

FY 2013-14: DEPARTMENT OF NATURAL RESOURCES
Summary: As Passed by the Senate
Senate Bill 188 (S-1)



Analyst: Viola Bay Wild

| | FY 2012-13 YTD as of 2/7/13 | FY 2013-14 Revised Executive | FY 2013-14 House | FY 2013-14 Senate | FY 2013-14 Enacted | Difference: Senate From FY 2012-13 YTD | |
|-------------------|--------------------------------|------------------------------------|----------------------|----------------------|-----------------------|-------------------------------------------|------------|
| | | | | | | Amount | % |
| IDG/IDT | \$2,027,200 | \$1,412,300 | \$1,412,300 | \$1,412,300 | | (\$614,900) | (30.3) |
| Federal | 66,524,800 | 67,127,300 | 67,127,300 | 67,127,300 | | 602,500 | 0.9 |
| Local | 0 | 0 | 0 | 0 | | 0 | 0.0 |
| Private | 7,239,200 | 7,237,200 | 7,237,200 | 7,237,200 | | -2,000 | 0.0 |
| Restricted | 242,353,700 | 251,325,500 | 241,873,000 | 241,925,500 | | -428,200 | (0.2) |
| GF/GP | 19,737,900 | 27,286,600 | 17,929,700 | 22,136,600 | | 2,398,700 | 12.2 |
| Gross | \$337,882,800 | \$354,388,900 | \$335,579,500 | \$339,838,900 | | \$1,956,100 | 0.6 |
| FTEs | 2,099.8 | 2,141.3 | 2,089.3 | 2,115.3 | | 15.5 | 0.7 |

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.

(3) House figures are appropriations made in Article XV of House Bill 4328 (H-1).

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 |

| | FY 2012-13 Year-to-Date (as of 2/7/13) | FY 2013-14 Senate 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) |

House and Senate concur 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 also requires \$1.00 be charged for base hunting licenses and the all-species fishing license; funding from the \$1.00 charge must be used for marketing, education, and outreach activities. Fee changes estimated to generate \$19.7 million additional 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 and Senate concur with Executive.

| | | |
|--------------|------------|---------------------|
| 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 Senate Change |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------|-----------------------------------------|
| 3. Off Road Vehicle (ORV) License Fee Increase <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> and <u>Senate</u> concur with <u>Executive</u> . | Gross | N/A | \$2,700,000 |
| | Restricted | N/A | 2,700,000 |
| 4. Conservation Officer Academy and Training <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. <u>Senate</u> concurs with <u>Executive</u> . | FTE | N/A | 25.0 |
| | Gross GF/GP | N/A N/A | \$3,500,000 \$3,500,000 |
| 5. Research Vessel Replacement <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. <u>Senate</u> concurs with <u>Executive</u> . | Gross GF/GP | N/A N/A | \$2,000,000 \$2,000,000 |
| | | | |
| 6. Aquatic Invasive Species (AIS) Prevention and Control <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. <u>Senate</u> concurs with <u>Executive</u> . | FTE | N/A | 1.0 |
| | Gross GF/GP | N/A N/A | \$150,000 \$150,000 |
| 7. IT Rate Adjustments and Upgrades <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. <u>Senate</u> concurs with <u>Executive</u> . | Gross Restricted GF/GP | N/A N/A N/A | \$155,200 137,300 \$17,900 |
| | | | |
| 8. Summer Youth Initiative <u>Executive</u> includes current-year funding of \$3.0 million GF/GP for the Summer Youth Initiative Program. <u>House</u> and <u>Senate</u> eliminate funding for program. | Gross GF/GP | \$3,000,000 \$3,000,000 | (\$3,000,000) (\$3,000,000) |
| | | | |
| 9. Wildfire Protection <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. <u>Senate</u> includes additional \$1.45 million GF/GP funding for wildfire protection. | Gross Restricted GF/GP | N/A N/A N/A | \$1,450,000 0 \$1,450,000 |
| | | | |
| 10. Forest Management <u>House</u> includes additional \$1.5 million restricted funding (Forest Development Fund) in the Forest Management and Timber Market Development line item. | Gross Restricted | N/A N/A | \$0 0 |
| | | | |
| 11. Sustainable Forestry Initiative <u>House</u> includes additional restricted funding of \$100 as a placeholder for a Sustainable Forestry Initiative Grant program. | Gross Restricted | N/A N/A | \$0 0 |
| | | | |
| 12. Grand River Waterway Study <u>Senate</u> includes \$100,000 GF/GP funding for a cost study of dredging the Grand River between Lake Michigan and Grand Rapids. | Gross GF/GP | N/A N/A | \$100,000 \$100,000 |
| | | | |
| 13. Accounting Service Center Funding Adjustment <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> and <u>Senate</u> concur with <u>Executive</u> . | Gross Restricted | N/A N/A | \$5,000 5,000 |
| | | | |

| Major Budget Changes From FY 2012-13 YTD Appropriations | | FY 2012-13 Year-to-Date (as of 2/7/13) | FY 2013-14 Senate Change | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------|--------------------------------|----------------------|
| 14. 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) |
| | | Federal | 260,500 | (260,500) |
| | | Private | 15,500 | (15,500) |
| <ul style="list-style-type: none">State Employees Lump-Sum Payments (\$1.9 million)Dam Management Program (\$2.0 million) | | Restricted | 1,509,100 | (1,509,100) |
| <u>House</u> and <u>Senate</u> concur with <u>Executive</u> . | | GF/GP | \$2,096,200 | (\$2,096,200) |
| 15. 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> and <u>Senate</u> do not include additional funding and FTE positions. | | Gross | N/A | \$0 |
| | | GF/GP | N/A | \$0 |
| 16. 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> and <u>Senate</u> concur with <u>Executive</u> . | | Restricted | 12,125,900 | (\$2,625,900) |
| 17. 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 |
| | | Restricted | 4,950,600 | 327,000 |
| <u>House</u> and <u>Senate</u> include an additional \$665,000 Gross funding, but do not include the \$9.4 million restricted funding from the Waterways Fund for emergency dredging. | | | | |
| 18. 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> and <u>Senate</u> concur with <u>Executive</u> . | | 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 |

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. Executive deletes language; House and Senate retain language.

Sec. 223. Waterways Fund Projects – RETAINED

Requires report on activities of Waterways Commission during previous fiscal year; list of completed waterways fund projects to be provided to Legislature and State Budget Director. Executive deletes language; House and Senate retain language.

Sec. 230. Measurable Outcomes Report – DELETED

Requires report identifying 10 principal measurable outcomes of budget expenditures. Executive deletes language; House and Senate concur with Executive.

Sec. 233. FTE Report – RETAINED

Requires report on the number of FTEs in pay status; report required quarterly. Executive deletes language; House and Senate retain language.

Major Boilerplate Changes From FY 2012-13

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. Executive includes new section; House and Senate concur with Executive.

Sec. 406. Historical Program Fees – REVISED

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. Senate concurs with Executive.

Sec. 408. Land Transactions – RETAINED

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

Sec. 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 and Senate retain 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 and Senate retain language.

Sec. 504. Cervid Operation Fees – RETAINED

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

Sec. 505. Game and Fish Protection Fund: Turkey Permit Fees – NEW

Requires a report on the use of turkey permits fees in the previous year. Senate includes language; Executive and House do not include language.

Sec. 506. Higgins Lake Merganser Duck Pilot Program – NEW

Requires DNR to create a pilot program at Higgins Lake to reduce Merganser duck population to address swimmer's itch problems. Senate includes language; Executive and House do not include language.

Sec. 602. Water Control Structure Certification – DELETED

Directs Fisheries Division to not interfere with the certification process for dams and other water control structures. Executive deletes language; House retains language. Senate concurs with Executive.

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 and Senate retain 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 and Senate retain language.

Sec. 703. Grand River Waterway Study – NEW

Requires funding for the Grand River Waterway Study be used to study the depth of the Grand River from Lake Michigan to Grand Rapids and estimate dredging costs. Senate includes language; Executive and House do not include language.

Sec. 801. Abandoned Mine Shaft Closures – RETAINED

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. Senate retains language.

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 and Senate retain 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 and Senate retain language.

Sec. 805. Contract Foresters – RETAINED

Allows DNR to hire sufficient contract foresters to mark timber. Executive deletes language; House and Senate retain 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 and Senate concur with Executive.

Major Boilerplate Changes From FY 2012-13

Sec. 807. Disaster and Emergency Contingency Fund – NEW

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 includes new language; House revises language to appropriate up to \$500,000 funding. Senate concurs with Executive.

Sec. 808. Wildfire and Forest Management Funding – NOT INCLUDED

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 includes new language; Executive and Senate do not include language.

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 and Senate retain 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 and Senate retain 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 and Senate retain 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 and Senate retain language.

Sec. 1004. Sustainable Forestry Initiative Grant – NOT INCLUDED

States legislative intent 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 includes new language; Executive and Senate do not include language.

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 and Senate retain 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 and Senate retain language.

Sec. 1104. Federal Reimbursement For Harbor Dredging – NEW

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 includes new language; House revises language to refer to federal reimbursement of any dredging of harbors under ACOE's jurisdiction. Senate concurs with Executive.

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. Executive deletes language; House and Senate retain language.

Sec. 1202. Identification of Future Retirement Costs – NEW

States legislative intent that the DNR identify the FY 2015 retirement costs for line items listed in part 1. Senate includes language; Executive and House do not include language.