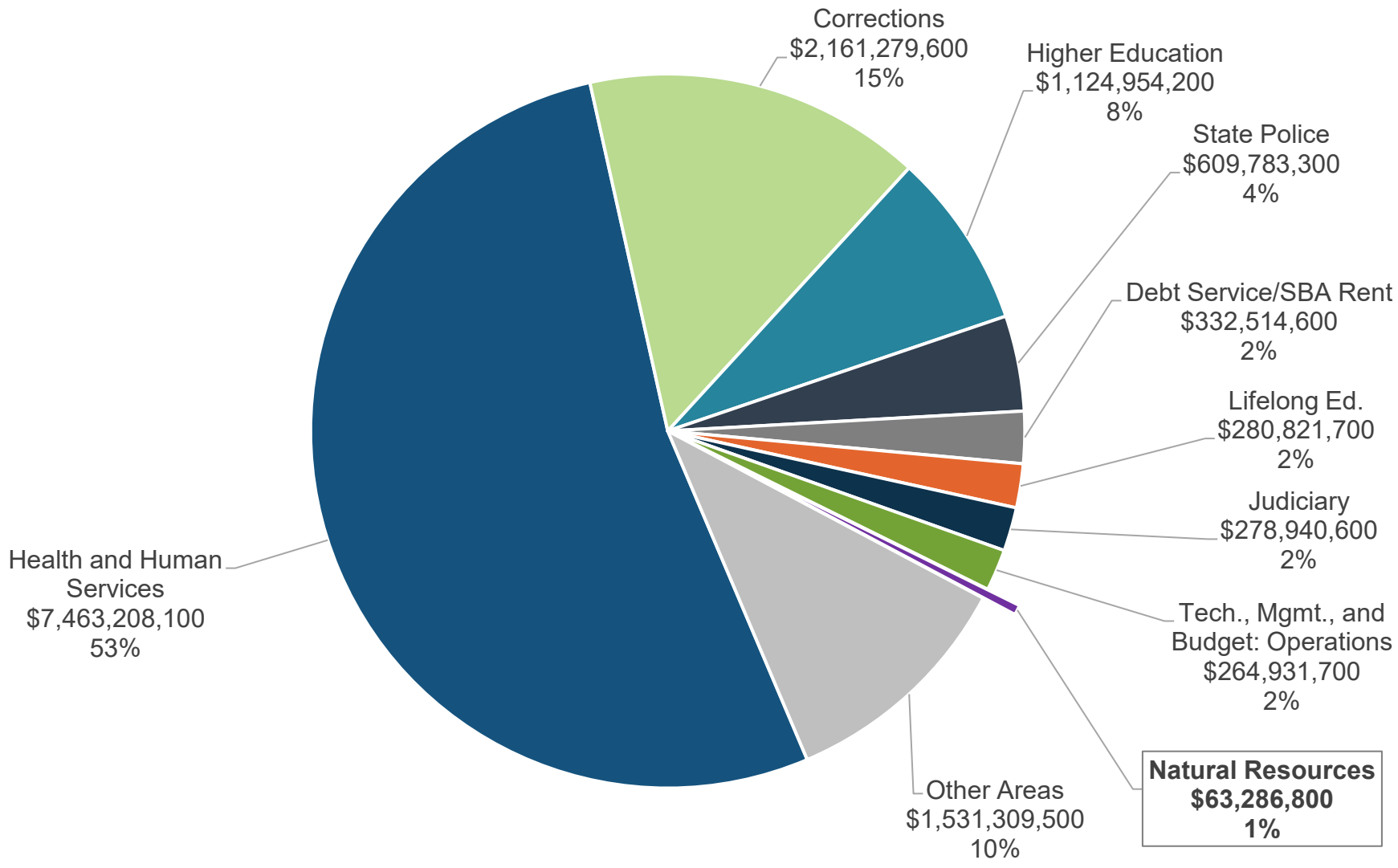
DNR Share of Total State Budget

The DNR budget represents about **1%** of the **$74.0 billion** state budget (adjusted gross) for FY 2026-27.



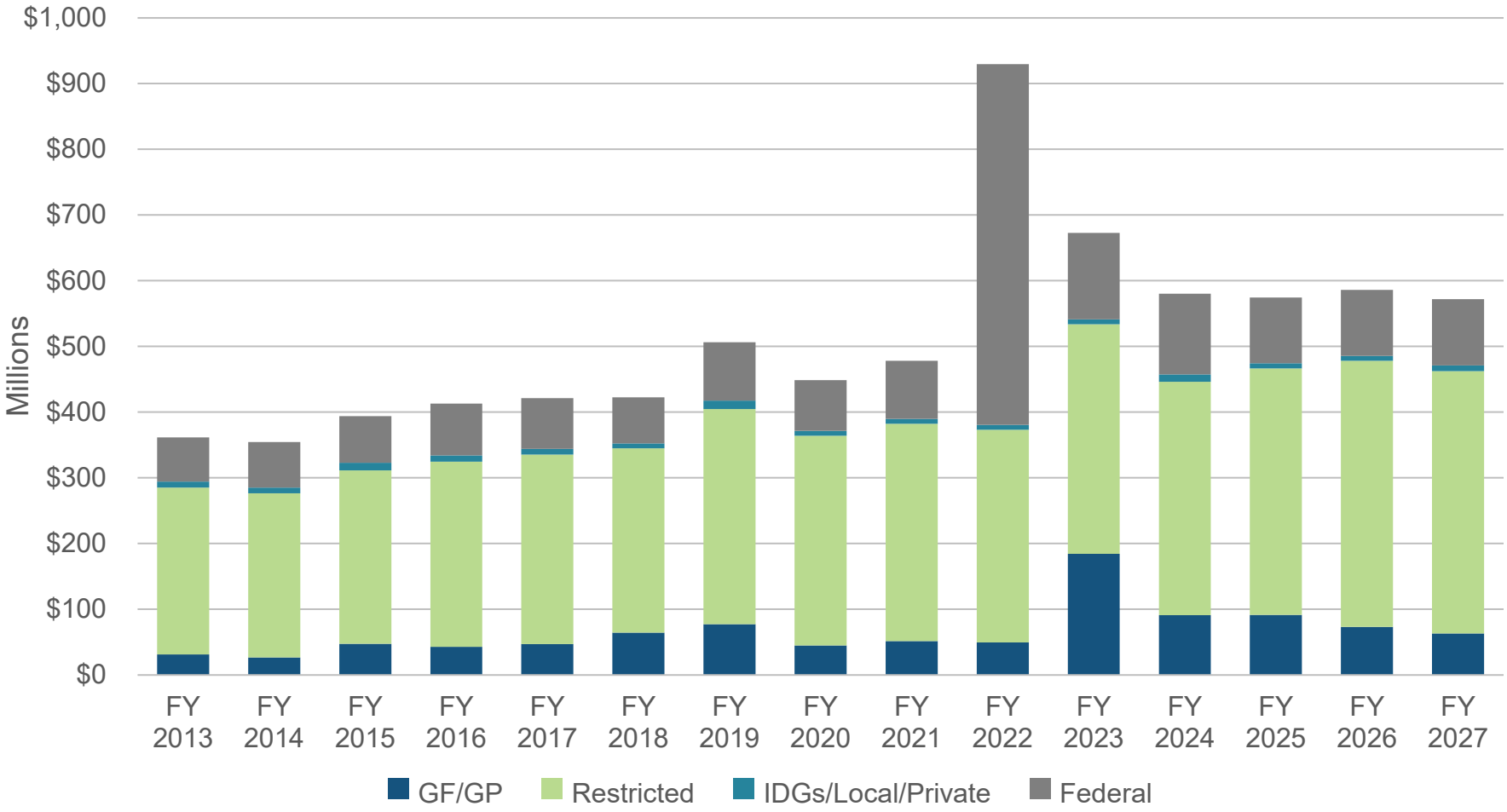
DNR Share of Total GF/GP Budget

The DNR budget also represents about **1%** of the state's **$14.1 billion** GF/GP budget for FY 2025-26.



DNR Funding History

DNR gross funding has increased since FY 2012-13. One-time federal COVID funding totaling $457.7 million was appropriated in FY 2021-22. Additional GF/GP funding was appropriated in FY 2022-23 for the Brandon Road Project ($64.0 million) and Flint State Park ($23.0 million).



Appropriation Areas

DNR Appropriation Areas

State Parks and Recreation: 73 parks, 22 recreation areas, 5 trails, 3 state scenic sites, 3 historic parks, Mackinac Island State Park, state forest campgrounds, recreational boating, and MacMullan Conference Center

Wildlife and Fisheries: Wildlife management, fisheries management, and fish production

Grants, Department Initiatives, and One-Time: Federal and state grants, Great Lakes Restoration Initiative, Michigan Conservation Corps, invasive species prevention and control, and one-time projects

Forest Resources: Forest management and timber market development, wildfire protection, and minerals management

Departmental Administration: Central administration including information technology and Natural Resources Commission

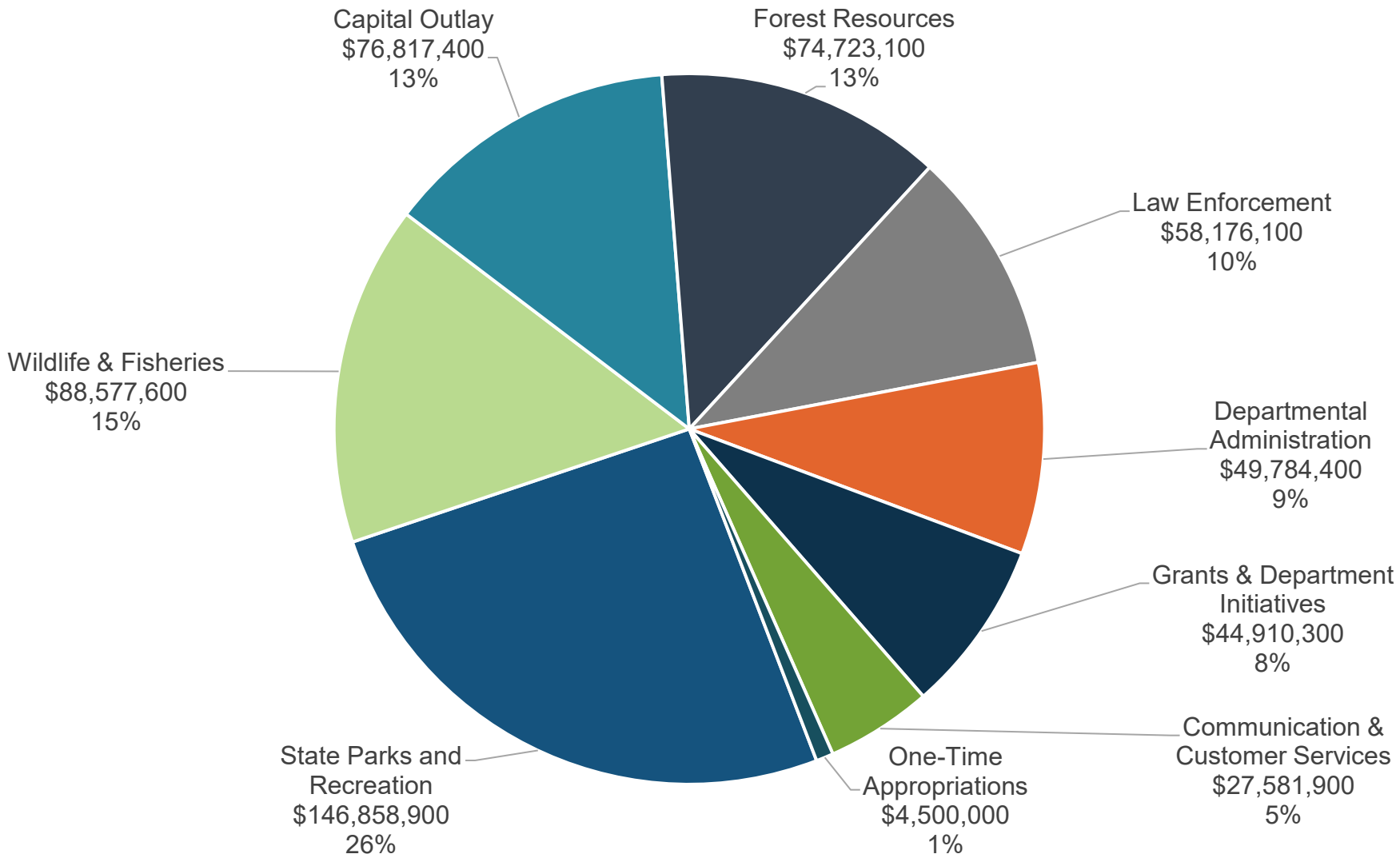
Law Enforcement: Conservation officers

Capital Outlay: Recreational lands and infrastructure projects and waterways boating program

Communication and Customer Services: Marketing and outreach, historical programs, and Michigan Wildlife Council

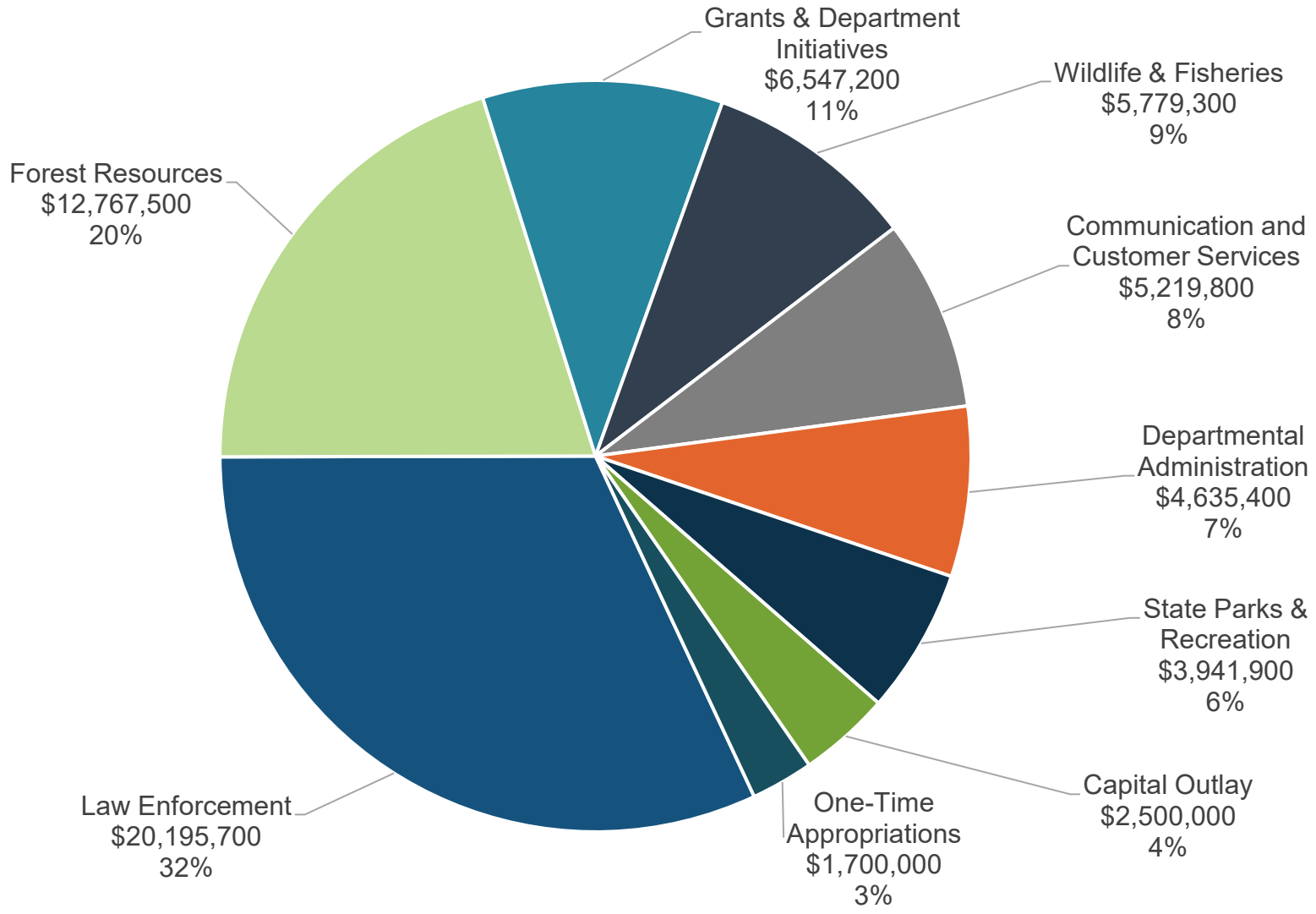
FY 2026-27 Gross Appropriations

More than half of the **$571.9 million** DNR budget supports core departmental programs in state parks, wildlife, and fisheries, as well as capital outlay projects.



FY 2026-27 GF/GP Appropriations

Funding for law enforcement and forest resources are the largest GF/GP appropriations, making up more than half of DNR's **$63.3 million** GF/GP funding.



Major Budget Topics

DNR Restricted Funds in the Michigan Constitution

There are 11 restricted funds in the DNR budget that have constitutional restrictions on fund revenues and how funding may be used. (The Conservation and Recreation Legacy Fund encompasses 7 individual funds.) In FY 2026-27, **76.0%** of restricted funding in the DNR budget (**$303.3 million**) is appropriated from these funds:

Michigan Natural Resources Trust Fund (MNRTF)

Revenues from sale of oil and gas leases, extraction of minerals on state lands, and royalties were deposited into MNRTF until it reached a $500.0 million balance in May 2011 (except lands purchased by the Game and Fish Protection Fund). Revenue is now deposited in the Michigan State Parks Endowment Fund.

Michigan State Parks Endowment Fund (MSPEF)

Funds state park operations, maintenance, and land acquisition. When MNRTF reached $500.0 million in May 2011, MSPEF began to receive mineral revenues.

Michigan Conservation and Recreation Legacy Fund

Includes the following accounts that receive user fees and tax revenue: Forest Recreation Account, Game and Fish Protection Account, Off-road Vehicle Account, Recreation Improvement Account, Snowmobile Account, State Park Improvement Account, and Waterways Account

Michigan Game and Fish Protection Trust Fund

Revenues from the sale of oil and gas leases on state lands purchased with Game and Fish Protection Fund are deposited into the Fund.

Michigan Nongame Fish and Wildlife Trust Fund

Receives revenue from the sale of wildlife habitat license plates.

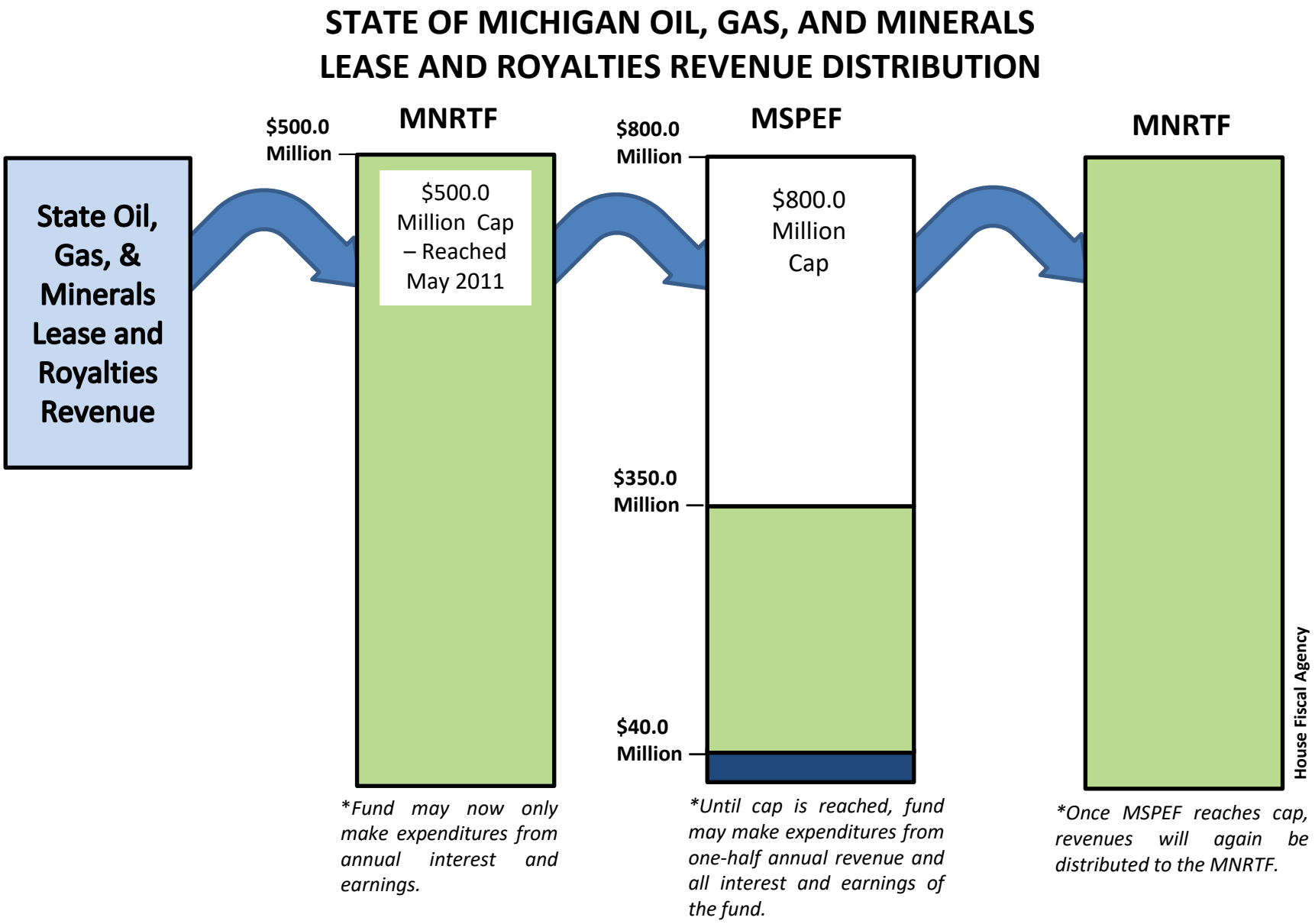
Oil, Gas, and Minerals Revenue

- Article IX, Section 35, of the Michigan Constitution requires that until the MNRTF reaches a $500.0 million balance, revenues from the extraction of oil, gas, and minerals from state-owned lands (except for lands purchased with Game and Fish Protection Fund) must be deposited into the MNRTF.

- The MNRTF reached the $500.0 million principal balance in May 2011. Revenues must now be deposited into the MSPEF, until that fund reaches an $800.0 million balance. Until that balance is achieved, one half of the annual revenue, plus the fund's interest earnings, may be expended each year. The MNRTF generated $112.4 million in revenue last fiscal year.

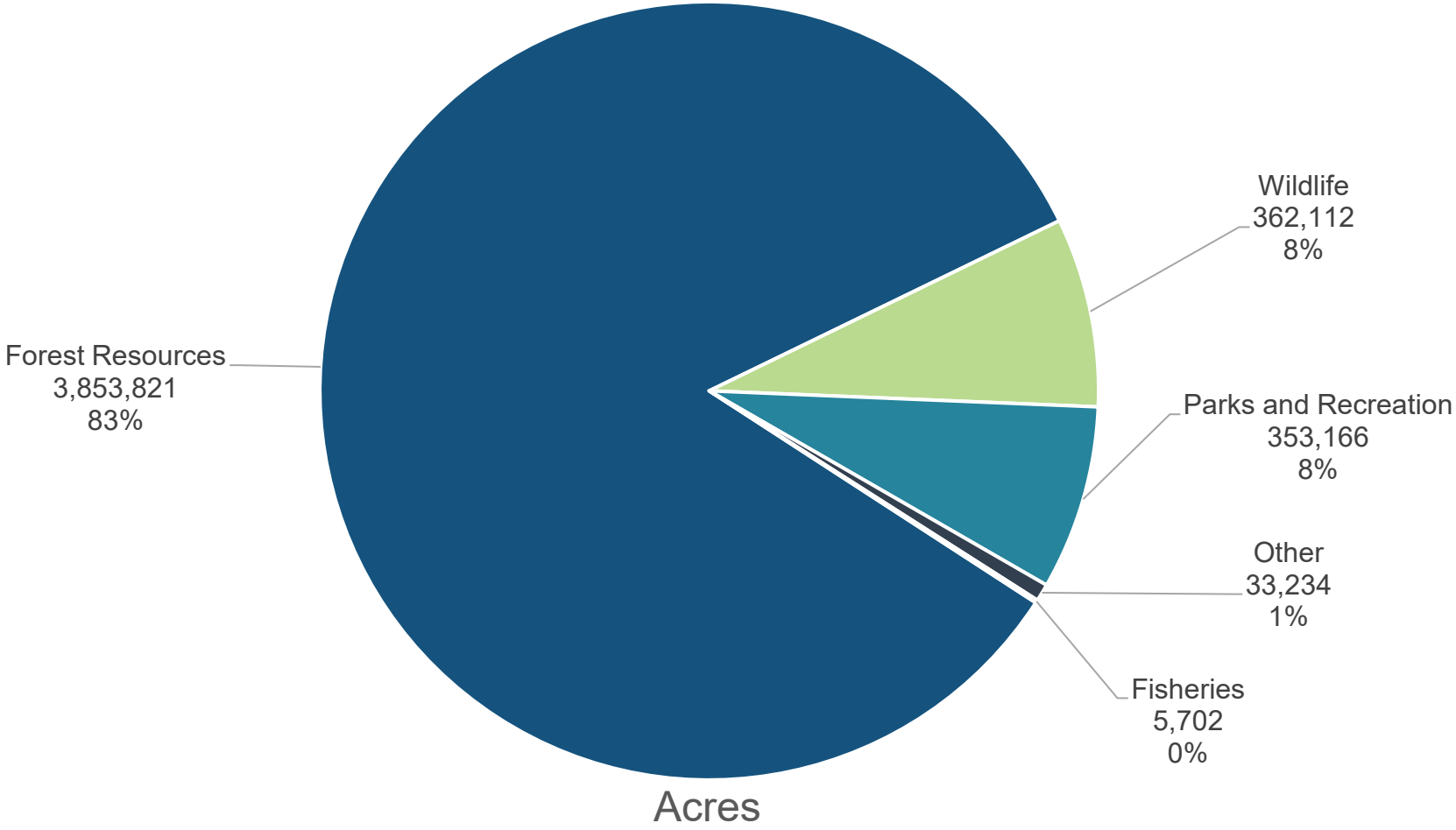
- The MSPEF was created in 1994 with a $40.0 million transfer from the sale of the Accident Fund of Michigan. At the close of FY 2024-25, the fund balance was estimated to be $341.8 million. Once the fund reaches $800.0 million, the cap amount will be adjusted annually for inflation. These mineral revenues will again be credited to the MNRTF once the MSPEF reaches its cap. The MSPEF has grown annually by an average of $12.8 million over the last decade.

Oil, Gas, and Minerals Revenue



DNR-Managed Acreage

DNR manages a total of **4.6 million acres** of publicly owned land statewide. Land is managed by divisions based on its respective purpose. Most publicly owned land is managed by DNR's Forest Resources Division, which operates Michigan's public forestry and timber programs.



State Parks: Overview

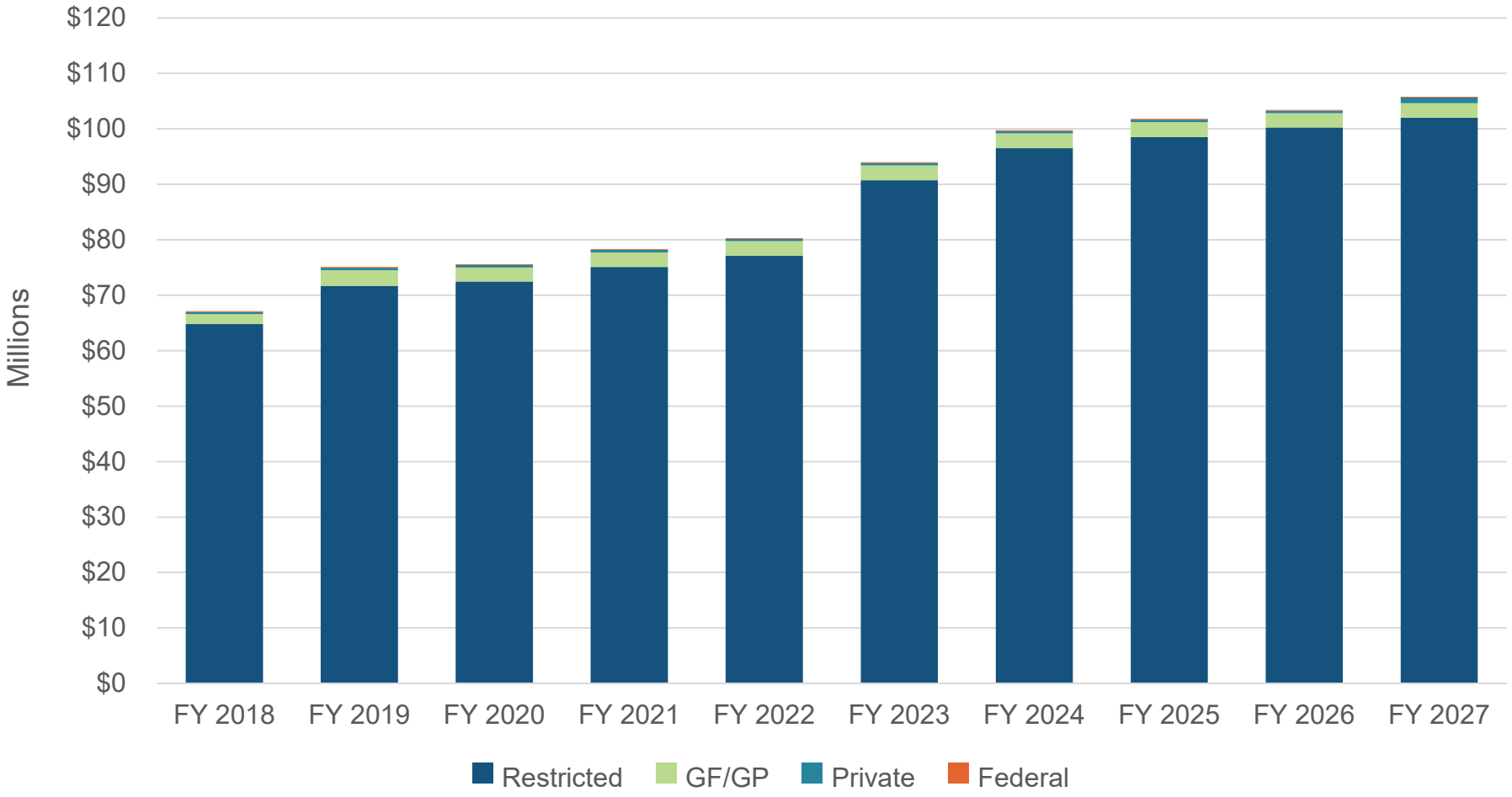
DNR manages a total of 103 facilities designated as state parks as defined by the Natural Resources and Environmental Protection Act (451 PA 1994). These facilities are divided into four categories: parks, recreation areas, historic parks, and trails.

On June 16, 2016, the 1,122-acre Watkins Lake area in Jackson and Washtenaw Counties was announced as Michigan's newest state park. The FY 2026-27 DNR budget funds the operation of state parks collectively at **$105.8 million**.

Type	Number	Area
Parks	73	195,529 acres
Recreation areas	22	104,422 acres
Historic parks	3	1,747 acres
Trails	5	196 miles

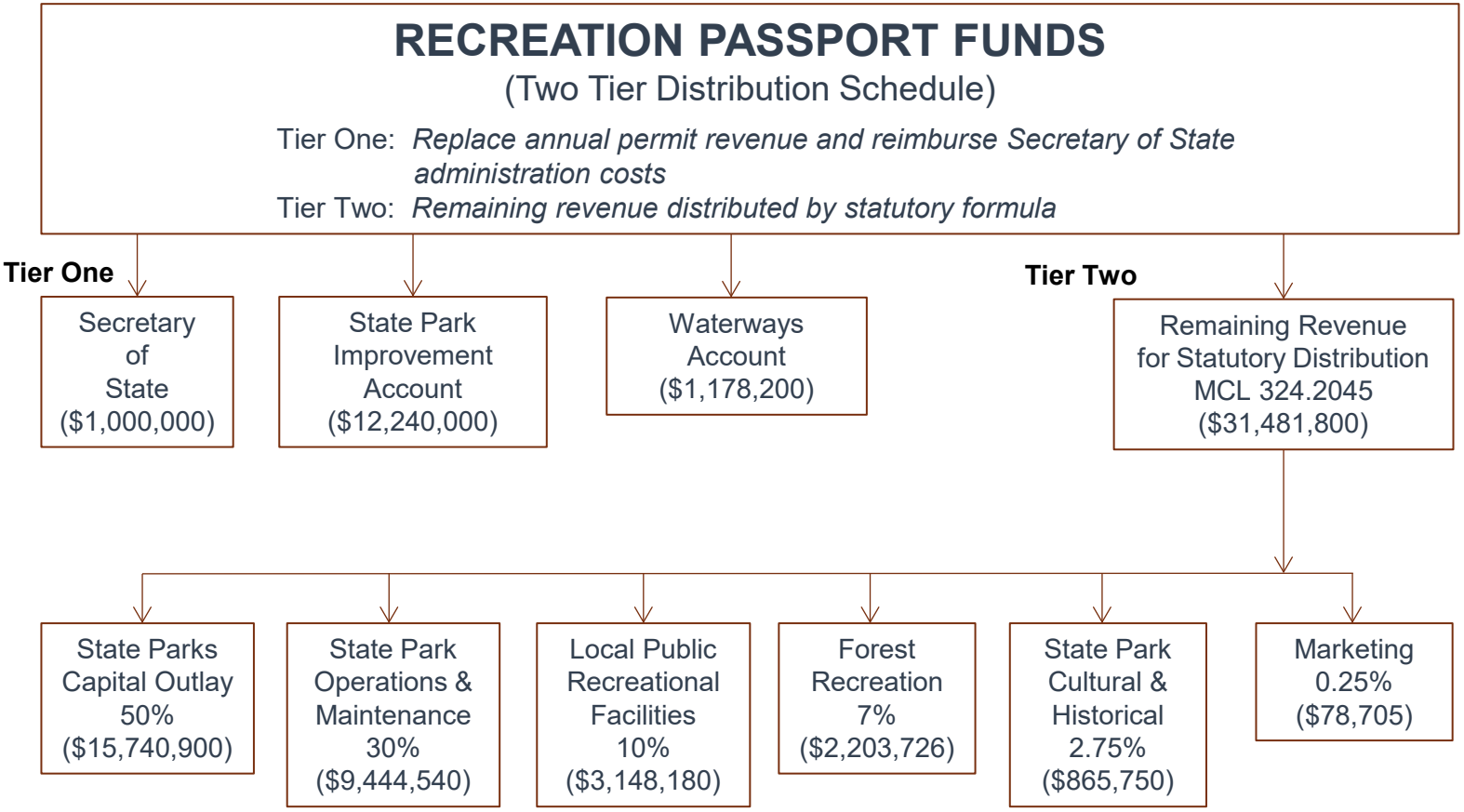
State Parks: Appropriations

Funding for state park operations has steadily increased since the Recreation Passport program replaced daily and annual state park passes in 2010. Recreation Passport rates increased to $14 for 2024 and participation rates have continued to climb.



State Parks: Recreation Passport Program

In 2010, the legislature replaced daily and annual state park and boating access permits with a Recreation Passport, which currently cost residents $14 when renewing vehicle registrations. The chart below details the revenue distribution. In FY 2025-26, the Recreation Passport Program generated an estimated **$45.9 million**.



Game and Fish Protection Account

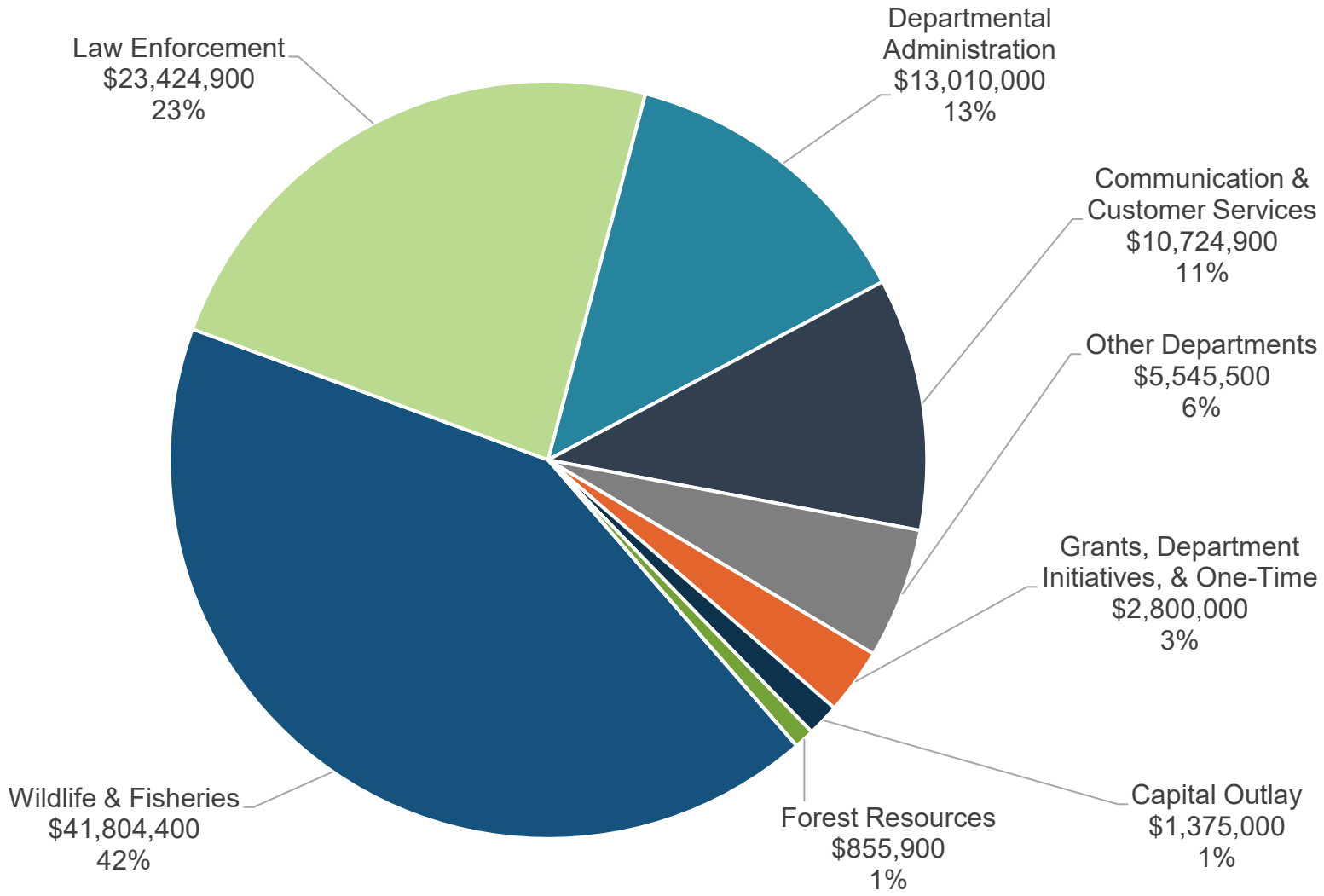
- The largest restricted funding source within the DNR is the Game and Fish Protection Account, which is financed from the sale of hunting and fishing licenses, passbooks, permits, fees, concessions, leases, contracts, and activities; damages paid for the illegal taking of game and fish; revenue derived from fees, licenses, and permits related to game, game areas, and game fish.

- In FY 2026-27, **$94.0 million** is appropriated from this account and its related funds in the DNR budget. An additional **$5.5 million** is appropriated to other departments for natural resource-related expenditures.

- The number of licensed hunters and fishermen has been declining in recent decades. As a result of declining revenue, game and fish management program expenditures have been reduced in past years.

Statewide Game and Fish Protection Appropriations

FY 2026-27 appropriations from the Game and Fish Protection Account and related funds total **$99.5 million**.



Hunting and Fishing License Fees

- 2013 PA 108 established a new fee structure for hunting and fishing licenses and increased the cost of certain license fees. The number of license types was reduced from 227 to only 42. New fees began March 1, 2014.
- The sale of hunting and fishing licenses generated an estimated **$68.4 million** in revenue in FY 2025-26.
- The current fee structure requires a base license ($10 for residents) that allows hunters to hunt small game and waterfowl. Additional specific hunting tags must be purchased to add to the base license for other game, such as deer, turkey, bear, wolf, elk, and fur harvesting.
- An additional $1.00 charge is required for each base hunting license, all-species fishing licenses, and combo licenses; funding is used for marketing, education, and outreach.
- Five different fishing licenses are offered.

Hunting Licenses

	Current Fee
Base Hunting Licenses *Note: Must purchase base license to buy any additional specific hunting license tags; base license allows small game and non-waterfowl migratory bird hunting.*	
Base License; Resident	$11.00
Base License; Non-Resident	$151.00
Base License; Junior	$6.00
Base License; Senior	$5.00
Mentored Youth Hunt	$7.50
Small Game Nonresident 7-day	$80.00
Small Game Nonresident 3-day	$50.00
Sportcard	$1.00

Hunting Licenses

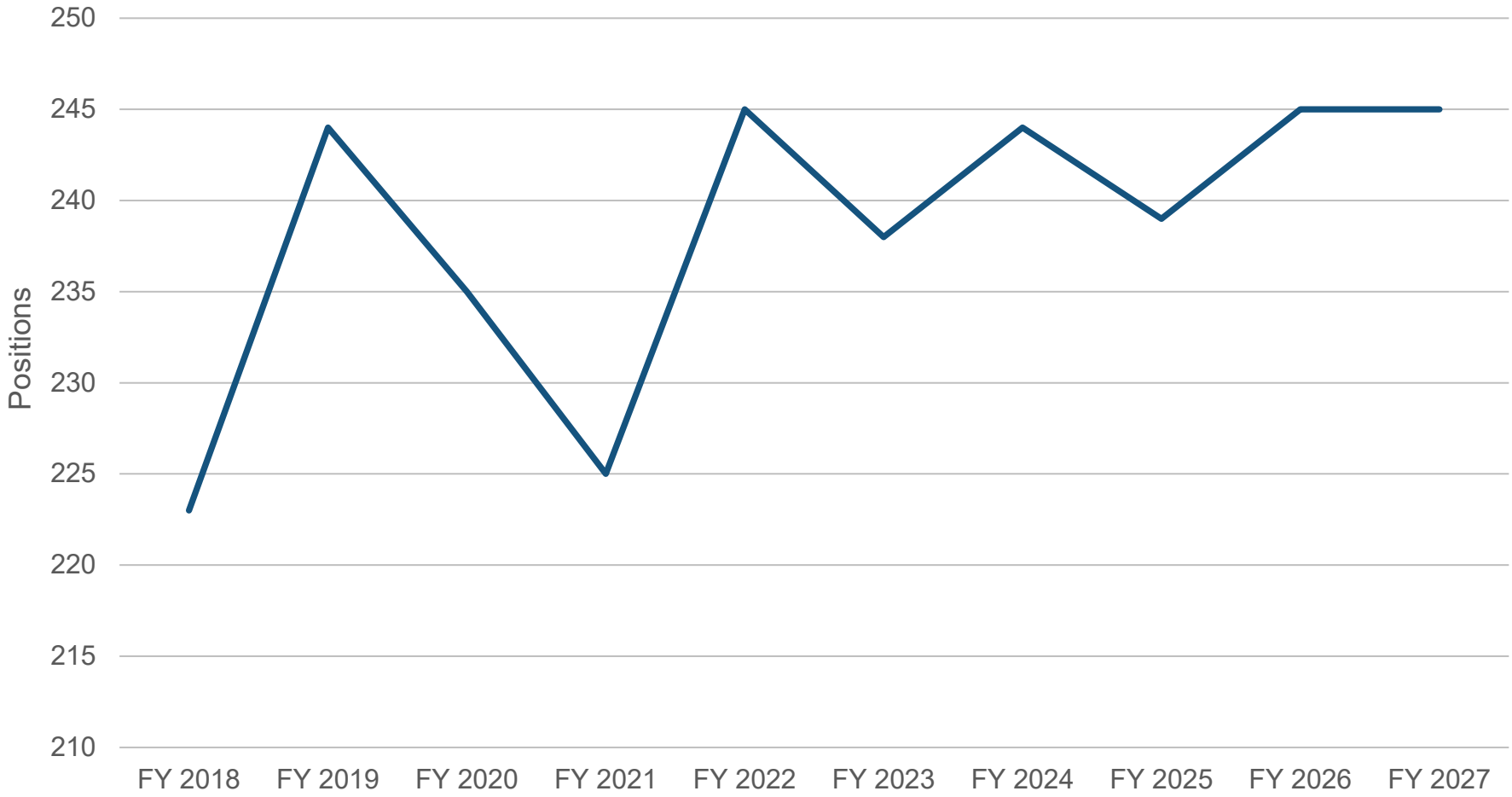
	Current Fee
Specific Hunting License Tags *Note: Moose, Turkey, and Wolf license fees remain same price under revised fee schedule.*	
Antlerless Deer	$20.00
Hunting License Application	$5.00
Bear Harvest	$25.00
Bear Participation	$15.00
Deer	$20.00
Deer Senior	$8.00
Elk (residents only)	$100.00
Fur Harvester	$15.00
Fur Harvester Senior Resident	$6.00
Pheasant	$25.00
Turkey	$15.00
Turkey Senior Resident	$6.00
Waterfowl State License	$12.00
Military (active duty and disabled veteran)	$0.00

Fishing and Combo Licenses

Fishing Licenses	Current Fee
24 hour Fishing License	$10.00
72 hour Fishing License	$30.00
Resident All-Species Fishing License	$26.00
Resident All-Species Fishing License, Senior	$11.00
Non-Resident All-Species Fishing License	$76.00
Combination Hunting and Fishing Licenses	
Resident: Base License, 2 Deer Licenses, All-Species Fishing License	$76.00
Non-Resident: Base License, 2 Deer Licenses, All-Species Fishing License	$266.00

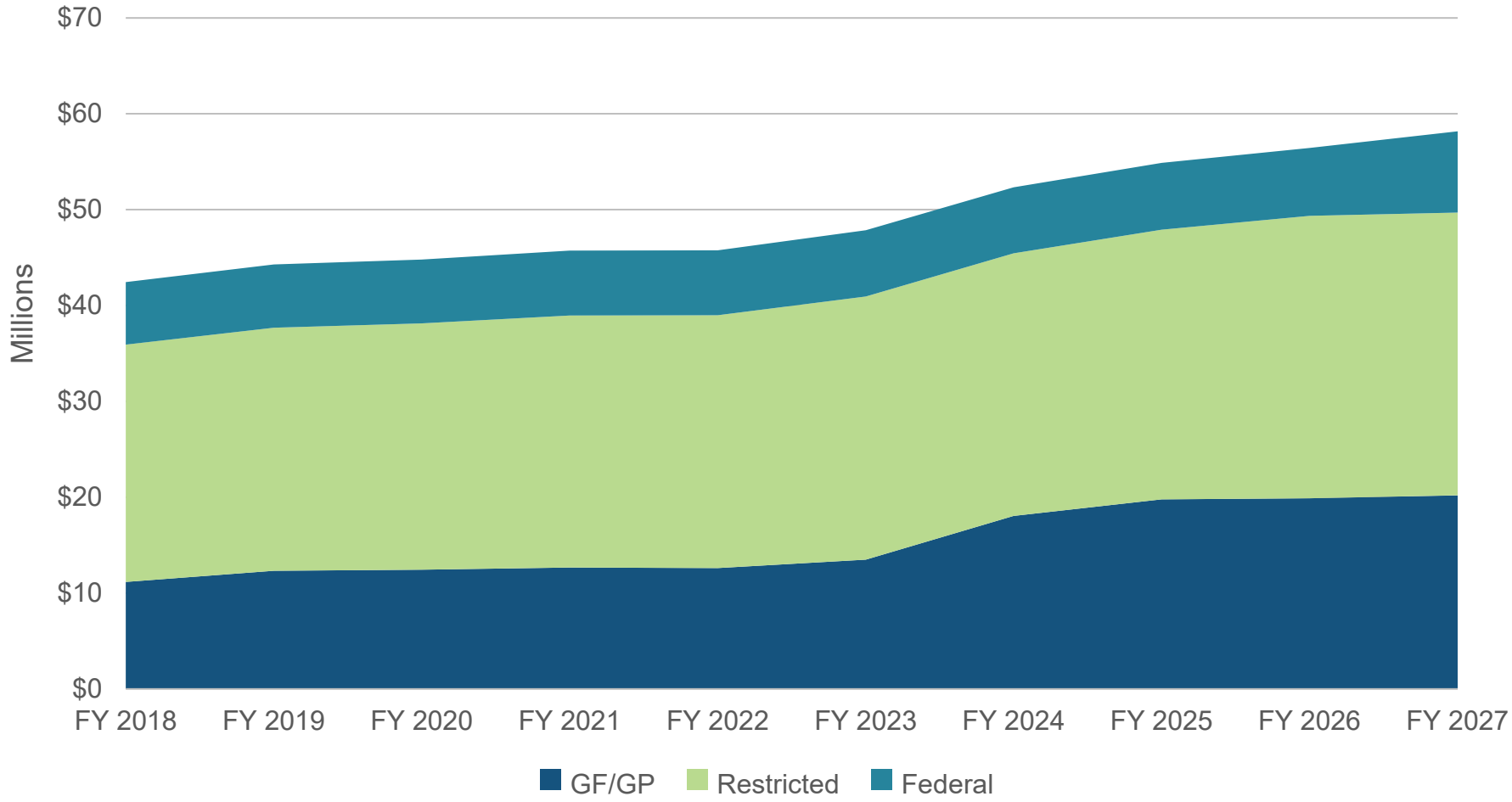
Law Enforcement: Conservation Officers

Conservation officer academies over the last decade have raised the number of commissioned COs above 220.



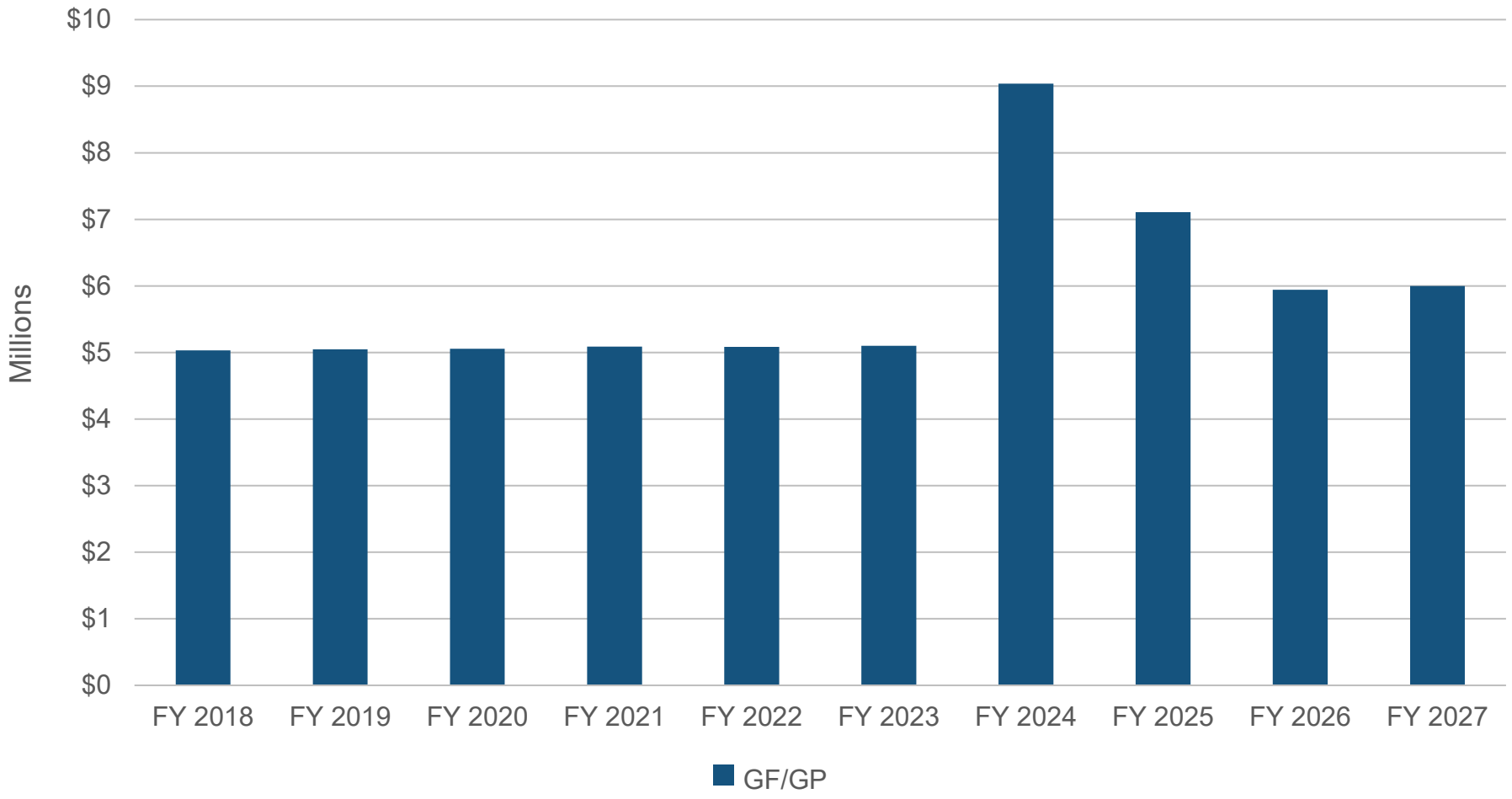
Law Enforcement: Appropriations

Increased GF/GP funding for conservation officer academies, pay parity raises, and equipment over the last decade have raised the gross appropriation for law enforcement to the current level of **$58.2 million**.



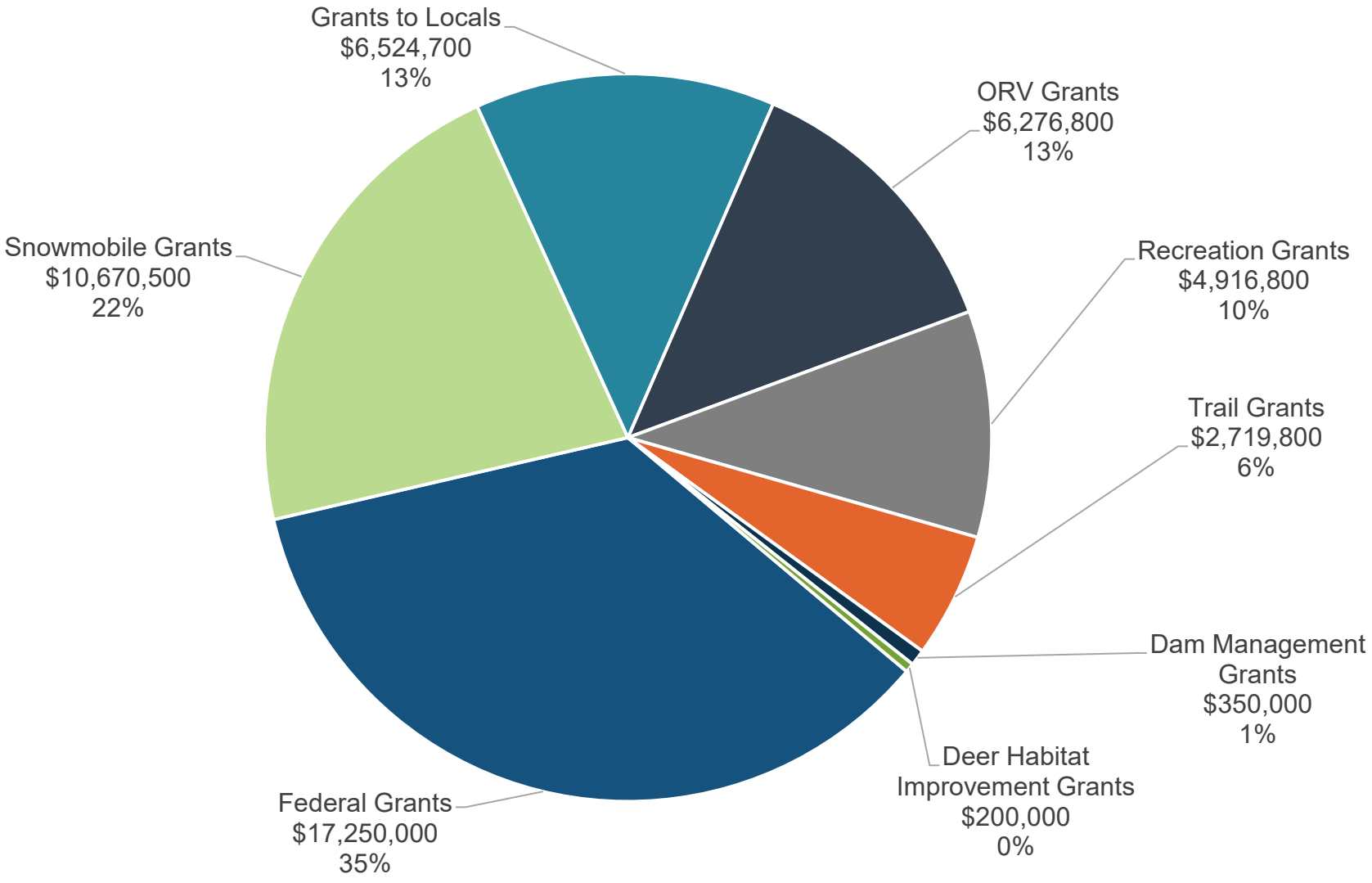
Invasive Species Prevention and Control

An annual GF/GP appropriation for invasive species prevention and control began in FY 2014-15. The FY 2016-17 and FY 2023-24 appropriations included additional one-time funding; ongoing funding was increased beginning in FY 2023-24.



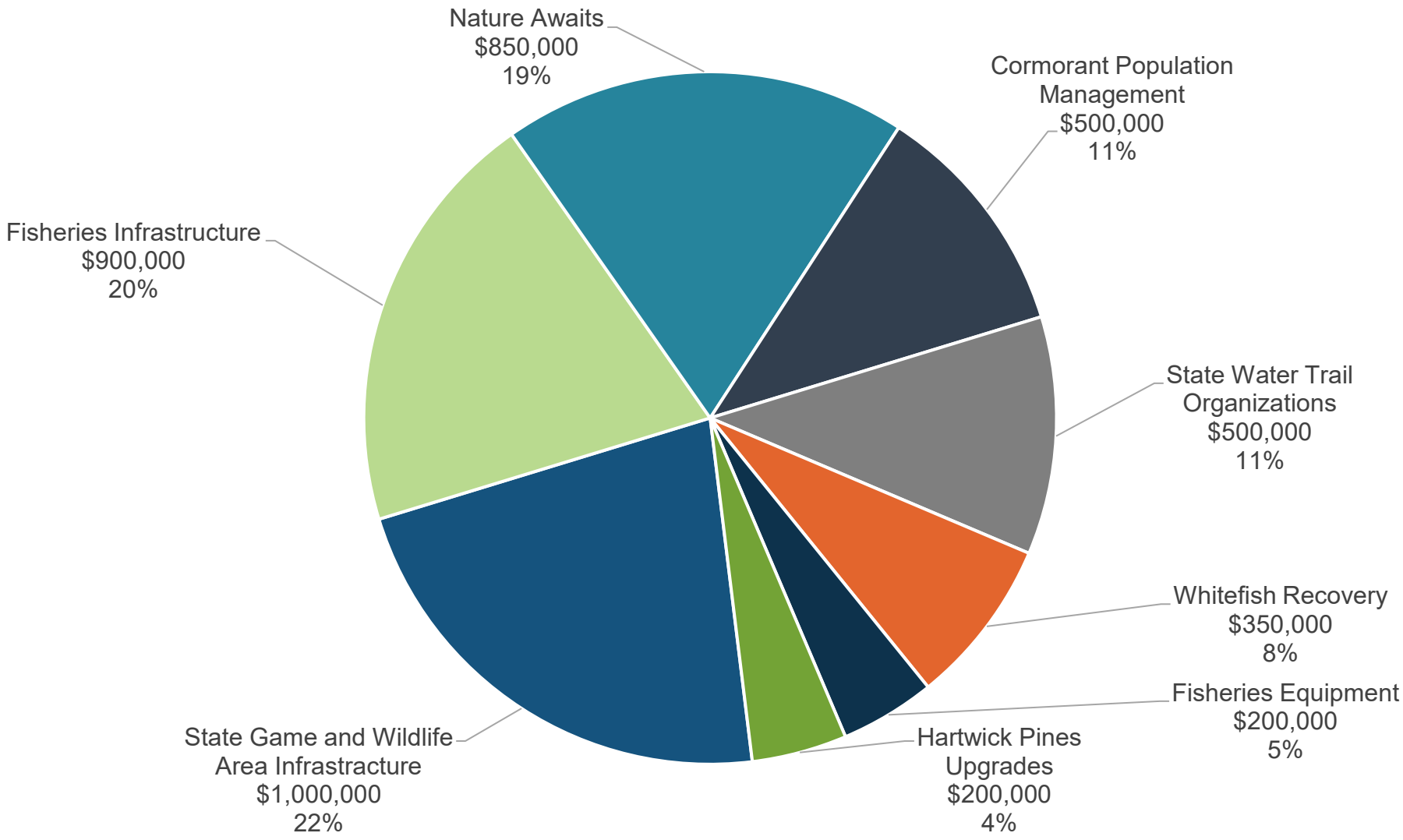
DNR Grants

DNR administers 18 grant programs totaling **$48.9 million** in FY 2026-27. These grants are available to public, private, and nonprofit organizations.



One-time Appropriations

The FY 2026-27 DNR budget includes **$4.5 million Gross ($1.7 million GF/GP)** for eight one-time projects.



For more information about the Natural Resources budget:

HFA Resources

http://www.house.mi.gov/hfa/Naturalresources.asp

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