

# Budget for One Minnesota



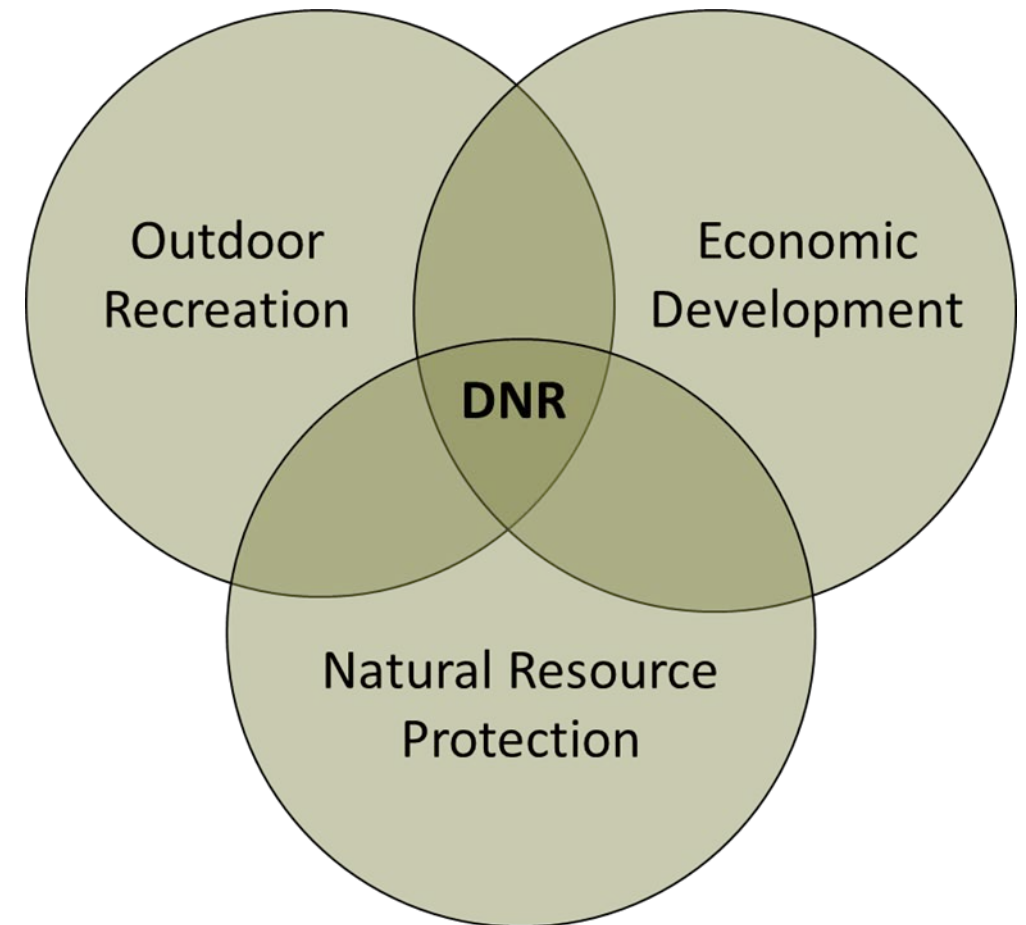
## 2020-21 Governor's Recommendation Overview

House Environment and Natural Resources Finance Division



# DNR's Mission

The mission of the Minnesota Department of Natural Resources is *to work with residents to conserve and manage the state's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable way of life.*



# DNR's One Minnesota Budget Initiatives



Protecting our Natural Resources



Making Smart Decisions with Good Information

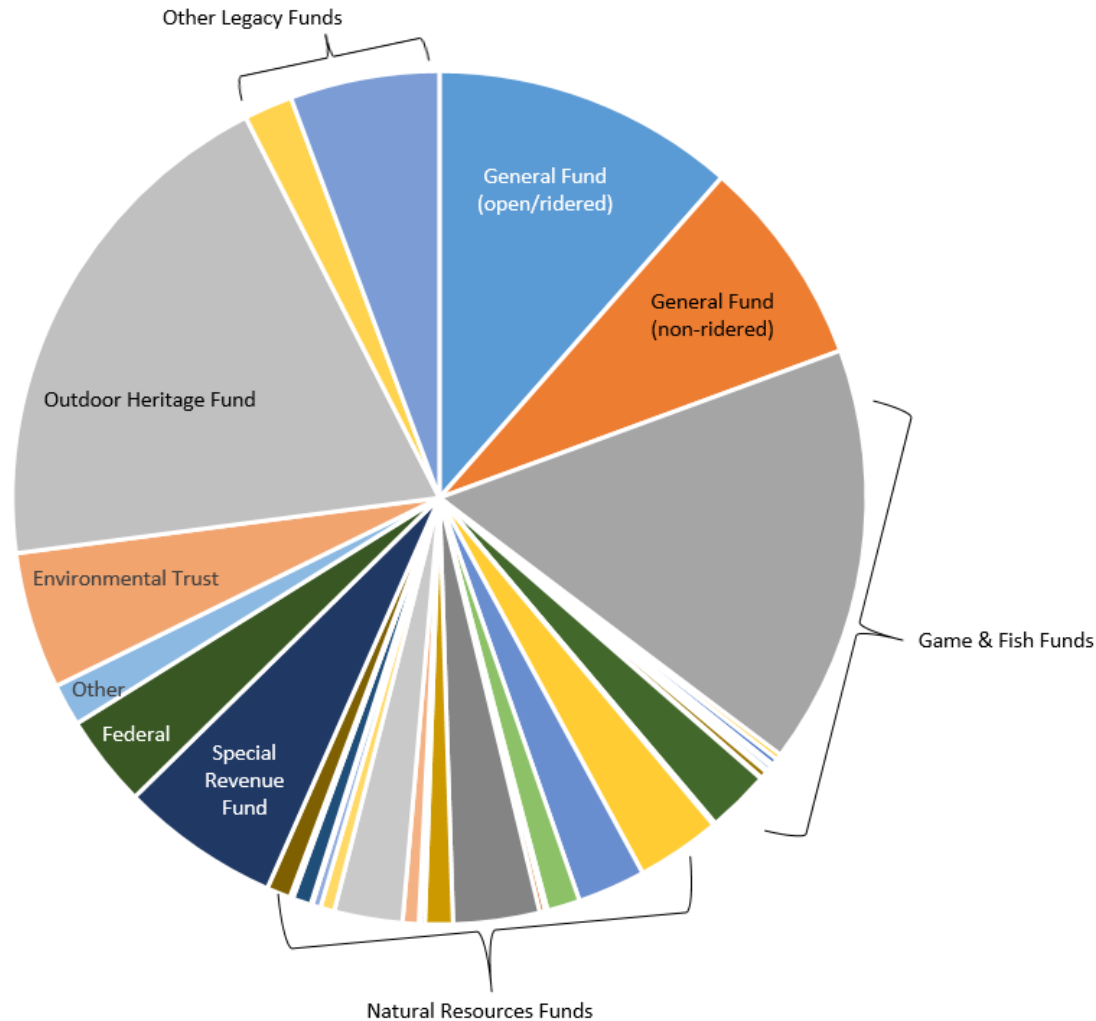


Connecting People with the Outdoors



Addressing **Operational Needs** to ensure high-quality services for all Minnesotans

# FY18-19 Budget by Fund



- FY18-19 budget \$1.2 billion in 50 funds
- Primary operating funds:
  - Natural Resources Funds (18%)
  - Game and Fish Funds (20%)
  - General Fund (19%)
- DNR is < 1% of MN general fund spend
- One-time Legacy funding and Environmental Trust = 32% of our budget
- 13% of budget is passed through to non-state entities

# Governor's Recommendation Overview

*dollars in millions*

	<b>2018-19</b>	<b>2020-21</b>	<b>2022-23</b>
<b>Base Budget</b>	<b>1,113</b>	<b>1,049</b>	<b>1,036</b>
<b>Change Requests</b>			
General Fund		24	15
Game and Fish Fund		10	12
Natural Resources Fund		22	24
Other Funds		1	2
	<i>Subtotal</i>	-	57
	<i>change from base</i>		5%
Legacy		84	-
	<b>Total Change</b>	-	142
			53
<b>Total Expenditures (all funds)</b>		<b>1,191</b>	<b>1,089</b>
	Revenues	10	10

# Gas Tax Increase

## \$16.1M Revenue to DNR's Motorized Accounts – MS 296A.18

Account	Fund	Percent of Unrefunded Gasoline Tax Proceeds	FY20	FY21	FY22	FY23
Water Recreation	Natural Resources	1.500%	2,035	5,704	7,263	7,616
Snowmobile	Natural Resources	1.000%	1,356	3,803	4,842	5,077
All-terrain Vehicle	Natural Resources	0.270%	366	1,027	1,307	1,371
Off-highway Motorcycle	Natural Resources	0.046%	62	175	223	234
Off-road Vehicle	Natural Resources	0.164%	222	624	794	833
Forest Roads	Special Revenue	0.116%	196	550	700	734
<b>Total</b>		<b>3.096%</b>	<b>4,237</b>	<b>11,883</b>	<b>15,129</b>	<b>15,865</b>

# Parks and Trails Division

Erika Rivers, Director



- Operates state parks & recreation areas, conserves natural and cultural resources, offers interpretive programs
- Maintains statewide network of recreational trails
- Provides public access to Minnesota's lakes and rivers
- Provide grants for regional and community recreation opportunities

# Increase Boating Registration Fees

## \$12.1M Water Recreation Account; Fee Revenue \$5.9M; Gas Tax \$7.8M

### ISSUE:

- Boat registration fee increases are needed to maintain Minnesota's high-quality boating infrastructure – water access sites and state water trails.

### PROPOSAL:

- \$5.9M in additional fee revenues & \$7.8M from gas tax
- \$9.4M for operations, maintenance, and rehabilitation
- \$1.7M for water-based enforcement and training by DNR and local sheriff offices
- \$1.0M for increased public water protection and land use programs

### OUTCOMES:

- Connects people to the outdoors through water-based recreation





# Address State Trail Maintenance Funding Shortfall

## \$2M General Fund

### ISSUE:

- State trail operations and maintenance funding has not kept pace with a growing system and rising costs.

### PROPOSAL:

- \$2M to address immediate maintenance needs on state trails

### OUTCOMES:

- Better maintained state trails that protect the state's investment
- Unforgettable trail-based experiences
- Prosperous and healthier communities



# Cross-Country Ski Pass Fee Increase

## \$140K Cross Country Ski Account; Revenue \$140K



### ISSUE:

- Ski pass revenues insufficient to provide level of grooming expected by cross-country skiers.

### PROPOSAL:

- Increases ski pass fees by \$4 (daily) to \$15 (three year)
- Supports grooming at state parks and trails and grant-in-aid funding for local ski trails

### OUTCOMES:

- Improved conditions on cross-country trails

# Appropriation Increase for ATV and ORV Accounts

## \$1.85M All-Terrain Vehicle Account and \$1.05M Off-Road Vehicle Account

### ISSUE:

- Funding is needed to address critical ATV/ORV trail priorities such as advanced trails and touring routes.

### PROPOSAL:

- \$600k for increased ATV grant-in-aid funding
- \$1M for ATV trail management
- \$250k for ATV enforcement
- \$800k for ORV trails, touring routes, and maintenance
- \$250k for ORV enforcement

### OUTCOMES:

- Improved quality of state forest trails for ATV riding and ORV touring routes
- Increased enforcement activities

# State Trail Special Event Account

## \$10K Natural Resources Misc. Statutory Account

### **ISSUE:**

- DNR has the authority to deposit funds from trail-related special use permits, but spending authority was inadvertently not provided.

### **PROPOSAL:**

- Adds statutory spending authority to the existing state trail special event account
- Funds will pay for activities related to special events

### **OUTCOMES:**

- Supports the maintenance of state trails to remediate impacts from special events

# Parks and Trails Legacy – State Parks and Trails

## \$40.7M Parks and Trails Legacy Fund

### ISSUE:

- Need to continue to enhance Minnesota's parks and trails experiences with Legacy funding

### PROPOSAL:

- Addresses 25-Year Parks and Trails Legacy plan priorities:
  - Connect people to the outdoors
  - Acquire land, create opportunities
  - Care for current infrastructure
  - Coordinate with partners

### OUTCOMES:

- Increased health and wellness benefits of outdoor recreation
- New opportunities exist at state parks and trails
- Better restoration of native landscapes and aging structures



# Parks and Trails Legacy – Greater MN Regional Parks and Trails

## \$20.4M Parks and Trails Legacy Fund

### **ISSUE:**

- Need to continue to enhance Minnesota's parks and trails experiences with Legacy funding

### **PROPOSAL:**

- Provides a competitive outdoor recreation grant program across the state
- Achieves the goals of the 25-year Parks and Trails Legacy Plan in greater Minnesota
- Allows Greater Minnesota Regional Parks and Trails Commission to lead grant program while DNR provides fiscal management of the grants

### **OUTCOMES:**

- Increased number of trail miles developed or rehabilitated in greater Minnesota
- Increased acquisition for regional parks to provide new recreational opportunities

# Parks and Trails Legacy Fund – Coordination Among Partners

## \$1.0M Parks and Trails Legacy

### **ISSUE:**

- Need to continue to enhance Minnesota's parks and trails experiences with Legacy funding

### **PROPOSAL:**

- Advances coordinated approach for a seamless system of parks and trails in Minnesota
- Continues work of integrating research and planning
- Develops, manages, and markets web-based systems
- Supports Legacy Advisory Committee, which advises on implementation of the Legacy Plan

### **OUTCOMES:**

- Increased effectiveness and efficiency of the Parks and Trails Legacy Funds
- Progress toward the goals of the 25-year Parks and Trails Legacy Plan

# Ecological and Water Resources Division

Steve Colvin, Director



- Focuses on healthy lands and waters throughout Minnesota
- Provides critical information and regulatory support to maintain Minnesota's sustainable use of its unique biodiversity, public waters and other natural resources



# Increase Aquatic Invasive Species (AIS) Surcharge

## \$200K Invasive Species Account; Revenue \$1.3M Invasive Species Account

### ISSUE:

- Inadequate funding to stop spread and reduce negative impacts of AIS

### PROPOSAL:

- Increases AIS surcharge from \$5 to \$7.25
- Reinstates aquatic plant management grants
- Funds emergency response to new infestations of starry stonewort and zebra mussels

### OUTCOMES:

- Improved recreation on lakes with existing infestations of AIS
- Reduced financial burden on lakeshore property owners
- Reduced spread and impact of starry stonewort and zebra mussels into new waters



# Protecting Our Public Waters

\$1.6M General Fund, \$716K Water Management Account  
\$716K Revenue

## ISSUE:

- Need to ensure a balance between conservation and use for public waters

## PROPOSAL:

- \$716K in increased public water permit fees (Natural Resources Fund)
- \$1.6M to enhance technical assistance to individuals, businesses, and LGUs (General Fund)

## OUTCOMES:

- Increased protection of Minnesota's public waters
- Enhanced public safety through flood risk reductions
- Increased property values through better shoreline management



# Pineland Sands Study

## \$1.854M General Fund (one-time)

### ISSUE:

- DNR needs additional funding to ensure permitting decisions for Pineland Sands area are well informed with good data.

### PROPOSAL:

- Funds a study of effects of forest conversion on water resources and plant and animal species

### OUTCOMES:

- Critical information to local and regional decision makers
- Options to avoid or mitigate negative effects



# Clean Water Legacy

## \$22.3M Clean Water Fund

### ISSUE:

- Continued need to protect and restore waters to maintain vibrant economy, livable communities, and the natural environment.

### PROPOSAL:

- \$22.3M for:
  - Data gathering and analysis
  - Technical support for project implementation
  - Helping local partners with water sustainability, restoration and improvement efforts

### OUTCOMES:

- Minnesotans have water of sufficient quality and quantity to meet their needs.



# Fish and Wildlife Division

Grant Wilson, Acting Director



- Conserves, manages, enhances habitat for state's fish and wildlife populations through regulation, restoration, research, monitoring, and education
- Helps preserve MN's fishing, hunting, and trapping heritage

# Sustaining Minnesota's White-Tail Deer-Addressing CWD

## \$4.6M General Fund; \$1.8M Game and Fish Fund (plus \$1.4M in Federal Revenue)



### ISSUE:

- Chronic Wasting Disease (CWD) has been found in several counties, requiring an urgent and aggressive response.
- Additional research efforts are needed to better manage deer.

### PROPOSAL:

- \$4.6M for surveillance/response related to CWD detections in wild and captive deer
- \$1.8M for research to better estimate deer populations

### OUTCOMES:

- Protects deer herd with aggressive CWD response
- Secures Minnesota's deer hunting tradition
- Reduces reliance on license fees to address larger public issue

# Fish and Wildlife Dedicated Deer License Revenue

Net neutral impact



## ISSUE:

- Stakeholders desire that a greater portion of deer license fees are dedicated to the Deer Management Account.

## PROPOSAL:

- Dedicates \$16 per deer hunting license (\$14.3M total) to deer management activities

## OUTCOMES:

- Improved transparency for use of deer license dollars

# Angler Surveys to Inform Fisheries Management

## \$810K Game and Fish Fund

### ISSUE:

- Data is needed to track trends and monitor the effectiveness of special statewide angling regulations, including new northern pike zones.

### PROPOSAL:

- Funds an additional eight surveys per year

### OUTCOMES:

- Doubles current number of surveys completed annually
- Improved information for management decisions





# Enforcement Division

Col. Rodmen Smith, Director



- Enforces natural resource laws including those related to game and fish, wetlands, aquatic plants, and the operation of recreational vehicles
- Regulates natural resource commercial operations
- Provides conservation and safety education programs
- Provides disaster and emergency response

# Ice Safety Program

## \$352K Game and Fish Fund

### **ISSUE:**

- Past five ice seasons have seen multiple ice-related fatalities per year.
- Many are not familiar with ice or ice safety and live in communities where there may be a risk.

### **PROPOSAL:**

- Creates comprehensive outreach and education program focused on ice safety
- Targets both traditional users of ice as well as people unfamiliar with frozen water

### **OUTCOMES:**

- Increased understanding of ice safety
- Removed barriers to participation by sharing ways to safely recreate on ice

# Forestry Division

Forrest Boe, Director



- Manages 4.2 million acres of State Forest and School Trust lands to provide clean water, wildlife habitat, biodiversity, recreation opportunities, and forest products
- Protects citizens, property, and natural resources from wildfire
- Provides technical forest management assistance to communities, private landowners

# Minnesota Forestry Management

## \$2M Forest Management Investment Account (FMIA)

### ISSUE:

- Meeting new sustainable timber target requires additional funding

### PROPOSAL:

- \$2M to support new sustainable timber target
- Funds 9 new foresters to appraise and sell timber, monitor harvests, and oversee reforestation

### OUTCOMES:

- Reach new timber target
- Support clean water and air, wildlife, biodiversity, and recreation
- Provide reliable source wood for forest products industry



# Protecting Special Forest Products

## \$4K Natural Resources Misc. Statutory Account; \$4K Revenue

### ISSUE:

- More use of forest products for special event decorations coincides with increase of illegal birch pole and spruce top harvest.

### PROPOSAL:

- Expands existing balsam bough buyer's license to include spruce tops and birch poles

### OUTCOMES:

- Reduced illegal harvest of spruce tops and birch poles



# Lands and Minerals Division

Susan Damon, Acting Director



- Manages agency real estate transactions and real estate portfolio
- Promotes, regulates, provides expertise on mineral exploration, mining, and mine land reclamation
- Manages state-owned mineral assets and School Trust mineral resources

# Authorize Strategic Land Sales

## (\$16) Land Acquisition Account; Revenue \$174k

### ISSUE:

- Legislative approval is needed for certain land management transactions that aid the DNR in meeting its conservation agenda and goals.

### PROPOSAL:

- Allows public sale of riparian lands in Cass, Kanabec, Otter Tail, and Wabasha Counties
- Authorizes private sale of riparian lands in Carlton County
- Eliminates the requirement for newspaper publication for public land sales (-\$16K)

### OUTCOMES:

- Increased efficiency in DNR land management
- Private sale of riparian land in Carlton County

# Operations Services Division

Laurie Martinson, Director



- Provides administrative leadership and support to the department
- Supports staff through human resources
- Manages safety, emergency preparedness, and disaster response
- Maintains fleet, buildings, and infrastructure
- Manages pass-through funds directed to non-state entities by statute, law or agreement



# Protecting DNR IT Applications

## \$2.8M General Fund

### **ISSUE:**

- IT applications are vulnerable to outside organizations and store non-public data on individuals.

### **PROPOSAL:**

- Establishes continuous improvement program to keep business systems secure and protected from cyberattack by updating software infrastructure
- Develops and maintain business application security plans
- Migrates applications to a cloud based infrastructure

### **OUTCOMES:**

- Protects citizens' non-public and sensitive data from cyberattack
- Avoids significant data breach and associated consequences

# Operating Adjustment

## \$15.9M (\$4.8M General Fund, \$11.1M Other)

### ISSUE:

- Operational costs increase annually, especially for compensation and information technology.
- Without additional resources, the DNR can't maintain current service levels.

### PROPOSAL:

- \$13.7M for current projected compensation growth
- \$2.2M for increased MNIT costs due to proposed rate increases

### OUTCOMES:

- Maintained critical services
- Prevented significant reductions

# Legal Costs

## \$6.065M General Fund (one-time)

### ISSUE:

- DNR is facing a number of legal challenges.
- Without special funding, DNR would need to reduce other work to pay for legal costs.

### PROPOSAL:

- \$6.065M for:
  - Attorney General fees
  - Outside counsel for the PolyMet case (DNR and MPCA)
  - DNR Staff attorney

### OUTCOME:

- Allows DNR and MPCA to defend environmental and natural resource decisions
- Avoids significant impact to other DNR work

# Office of School Trust Lands Funding

## Net neutral impact

### **ISSUE:**

- The administrative management of the Office of School Trust Lands (OSTL) is inefficient.

### **PROPOSAL:**

- Moves the base appropriations for OSTL from the Department of Administration to the DNR

### **OUTCOMES:**

- Increases administrative efficiencies to the OSTL, ADM, and the DNR

# Budget for One Minnesota



## Budget Questions?



**Mary Robison, Chief Financial Officer**

Office: 651-259-5561

Email: [mary.robison@state.mn.us](mailto:mary.robison@state.mn.us)

**Emily Engel, Budget Director**

Office: 651-259-5548

Email: [emily.engel@state.mn.us](mailto:emily.engel@state.mn.us)