

**Summary: Executive Budget Recommendation
for Fiscal Year 2017-18
DEPARTMENT OF NATURAL RESOURCES**



Analyst: Austin Scott

	FY 2016-17 Year-to-Date as of 2/8/17	FY 2017-18 Executive	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
IDG/IDT	\$1,375,900	\$232,200	(\$1,143,700)	(83.1)
Federal	72,765,400	70,095,700	(2,669,700)	(3.7)
Local	0	0	0	--
Private	7,446,400	7,446,000	(400)	0.0
Restricted	283,956,400	274,553,100	(9,403,300)	(3.3)
GF/GP	43,410,000	64,047,300	20,637,300	47.5
Gross	408,954,100	416,374,300	7,420,200	1.8
FTEs	2,243.8	2,270.8	27.0	1.2

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (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 2016-17 Year-to-Date (YTD) Appropriations		FY 2016-17 YTD (as of 2/8/17)	Executive Change from YTD
1. Wetland Mitigation Bank Grants one-time funding	Gross	\$500,000	\$3,350,000
Increases by \$3.4 million GF/GP funding for the initial development and construction of wetland mitigation banks to be used by the Michigan Municipal Wetland Alliance, agricultural producers, and blueberry farmers. Wetland mitigation banking is the creation or restoration of wetlands to compensate for unavoidable impacts to wetlands at another location.	GF/GP	\$500,000	\$3,350,000
2. Wildlife Management – Wetland Mitigation Banking Program	Gross	\$400,000	\$3,500
Increases by \$3,500 in federal funding to administer the Wetland Mitigation Banking Program.	Federal	400,000	3,500
	GF/GP	\$0	\$0
3. Land Ownership Tracking System one-time funding	Gross	\$4,000,000	(\$1,100,000)
Decreases by \$1.1 million Gross for the second year of funding for a project to convert an outdated land management IT system to a web-based system that can interact with current databases.	Federal	100,000	(100,000)
	Restricted	3,900,000	(2,900,000)
	GF/GP	\$0	\$1,900,000
4. Abandoned Mines one-time funding	FTE	NA	1.0
Adds 1.0 FTE and \$2.0 million GF/GP funding to close abandoned mine shafts on DNR-managed lands. There are about 100 sites total, the majority of which are located in the western Upper Peninsula. This funding would provide for the closure of about 50% of these sites.	Gross	NA	\$2,002,400
	GF/GP	NA	\$2,002,400
5. General Law Enforcement – Conservation Officers	FTE	273.0	11.0
Increases by 11.0 FTEs and \$1.7 million GF/GP for additional conservation officers in the Great Lakes enforcement and special investigations units.	Gross	\$40,506,000	\$1,718,600
	Federal	6,477,500	0
	Restricted	24,630,500	0
	GF/GP	\$9,398,000	\$1,718,600
6. Fisheries Resource Management – Conservation Officers	FTE	156.5	1.0
Increases by 1.0 FTE and \$108,900 GF/GP for additional conservation officers in the Great Lakes enforcement and special investigations units.	Gross	\$20,378,600	\$108,900
	Federal	4,205,800	0
	Private	136,200	0
	Restricted	15,777,400	0
	GF/GP	\$259,200	\$108,900

Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations	FY 2016-17 YTD (as of 2/8/17)		Executive Change from YTD
7. Recreation Improvements – Road Funding Revenue	FTE	NA	9.0
Adds 9.0 FTEs and \$2.8 million in restricted funding for recreational improvements made possible by increased road funding revenue as a result of Public Act 176 of 2015. This funding would be divided among forest recreation and trails, recreational boating, recreation improvement fund grants, and the snowmobile local grants program.	Gross	NA	\$2,817,500
	Restricted	NA	2,817,500
	GF/GP	NA	\$0
8. Wildfire Protection – Fire Equipment Replacement	FTE	114.0	0.0
Provides an additional \$350,000 in GF/GP funding to replace outdated forest fire equipment. Replacement will be determined by age and condition of equipment.	Gross	\$13,712,800	\$350,000
	Federal	1,339,900	0
	Restricted	5,396,300	0
	GF/GP	\$6,976,600	\$350,000
9. Minerals Management – Environmental Compliance	FTE	17.0	2.0
Provides an additional 2.0 FTEs and \$304,600 from the Michigan state parks endowment fund to provide environmental compliance with oil, gas, and mineral leases, on DNR-managed lands.	Gross	\$2,828,600	\$304,600
	Restricted	2,828,600	304,600
	GF/GP	\$0	\$0
10. Michigan Historical Center – Public Infrastructure Records	FTE	51.5	3.0
Provides an additional 3.0 FTEs and \$565,100 GF/GP funding to provide long-term access to public infrastructure records at the Michigan Historical Center.	Gross	\$5,576,300	\$565,100
	Federal	327,600	0
	Private	411,200	0
	Restricted	758,200	0
	GF/GP	\$4,079,300	\$565,100
11. Michigan Wildlife Council – Promotion of Wildlife Conservation	Gross	\$1,600,000	\$500,000
Provides an additional \$500,000 from the wildlife management public education fund to the Michigan Wildlife Council to promote the importance of wildlife conservation in Michigan.	Restricted	1,600,000	500,000
	GF/GP	\$0	\$0
12. Removal of FY 2016-17 supplemental funding	Gross	\$9,800,000	(\$9,800,000)
Removes \$9.8 million Gross (\$1.7 million GF/GP) for FY 2016-17 supplemental appropriations included in Public Acts 340 and 382 of 2016. Appropriations included support for local and state boating infrastructure maintenance, recreational boating and improvement fund grants, snowmobile local grants, chronic wasting disease mitigation, and special maintenance on Mackinac Island (PA 340) as well as funding to address aquatic invasive species (PA 382).	Restricted	6,800,000	(6,800,000)
	GF/GP	\$3,000,000	(\$3,000,000)
13. Removal of FY 2016-17 one-time funding	Gross	\$5,050,000	(\$5,050,000)
Removes \$5.1 million Gross (\$1.7 million GF/GP) for one-time projects included in the previous fiscal year's budget. Projects included fisheries resource management, forest fire equipment, forestry investment (vegetative management system), invasive species funding, swimmer's itch pilot program, and water trail development.	Restricted	3,400,000	(3,400,000)
	GF/GP	\$1,650,000	(\$1,650,000)
14. Capital Outlay Project Adjustments	Gross	NA	\$10,399,900
Makes current services baseline adjustments to capital outlay projects by reducing federal and restricted funding and increasing GF/GP funding for a net increase of \$10.4 million Gross. Funding is increased for the following: state parks repair and maintenance, wetlands restoration, enhancement, and acquisition, East Tawas state harbor, local boating infrastructure maintenance, state boating infrastructure and maintenance, and trail development.	Federal	NA	(2,700,000)
	Restricted	NA	(1,900,100)
	GF/GP	NA	\$15,000,000
15. Technical Adjustments	Gross	NA	(\$1,171,500)
Reduces IDG/IDT and federal authorization and increases restricted authorization for a net decrease of \$1.2 million Gross to reflect available funds. Adjustments include realignment of appropriation authority for over-appropriated funds and the reclassification of interdepartmental grants as restricted funding where necessary.	IDG/IDT	NA	(1,156,000)
	Federal	NA	(139,900)
	Restricted	NA	124,400
	GF/GP	NA	\$0
16. Economic Adjustments	Gross	NA	\$2,421,200
Reflects increased costs of \$2.4 million Gross (\$292,300 GF/GP) for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG/IDT	NA	12,300
	Federal	NA	266,700
	Private	NA	(400)
	Restricted	NA	1,850,300
	GF/GP	NA	\$292,300

Major Boilerplate Changes From FY 2016-17

Sec. 218. Retention of Reports – DELETED

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

Sec. 219. Waterways Fund Projects – DELETED

Requires DNR to 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.

Sec. 220. Disciplinary Action Against State Employees – DELETED

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

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. 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.

Sec. 504. Cervid Operation Fees – DELETED

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

Sec. 505. Urban Deer Management – DELETED

Requires the department to develop a plan for urban deer management.

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. 701. Conservation Officers – NEW

Directs the use of the increased appropriation in part 1 for conservation officers to hire, train, and equip ten detectives and two support staff.

Sec. 706. Grand River Waterway Study – DELETED

Directs DNR to work with the State Budget Office to ensure that the Grand River Waterway Study carryforward as a work project appropriation. This study was originally appropriated in 2013.

Sec. 808. Forest Management and Timber Market Development – DELETED

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. Renumbered section to 808 and revised to exclude technology and equipment enhancements and include a departmental requirement to develop corresponding metrics to assess performance.

Sec. 809. Forest Fire Equipment Replacement – DELETED

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. 901. Snowmobile Law Enforcement Grants – DELETED

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

Sec. 902. 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. 1201. Forest Management and Timber Market Development Technology – DELETED

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 – DELETED

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.

Major Boilerplate Changes From FY 2016-17

Sec. 1203. Invasive Species – DELETED

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

Sec. 1204. Swimmer's Itch Pilot Program – DELETED

Designates \$250,000 GF/GP in part 1 to be distributed to a Michigan-based nonprofit organization for swimmer's itch mitigation and research.

Sec. 1201. Wetland Mitigation Banking – NEW

Requires DNR to use the funds appropriated in part 1 for the wetland mitigation banking program to increase available wetland mitigation bank credits to 1,800 total.

Sec. 1202. Abandoned Mine Shafts – NEW

Requires DNR to use the funds appropriated in part 1 for abandoned mine shafts to close 50 mine shafts on DNR-managed lands.