

REVISED

# MINNESOTA'S



## COVID-19 RECOVERY BUDGET



2022-2023 BUDGET RECOMMENDATIONS

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**COVID-19 RECOVERY BUDGET**

**FY2022-23 Governor's Recommendation  
DNR Overview**

**House Environment and Natural Resources Policy and Finance Committee**

Sarah Strommen, Commissioner  
Bob Meier, Assistant Commissioner  
Mary Robison, Chief Financial Officer

# Minnesota Department of Natural Resources (DNR)



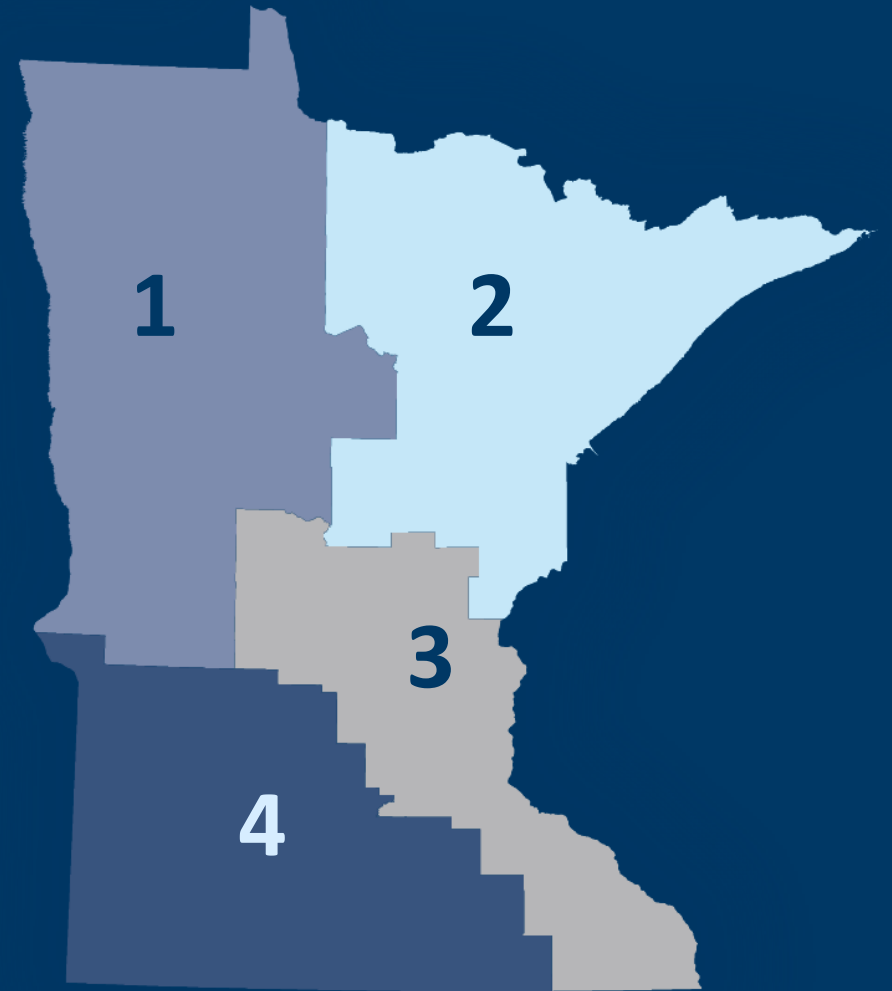
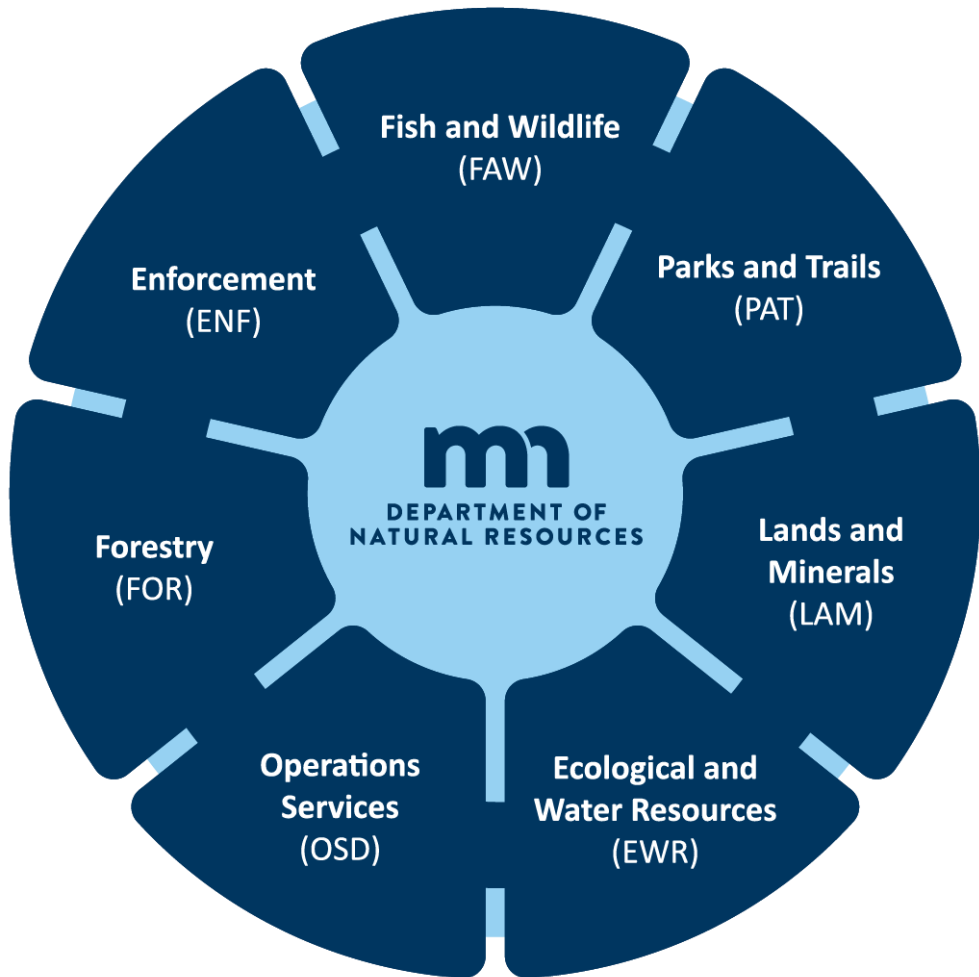
## The Mission

**Work with Minnesotans to:**

- Conserve and manage the state's natural resources,
- Provide outdoor recreation opportunities, and
- Provide for commercial uses of natural resources in a way that creates a sustainable quality of life.

# Minnesota Department of Natural Resources (DNR)

## Organization Background Information





# DNR Division Directors



**Ann Pierce**  
Ecological  
and Water  
Resources  
(acting)



**Rodmen Smith**  
Enforcement



**Dave Olfelt**  
Fish  
and Wildlife



**Forrest Boe**  
Forestry



**Joe Henderson**  
Lands  
and Minerals



**Eric Hallstrom**  
Operations  
Services



**Erika Rivers**  
Parks and Trails

# DNR Regional Directors



**Theresa Ebbenga**  
Region 1



**Patty Thielen**  
Region 2

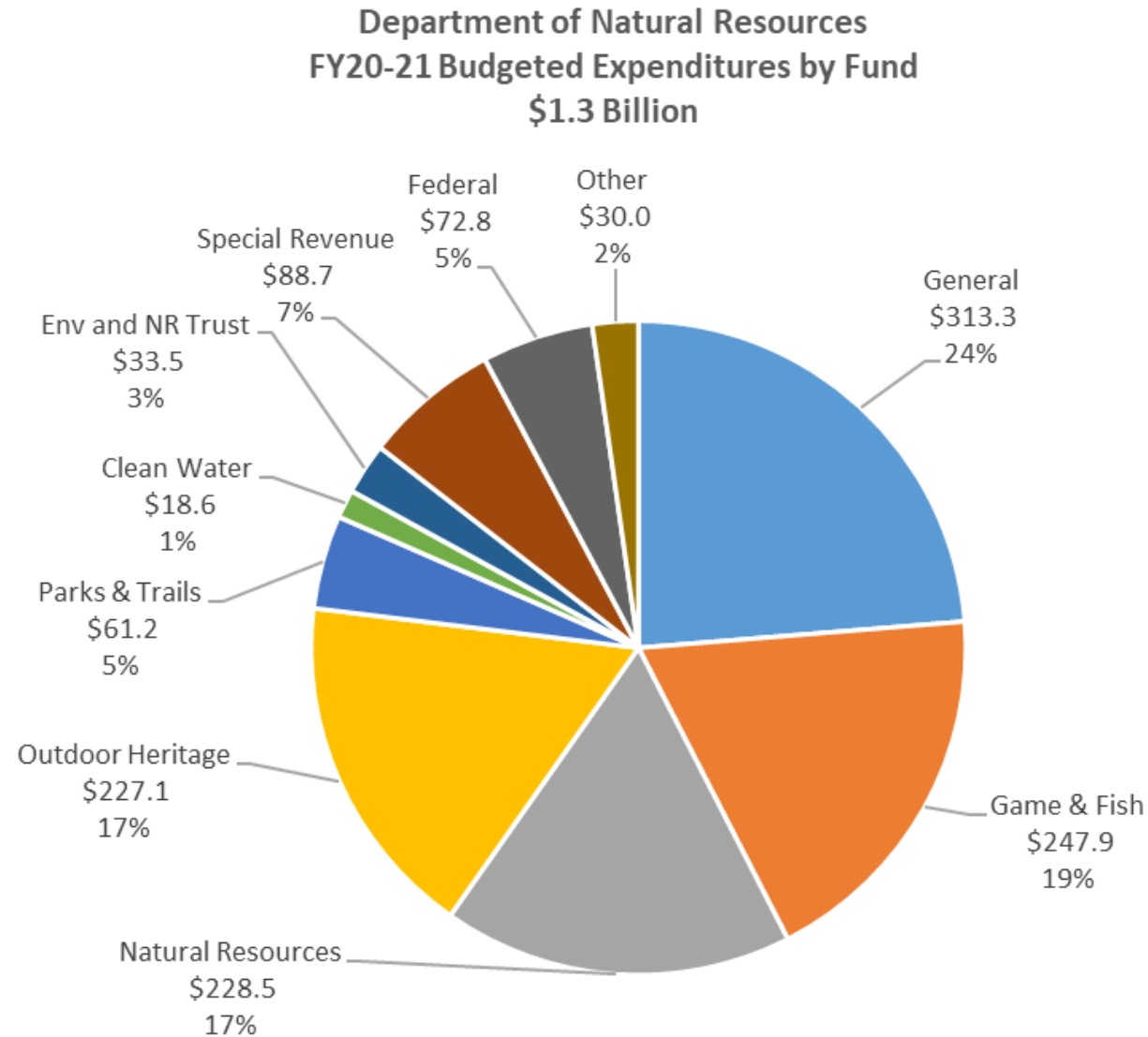


**Grant Wilson**  
Region 3

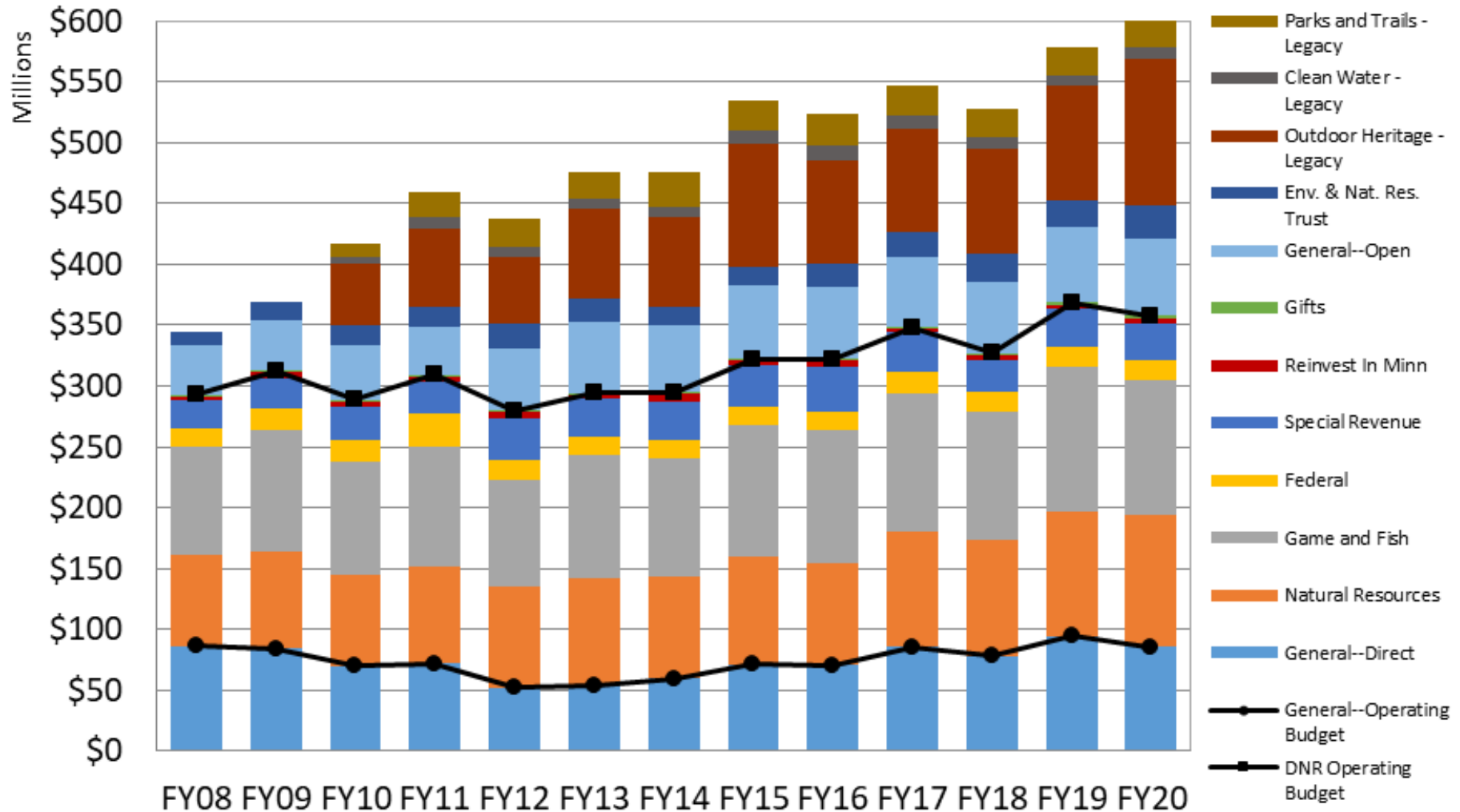


**Scott Roemhildt**  
Region 4

# FY20-21 Budget by Fund



# History of Expenditure by Fund



Expenditures include open (e.g., fire, treaty, PILT) and pass-through (e.g., OHF, ENRTF) appropriations and grants (e.g., park and trail grants)

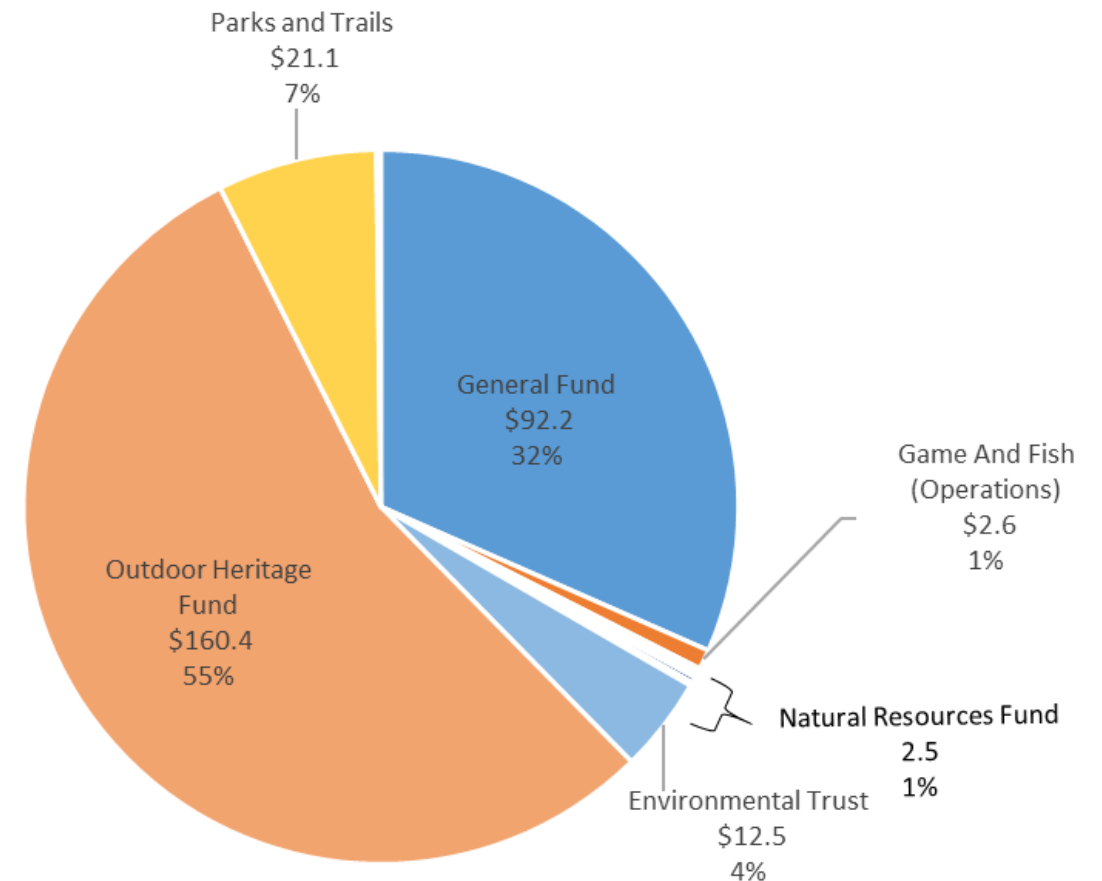


# Pass-Through Funds \$291.9 million (FY20-21)

Pass-through funds are dollars directed to non-state entities by statute, law, or treaty. The DNR serves as fiscal steward for these monies.

Examples include:

- Treaty payments to tribal nations
- Lottery-in-lieu grants to Duluth and Como Zoos
- Payment-in-lieu of taxes (PILT) payments to counties



# Major Federal Programs

- Fish and Wildlife
  - Pittman-Robertson (PR)
  - Dingell-Johnson (DJ)
- Enforcement
  - Coast Guard
- Ecological and Water Resources
  - Coastal Zone Management
  - State Wildlife Grants
  - Great Lakes Restoration Initiative

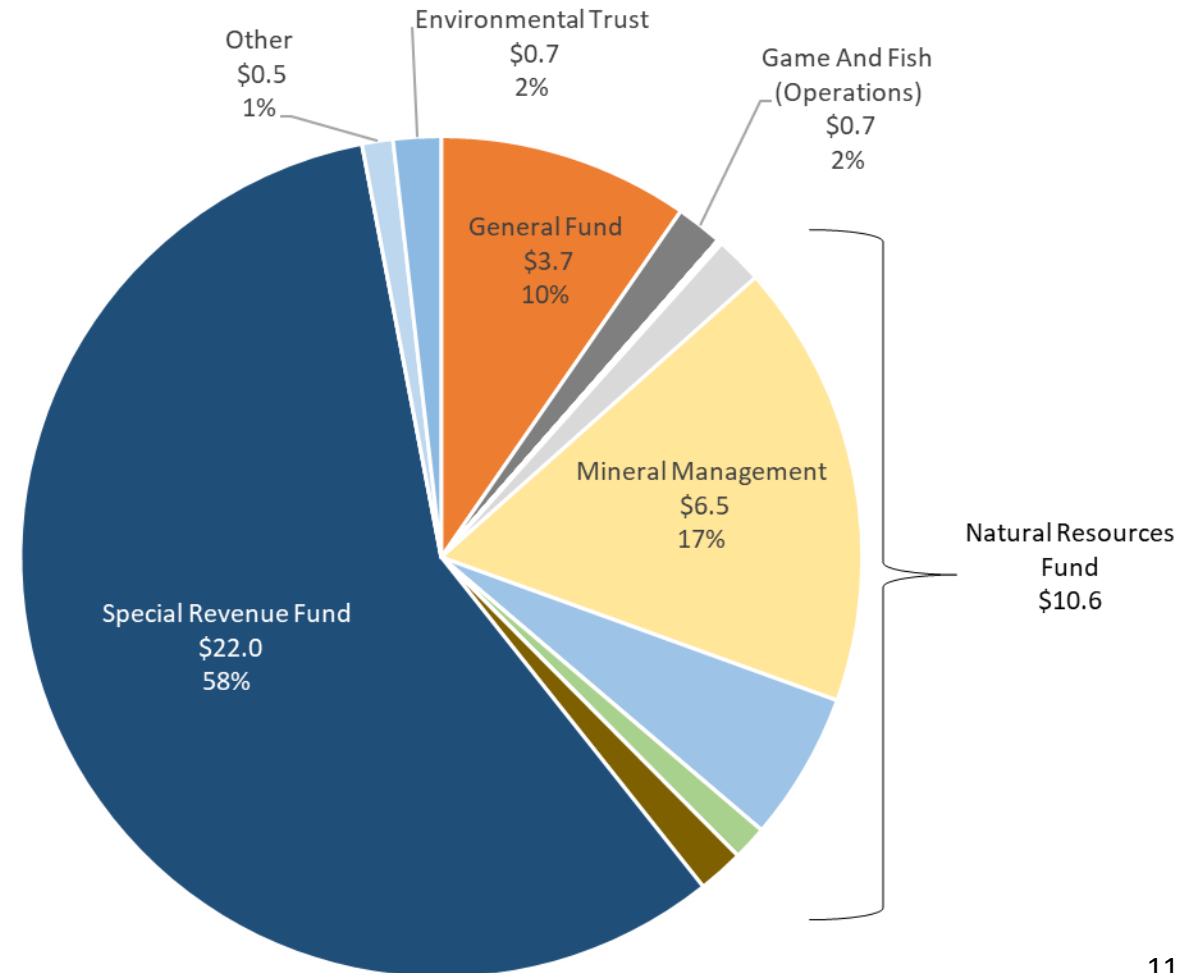


# Lands and Minerals \$38.1 million (FY20-21)



DNR meets its lands and minerals goals through three bodies of work:

- Mine Permitting and Reclamation
- Minerals Management
- Real Estate Management

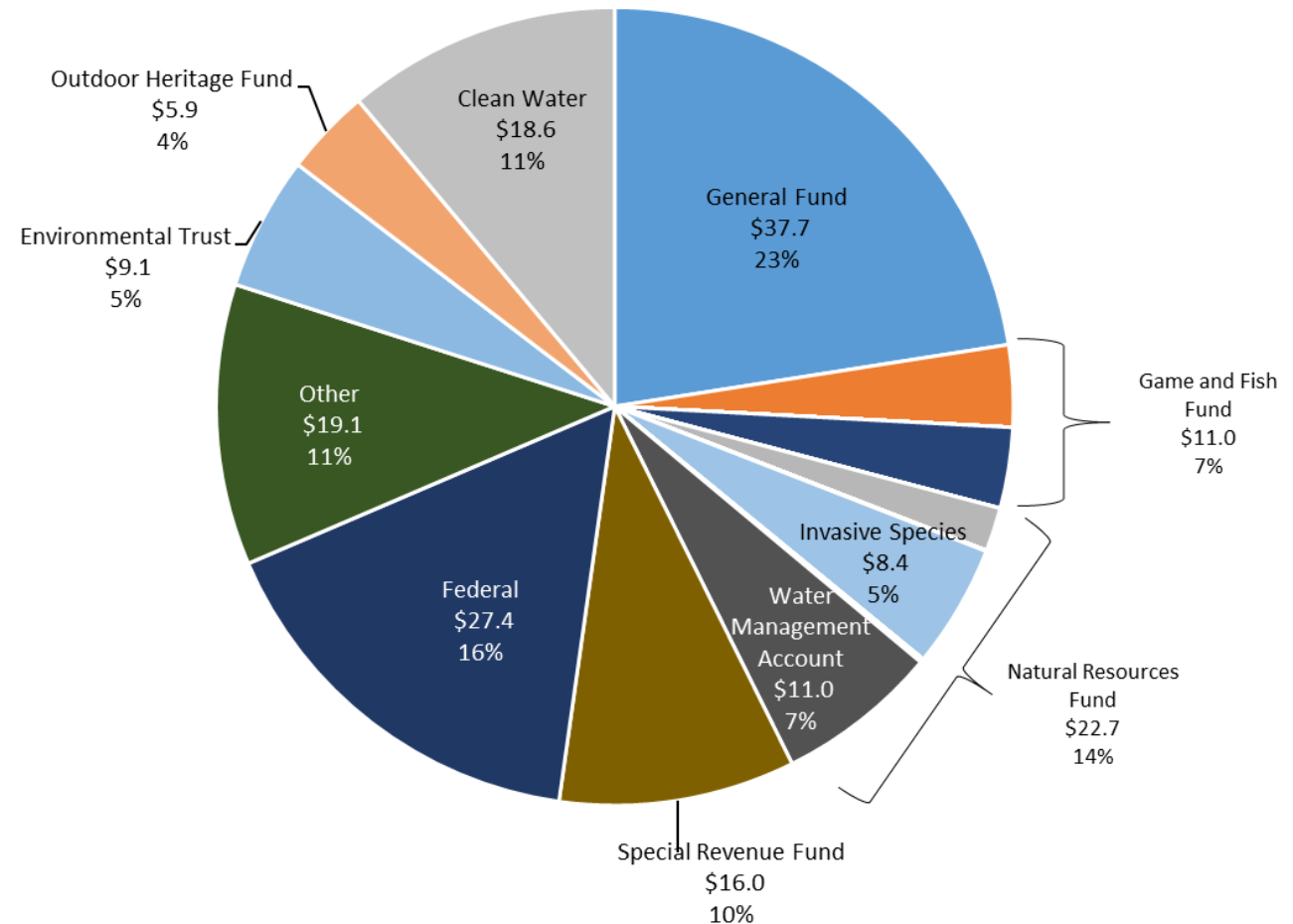




# Ecological and Water Resources \$167.5 million (FY20-21)

We organize our ecological and water resources work into three main service categories:

- Conservation Assistance and Regulation Services
- Ecosystem Management and Protection Services
- Inventory, Monitoring, and Analysis Services

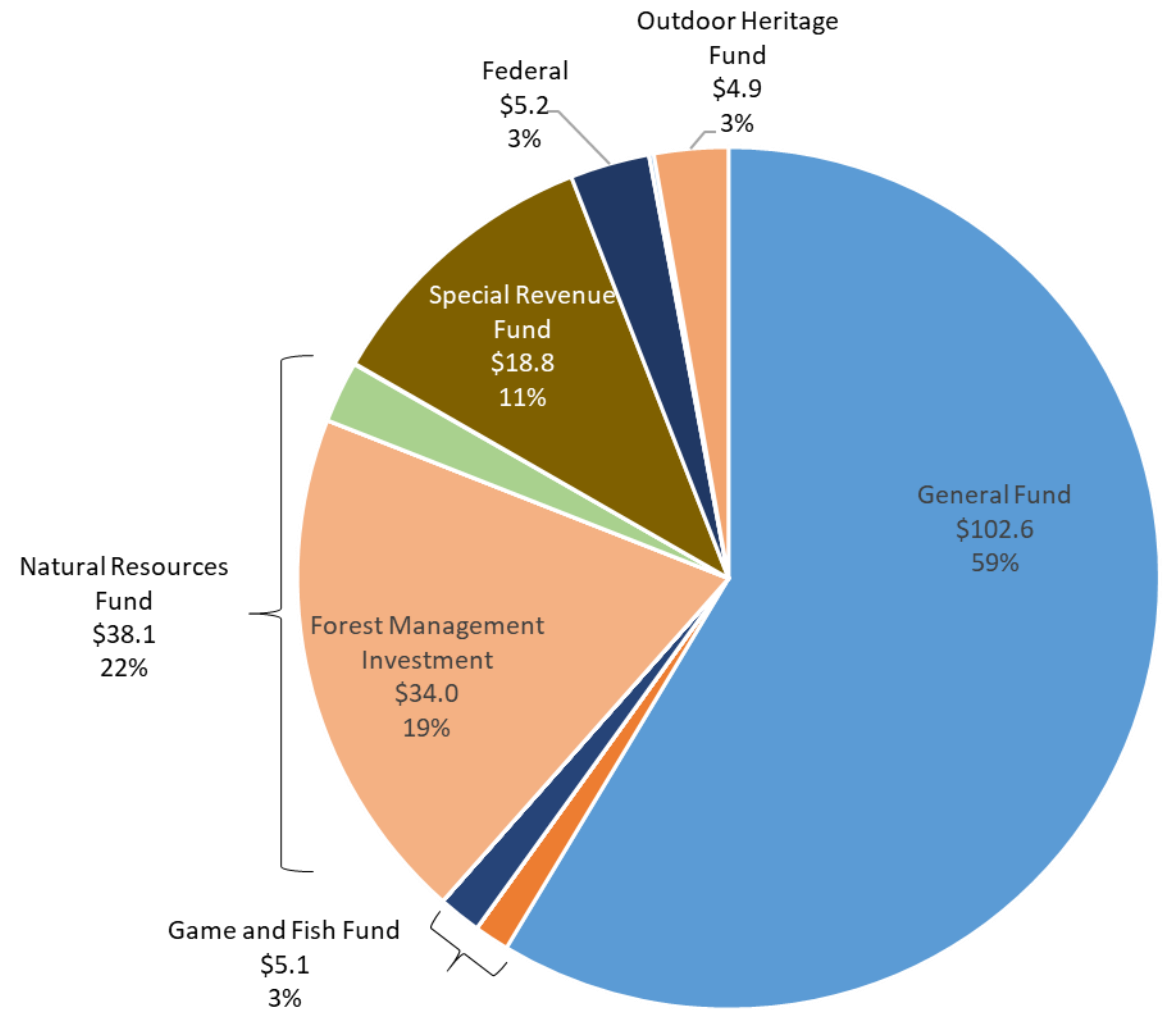


# Forestry \$175 million (FY20-21)



DNR achieves the state's forestry goals by:

- Fire Prevention, fire pre-suppression, fire suppression, and prescribed burning
- Managing DNR-administered forest lands and managing timber on school trust lands
- Providing technical assistance to communities and private landowners



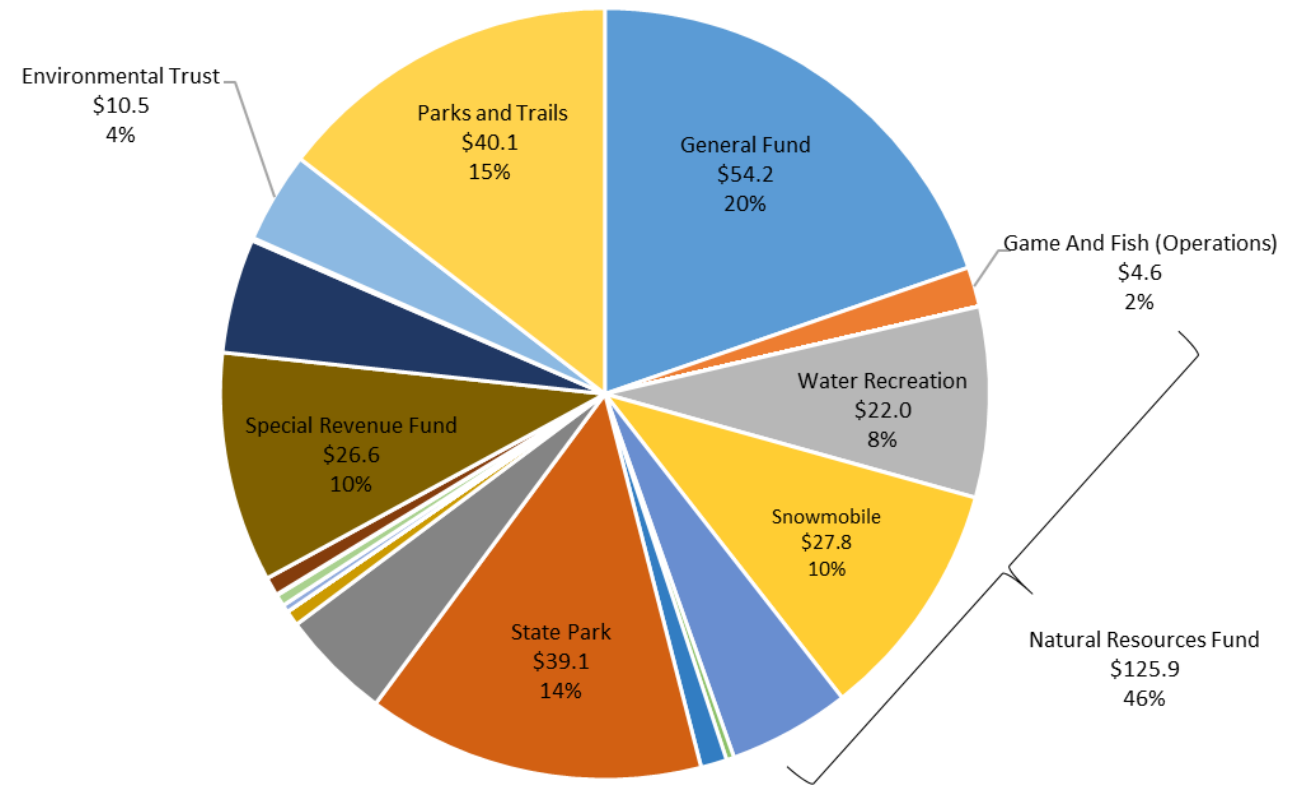


# Parks and Trails \$274.5 million (FY20-21)



DNR's parks and trails work falls into these major categories:

- DNR connects people to the outdoors through state parks, trails, forest recreation areas and water recreation
- DNR acquires land and creates new recreational and conservation opportunities
- DNR connects with partners to provide a seamless outdoor recreation system

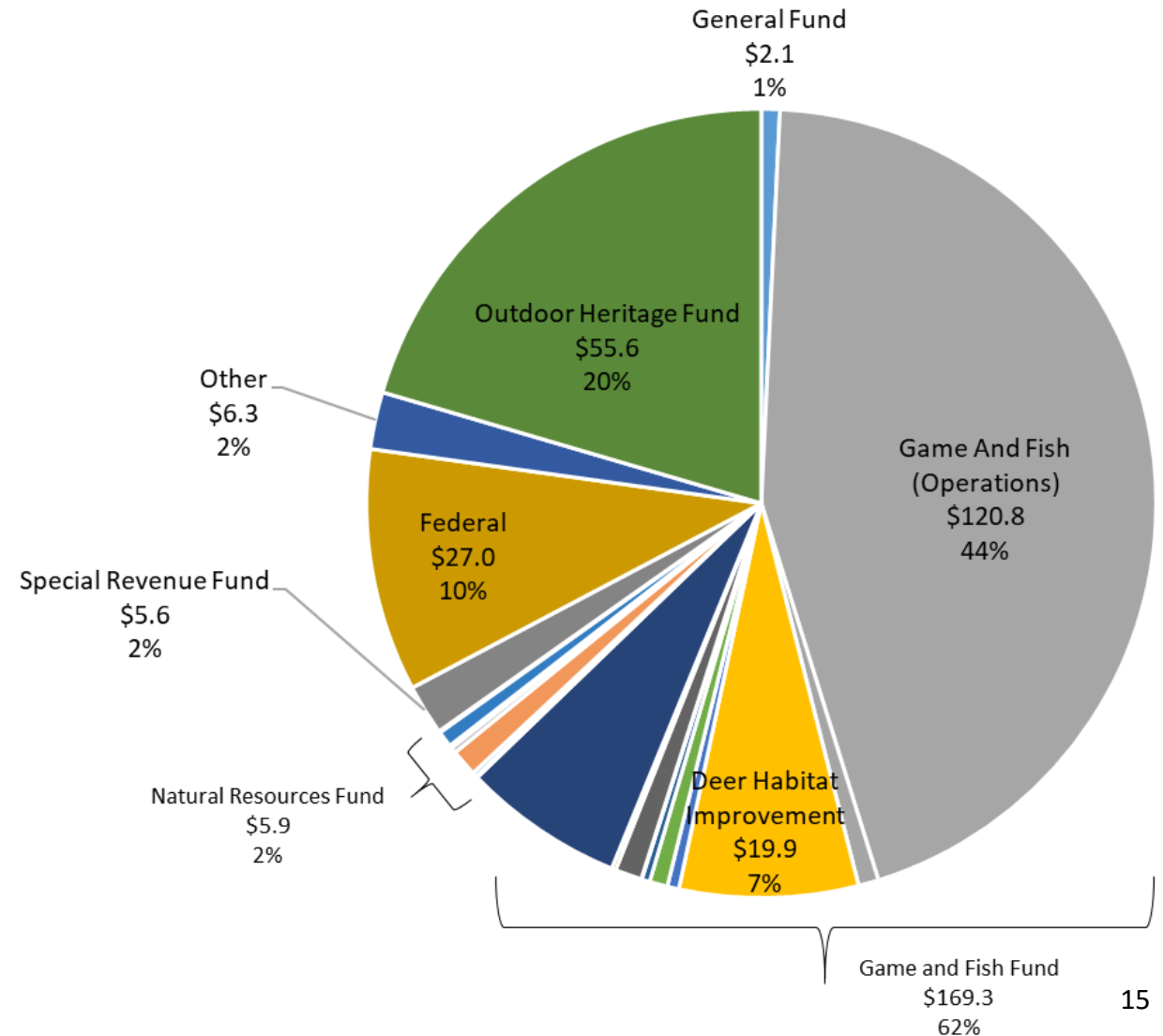


# Fish and Wildlife \$271.8 million (FY20-21)



DNR's fish and wildlife work is focused into four main categories:

- Monitor and manage fish and wildlife populations
- Protect, restore, and enhance key fish and wildlife lands
- Connect people to the outdoors through hunting, fishing engagement
- Administer hunting and fishing licenses, and recreational vehicle titles and registrations



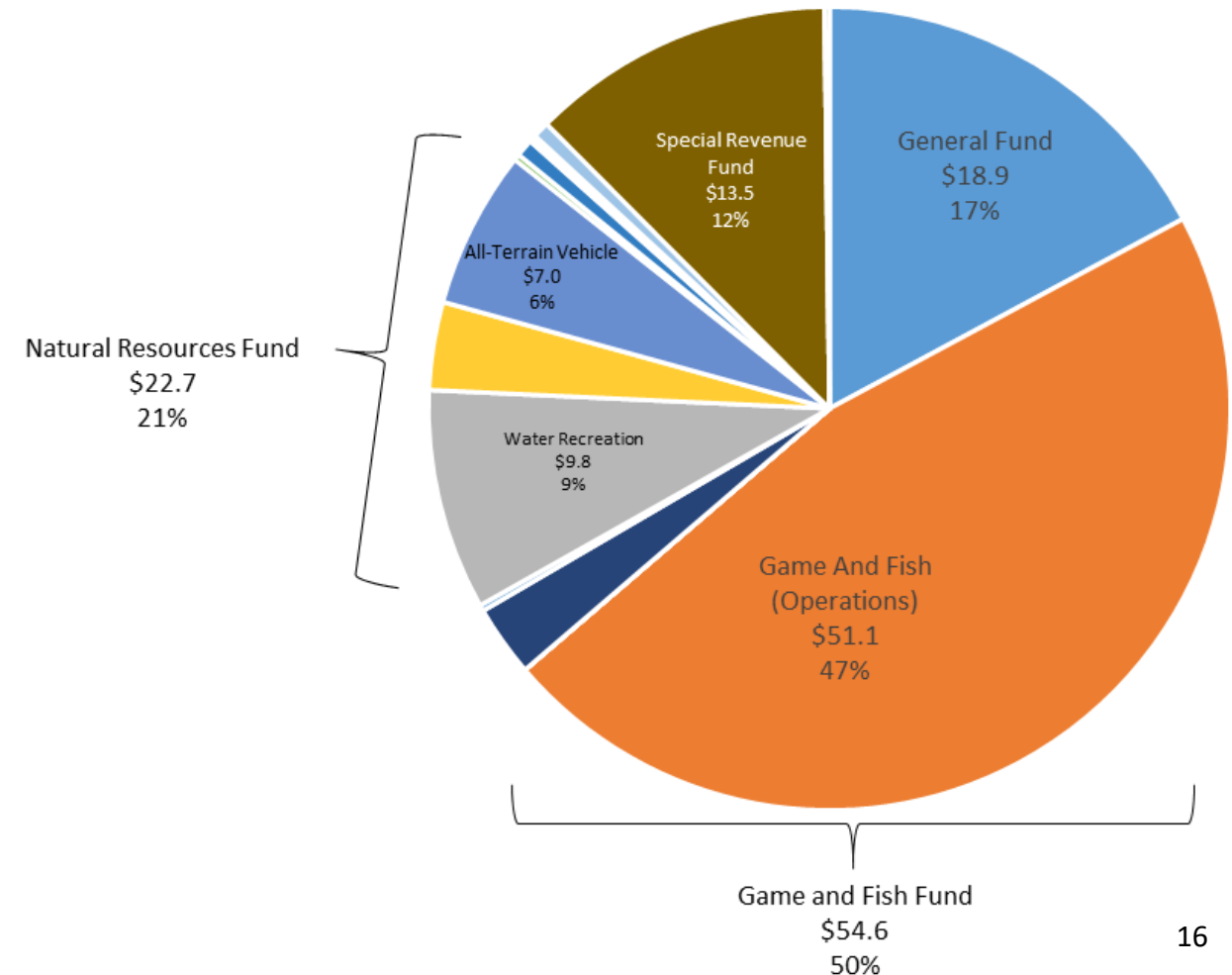


# Enforcement \$109.9 million (FY20-21)



Our enforcement work includes outreach, safety education, and law enforcement in four main areas:

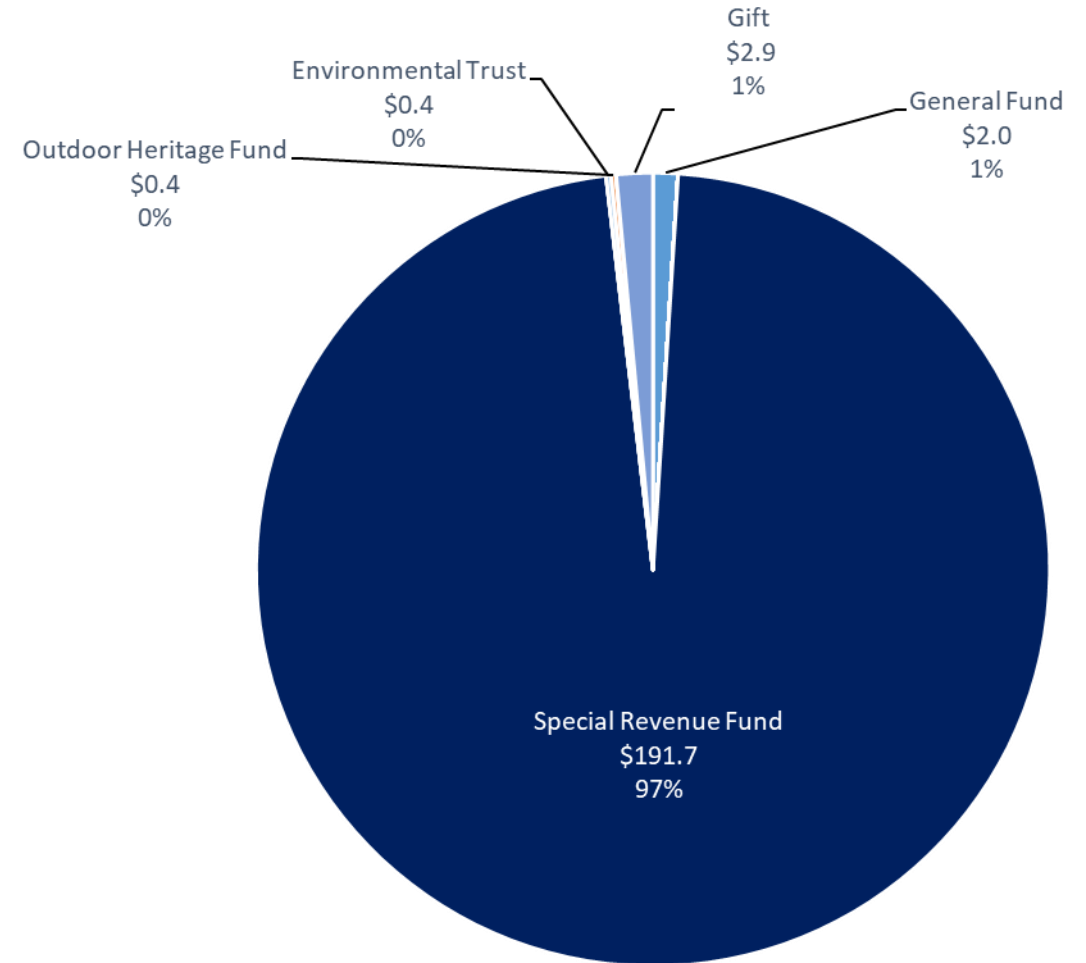
- Fish and Game Education, Protection, and Enforcement
- Recreational Safety and Enforcement
- Natural Resource Protection and Enforcement
- Public Safety



# Operations Support \$197.4 million (FY20-21)

Operations Support promotes department-wide coordination to advance the DNR mission, goals and priorities in partnership with all DNR divisions and programs.

Services include communications, human resources, legal, finance and budget, diversity, fleet and building services.



# DNR's COVID-19 Recovery Budget Priorities



**Connect People with the Outdoors**



**Mitigate Climate Change**



**Proactive Natural Resources Management**



**Address our Operational Needs**



# Increase Watercraft Registration Fees

- Minnesotans enjoy an exceptional water recreation system.
- Rising costs in maintaining this system, due to aging infrastructure and evolving user needs and expectations.
- Watercraft registration fees were last raised in 2006.

## **PROPOSAL:**

- Increase watercraft fees to make \$3.7M investment in water access sites:
  - Increases range from \$1 for boats owned by non-profits to \$40.50 for a pleasure craft over 40 feet in length, for a 3-year registration
  - 70% of registered boat owners would pay less than \$4 annually for the system benefits



# Increase Watercraft Registration Fees

- Rehabilitation of existing public water accesses
- Reducing and preventing the spread of aquatic invasive species (AIS) by adding boat-cleaning areas
- Protecting water quality and enhancing habitat for pollinators and other wildlife
- Better serve Minnesotans with mobility challenges by upgrading facilities to meet current Americans with Disabilities Act design standards
- Address a structural deficit in the Water Recreation Account.



# Increase State Park Permit Fees

- People are embracing outdoor activities in record numbers.
- State parks, trails, and recreation areas play an important role in connecting Minnesotans to the outdoors.

## **PROPOSAL:**

- Increase park permit fees by \$3 per a daily pass and \$10 for the annual pass.
- Revenues support \$1.7M investment in FY22-23 for state park and recreation areas.
- This proposal would also address a structural deficit in the State Parks Account.





# Increase State Park Permit Fees

- Address DNR's ability to maintain the state parks, trails, and recreation area experiences.
- Increased fees will help to avoid service reductions and, allow the state to keep up basic public services and security, and meet public expectations.
- Allow the state to better address unforeseen revenue impacts due to natural disaster, emergency response or weather-related effects on visitation.



# Accelerated Tree Planting to Capture Carbon



- Increasing the number of trees in Minnesota is a powerful, commonsense approach to offsetting greenhouse gas emissions (GHG).
- We can achieve an additional 5M tons of GHG off-set by planting an estimated 12M seedling by 2025.

## **PROPOSAL:**

- Invest \$2.6M to:
  - increase capacity at the State Forest Nursery
  - provide incentives to re-plant trees on open land
  - Increase tree density in existing forests



# Advancing DNR Forest Inventory

- Forest inventory provides critical baseline data to inform management and harvest.
- Current approach exclusively is labor-intensive and expensive.

## **PROPOSAL:**

- One-time investment of \$1M in LiDAR technology to enhance the quality and extent of forest inventory.
- Results in lower annual forest inventory costs in the future, allows for more frequent re-evaluation of forest stands, improved data accuracy, and increased overall efficiency



# Ensure Full-Use of Critical Habitat License Plate Contributions



- Minnesota's critical habitats allow endangered, rare, and important wildlife species to survive and thrive.

## **PROPOSAL:**

- Modify the popular Reinvest in Minnesota (RIM) program to accelerate investments in land management and critical habitat by an estimated \$7M per year by:
  - Changing the equal (1:1) matching requirement to \$2 license plate dollars for every \$1 in private donation (2:1)
  - Allowing complete match of all nongame donations
  - Restoration and enhancement of lands that provide critical habitat for game and non-game species.
- This proposal will ensure that RIM license plate donations are used timely for their intended conservation purposes.



# REVISED Public Safety Response

- The state of Minnesota called on the DNR's licensed peace officers to be part of the public safety response.
- The DNR cannot use dedicated sources of funding to pay for these public safety response costs.

## **PROPOSAL:**

- Provide \$3.3M in FY21 and \$2.2M in FY22 for incurred and anticipated costs.
- FY21 funds resolve a deficiency in the DNR Enforcement Division's budget.





- Legal costs to defend the agencies' decisions are increasing.
- Without special funding, DNR and the MPCA would need to reduce other work to pay for legal costs.

## **PROPOSAL:**

- Provide \$4M one-time (\$2M for DNR and \$2M to MPCA) to defend natural resources and environmental regulatory, permit, leasing, and other types of agency decisions.



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# Protecting Digital Assets Against Cyber Attack

- DNR must keep pace with Information Technology (IT) modernization and security needs to keep agency applications safe from cyber attack and protect customer data.
- This proposal is part of a larger strategy to make Minnesota's digital infrastructure more resilient and secure.

## **PROPOSAL:**

- Provide \$1.1M annually from the General Fund to establish IT security and modernization program.



# Operating Adjustment



- We continuously look for ways to become more efficient with existing resources, but these efforts cannot off-set inflation related cost increases.

## **PROPOSAL:**

- Reduce DNR's FY21 General Fund budget by \$2M. This reflects savings generated by the hiring freeze that were also associated with decreased service levels.
- Provide \$4M in FY22-23 to address a portion of expected compensation growth.
- This represents 0.3% of DNR's total budget across all funds, and will not address inflationary pressures across all funds and programs.



# Additional Budget Initiatives

- Increase the State Land and Water Conservation Account Appropriation
- Open Access for Tribal Members on State Park Lands
- Authorize State Park Permit Violation Fee
- Clarifying Allowable Uses for State Park Reservation Fees
- Lottery-in-Lieu Cost Recovery for Grant Administration





# Additional Budget Initiatives

- Invest in State Forest Campgrounds
  - Require Permit for Youth Tournaments
  - Require Permits for Bowfishing Tournaments
- Clarify Authority for Existing Permits and Licenses
- Simplify the Aquatic Invasive Species (AIS) Surcharge
  - Lands Bill 2020-21





# REVISED Budget Initiatives



- Addressing Chronic Wasting Disease
- Grant to Red Lake Nation for Aquatic Invasive Species Response

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## COVID-19 RECOVERY BUDGET

# Questions?

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