

# NATURAL RESOURCES

Summary: HB 4354, H-1, CR-1

FY 2007-08

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	FY 2006-07 YTD	FY 2007-08 Executive	FY 2007-08 House	FY 2007-08 Senate	FY 2007-08 CR-1	Difference: Conference From FY 2006-07 YTD	
						Amount	%
IDG/IDT	\$3,618,900	\$3,808,300	\$3,808,300	0	\$3,808,300	\$189,400	5.2
Federal	42,574,200	44,334,700	47,834,700	0	47,968,900	5,394,700	12.7
Local	0	0	0	0	0	0	0.0
Private	3,124,400	3,166,500	3,166,500	0	3,166,900	42,500	1.4
Restricted	209,621,900	211,123,100	230,767,800	0	210,508,500	886,600	0.4
GF/GP	24,289,700	24,791,400	26,363,500	(100)	23,743,200	(546,500)	(2.2)
Gross	\$283,229,100	\$287,224,000	\$311,940,800	(\$100)	\$289,195,400	\$5,966,300	2.1
FTEs	2,092.4	2,088.9	2,088.9	0.0	2,088.9	(3.5)	(0.2)

Note: FY 2006-07 figures include the results of supplementals and Executive Order (EO) actions through September 30, 2007.

## Overview

The Department of Natural Resources manages, conserves, and protects Michigan's resources. Programs include forest management, land and minerals management, wildlife and fisheries management, conservation law enforcement, and state parks and forest campgrounds.

## Summary of Major Budget Issues

Forest Development Fund program reductions (revenue shortfall): (\$7,679,800).

Authorization to expend revenue from the proposed Game and Fish Fund license fee increase is included: \$6,200,800.

<u>Major Budget Changes From FY 2006-07 YTD Appropriations</u>		<u>FY 2006-07 YTD</u>	<u>Conference Change From YTD</u>
<b>1. Game and Fish Protection Fund License Increase</b>	<b>Gross</b>	<b>\$64,965,900</b>	<b>\$1,792,400</b>
The recommendation is based on the assumption that the proposed license increase for game and fish hunters and fishers will pass. If the bills fail to pass before January 15, the appropriation will be adjusted to reflect available revenue (Boilerplate Sec. 224).	Restricted	64,965,900	1,792,400
<b>2. Forest Development Fund Revenue Shortfall</b>	<b>Gross</b>	<b>\$34,277,900</b>	<b>(\$7,679,800)</b>
Forest management programs are reduced to keep spending in line with expected revenue. A current year reduction plan designed to reduce spending by \$5,993,200 has been adopted.	Restricted	34,277,900	(7,679,800)
<b>3. Federal Forest Stewardship Grant: Kamehameha Conservation Easement Purchases</b>	<b>Gross</b>	<b>\$2,315,000</b>	<b>\$3,500,000</b>
Increases grant level to provide assistance to purchase conservation easements on multiple properties located in the Upper Peninsula.	Federal	2,315,000	3,500,000

<b><u>Major Budget Changes From FY 2006-07 YTD Appropriations</u></b>		<b><u>FY 2006-07 YTD</u></b>	<b><u>Conference Change From YTD</u></b>
<b>4. Conservation District Grants</b>		<b>Gross</b>	<b>\$1,000,000</b>
Grant funding for conservation district grants through the Michigan Department of Agriculture is included in the Cooperative Resource Programs line item. Funding is provided through program reductions in Law Enforcement, Information Technology, and administration programs.		Restricted	1,000,000
		GF/GP	\$0
			<b>\$0</b>
<b>5. General Fund Program Reductions</b>		<b>Gross</b>	<b>(\$1,598,200)</b>
Funding for State Forest Campgrounds (\$348,200), Law Enforcement (\$700,000), and Administration (\$550,000), and DIT (\$200,000) is reduced.		GF/GP	(\$1,598,200)
<b>6. One-time Appropriations</b>		<b>Gross</b>	<b>(\$295,000)</b>
Deletes funding for the following FY 2007 appropriations:		Restricted	125,000
<ul style="list-style-type: none"> <li>Special Payments to Counties \$ 170,000</li> <li>Bay City State Park Access Project 100,000</li> <li>Project F.I.S.H. 25,000</li> </ul>		GF/GP	\$320,000
			<b>(\$295,000)</b>
<b>7. Tax Payment Adjustments</b>		<b>Gross</b>	<b>\$5,400,000</b>
Reduces Purchased Lands PILT payments to reflect expected payment obligations.		Restricted	2,700,000
		GF/GP	\$2,700,000
			<b>(\$950,000)</b>
<b>8. Deer Habitat Programs</b>		<b>Gross</b>	<b>\$2,358,000</b>
Additional support is provided from the Game and Fish Protection sub-fund to expand the winter deer range habitat improvement program.		Restricted	2,358,000
			<b>\$300,000</b>
<b>9. Forest Use and Minerals Management Permits</b>		<b>Gross</b>	<b>\$2,145,400</b>
Funding is provided for permit processing and monitoring of use permits and minerals exploration and development in State Forests.		Federal	1,000
		Restricted	2,144,400
			<b>\$350,000</b>
<b>10. Civilian Conservation Corps</b>		<b>Gross</b>	<b>\$1,137,300</b>
Reduces funding to reflect available funds. Endowment funds were transferred to the General Fund as a part of the FY 2006-07 GF/GP reduction plan.		Restricted	1,137,300
			<b>(\$612,300)</b>
<b>11. Clean Vessel Grants</b>		<b>Gross</b>	<b>\$100,000</b>
Additional Federal grant support is available to provide expanded pump-out services at a private marina on Maumee Bay.		Federal	100,000
			<b>\$300,000</b>
<b>12. Off Road Vehicle Trail Expansion and Improvements</b>		<b>Gross</b>	<b>\$4,978,600</b>
Increases amount available for ORV trail improvement projects on State lands.		Restricted	4,410,400
		GF/GP	\$568,200
			<b>\$250,000</b>
<b>13. Economic Adjustments</b>		<b>Gross</b>	<b>N/A</b>
Provides support for negotiated civil service 4.0% wage increase, retirement plan contributions, and employer share of health insurance premiums.		IDG	108,700
		Federal	838,000
		Private	41,400
		Restricted	5,675,000
		GF/GP	N/A
			<b>\$7,052,800</b>

#### **Major Boilerplate Changes From FY 2006-07**

##### **Sec. 217. Contingency Fund Transfers – NEW**

Provides \$3,000,000 in authorized transfer authority for unanticipated Federal grant revenue, \$5,000,000 for restricted revenue, \$100,000 for local revenue, and \$1,000,000 for private revenue.

## **Major Boilerplate Changes From FY 2006-07**

### ***Sec. 218. Rule Promulgation – NEW***

Requires a report on any policy changes made to implement a public act. Department not allowed to adopt a rule that will apply to a small business if it has a disproportionate economic impact.

### ***Sec. 223. DNR Funding Work Group – NEW***

Provides for a 7 person work group appointed by legislative leadership and the Governor. This work group is to develop recommendations for long-term funding for the department.

### ***Sec. 224. Restricted Fund Shortfalls – NEW***

Legislative intent to address restricted fund shortfalls by January 15, 2008.

### ***Sec. 301. Project F.I.S.H. – DELETED***

Provides a grant to Project F.I.S.H. to increase the number of Michigan anglers.

### ***Sec. 603. Hatchery Operations – NEW***

Legislative intent to operate 6 fish hatcheries during FY2007-08.

### ***Sec. 706. Plan to Generate Corporate Park Sponsorship Revenue – NEW***

Natural Resource Commission is to develop a plan to encourage corporate sponsorship of state parks.

### ***Sec. 707. Boating Access – DELETED***

Requires the development of plans to improve public boating access on Michigan lakes.

### ***Sec. 708. Bay City State Park – DELETED***

Appropriation to be used to build floating docks and barrier free access at Bay City State Park.

### ***Sec. 803 (FY '07). Snowmobile Trail Between Gaylord and Cheboygan – DELETED***

Requires Department to develop a snowmobile trail between Gaylord and Cheboygan.

### ***Sec. 804. Strategic Fund Grant to Forest Finance Authority – REVISED***

Legislative intent to restore funding from the 21<sup>st</sup> Century Jobs Trust Fund reduced in FY2006-07 to the Forest Finance Authority.

### ***Sec. 808. Federal Forest Fire Compact: Expenditure Authorization – NEW***

Allows the expenditure of funds for forest fire suppression efforts on federal lands, provided the Department is reimbursed.

### ***Sec. 1001. Special Payments in Lieu of Tax Payments to Counties – DELETED***

Explains that the appropriation for Special Payments to Counties is to be used to replace lost revenue caused by the single annual statement and billing for payments, and as a result of the set aside to the revenue sharing reserve fund authorized under the general property tax act.

### ***Sec. 1102. Federal Land and Water Conservation Fund Grants – DELETED***

Coordinates federal land acquisition grants with Natural Resources Trust Fund grants to minimize matching requirements for local governmental units.