



Governor's FY26/27 Budget Recommendations

House Environment and Natural Resources Finance and Policy Committee



Agenda

- DNR's Work
- Approach to Developing the Biennial Budget
- Overview of the DNR's Budget
- Governor's Revised Budget Recommendations for DNR
- Questions and Discussion

- Conserves and enhances Minnesota's waters, natural lands, and diverse fish and wildlife habitats
- Provides Minnesotan outdoor recreation opportunities that meet the needs of new and existing participants so all benefit from nature
- Ensures Minnesota's natural resources contribute to strong and sustainable job markets, economies, and communities
- Demonstrates operational excellence and continuous improvement in service to Minnesotans



Principle-Based Budget Decisions

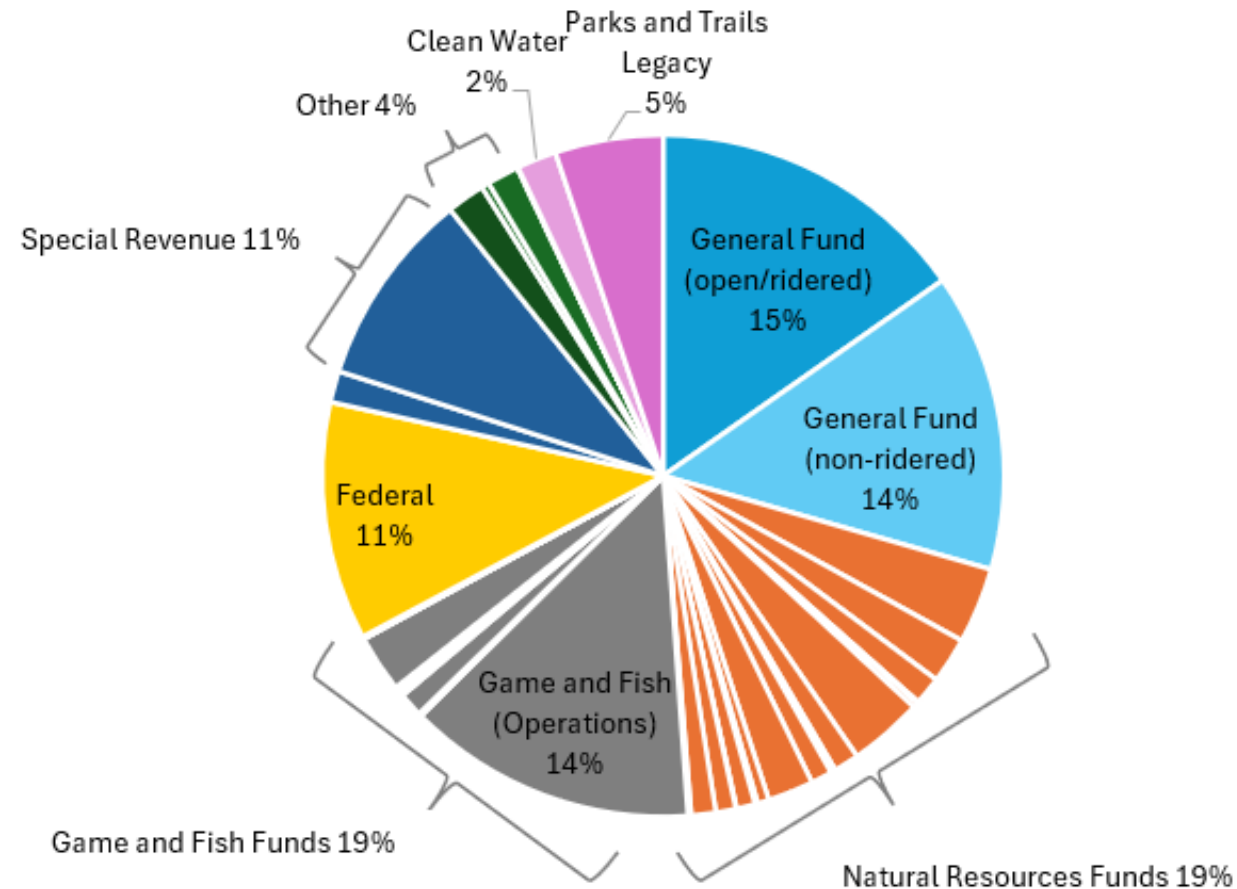
- Advances One Minnesota goals and DNR strategic priorities
- Engages the public in our work
- Recognizes staff are key to service delivery
- Prioritizes work that is both important and urgent
- Implements operational efficiencies
- Considers the state's fiscal outlook



Governor's Revised Budget Recommendations for DNR by Fund

- FY26-27 budget is roughly \$1.6 billion
- Spread across more than 50 funds
- Primary operating funds:
 - General Fund (29%)
 - Natural Resources Funds (19%)
 - Game and Fish Funds (19%)
- The DNR makes up less than 1% of the state's General Fund spending

**FY26/27 Budget:
\$1.6 B (all funds)**



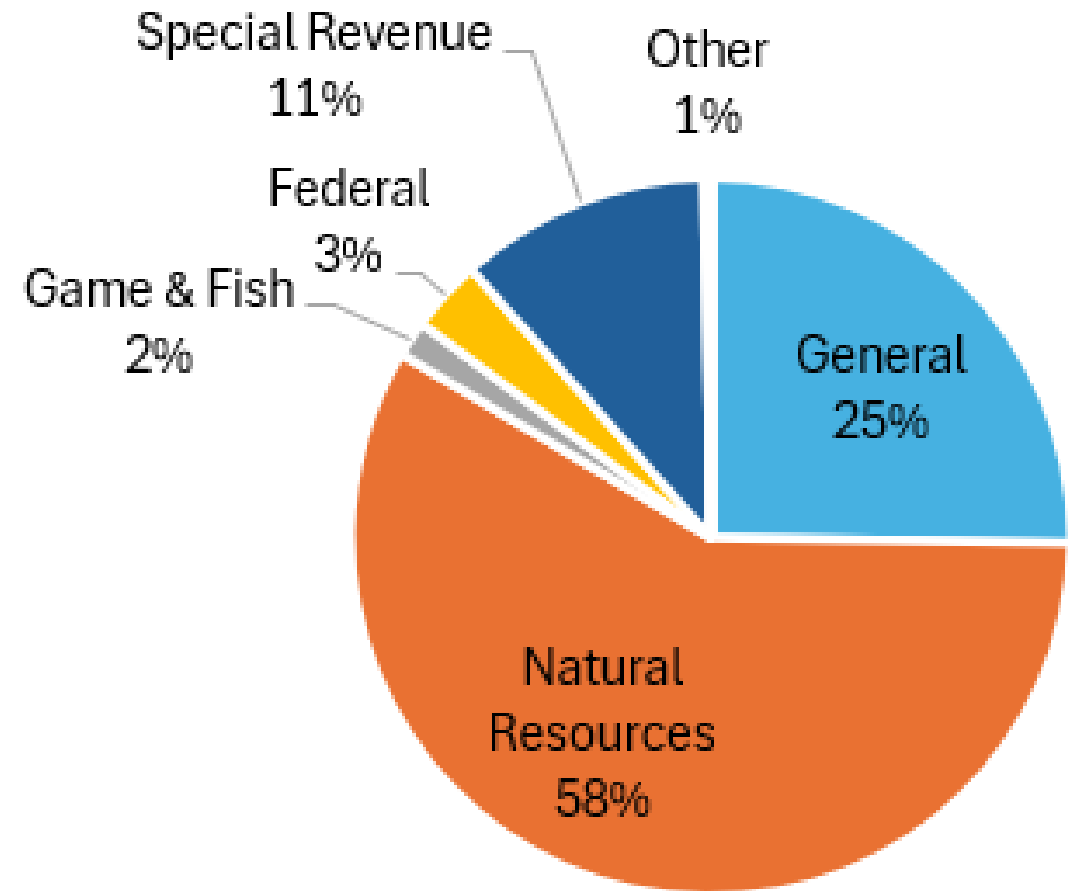
The FY26-27 budget does not include Outdoor Heritage Fund or Environment and Natural Resources Trust Fund appropriations

Parks and Trails



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

- Develop and manage state parks, trails, recreation areas, forests, and water recreation opportunities
- Work with outdoor recreation partners to provide a seamless outdoor recreation system at the local, regional, state, and federal levels
- Deliver natural resources education and interpretive programming



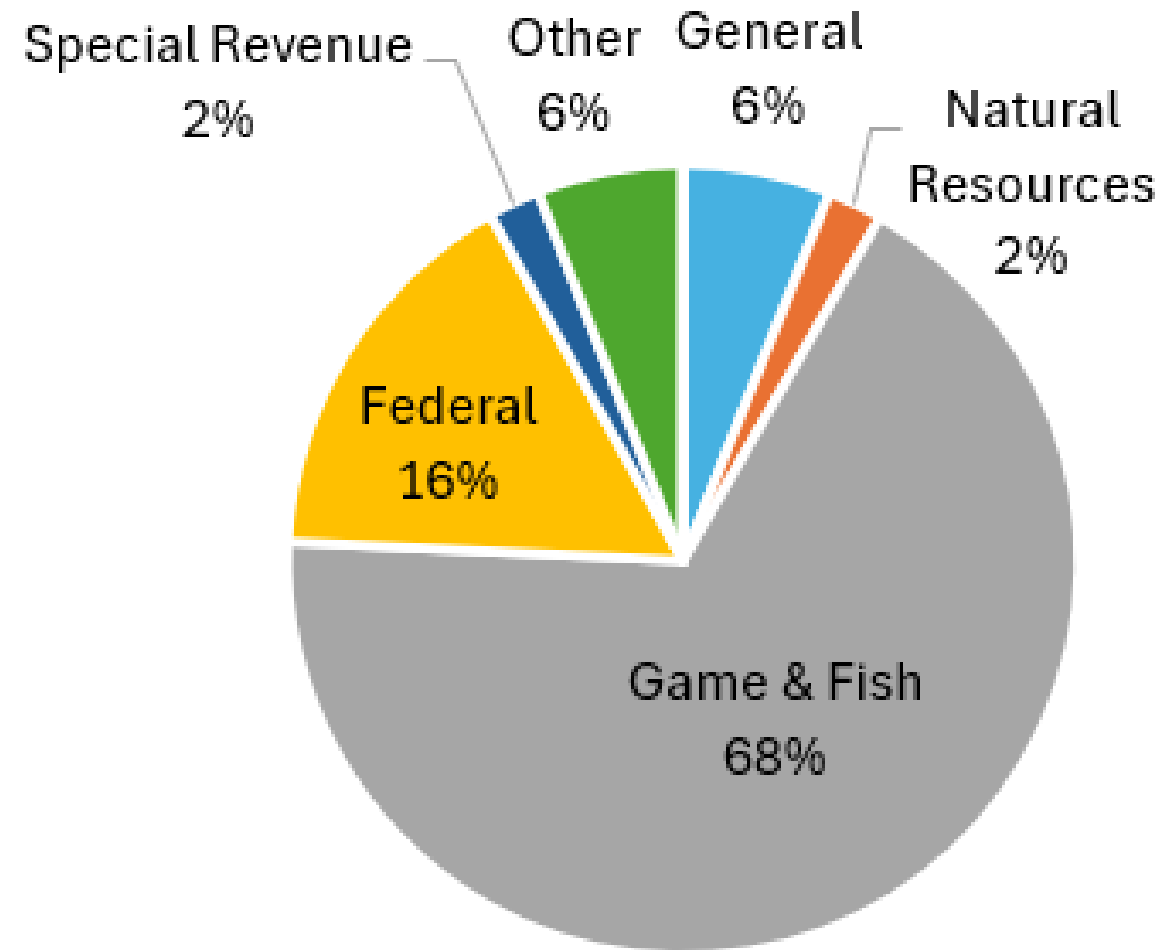
The FY26-27 budget does not include Legacy or Environmental Trust appropriations given their onetime nature.

Fish and Wildlife



We organize our fish and wildlife work across four 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, and engagement
- Administer hunting and fishing licenses, and recreational vehicle titles and registrations



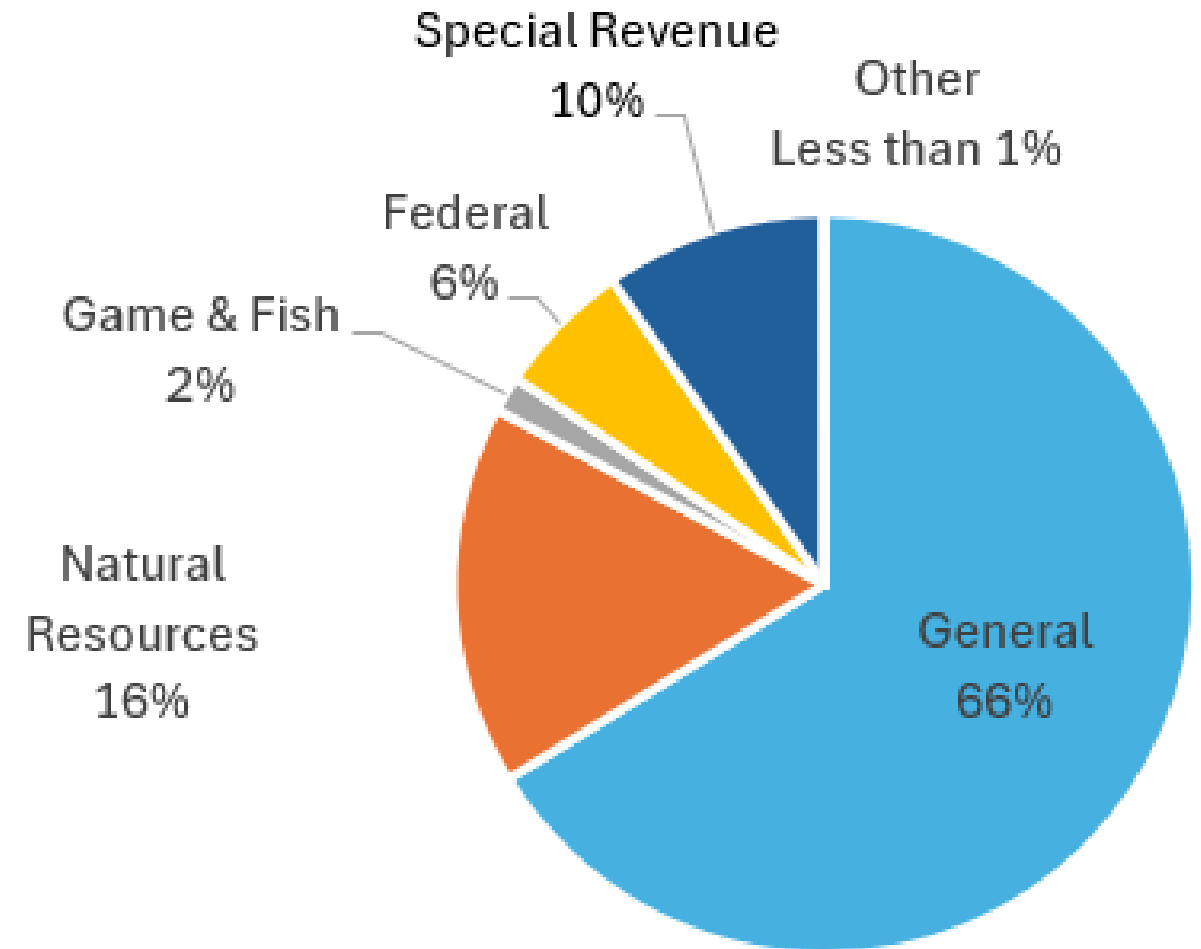
The FY26-27 budget does not include Legacy or Environmental Trust appropriations given their onetime nature.

Forestry



DNR achieves the state's forestry work by:

- Leading forest management and policy development
- Providing technical assistance to communities and private landowners
- Wildfire prevention and response



The FY26-27 budget does not include Legacy or Environmental Trust appropriations given their onetime nature.

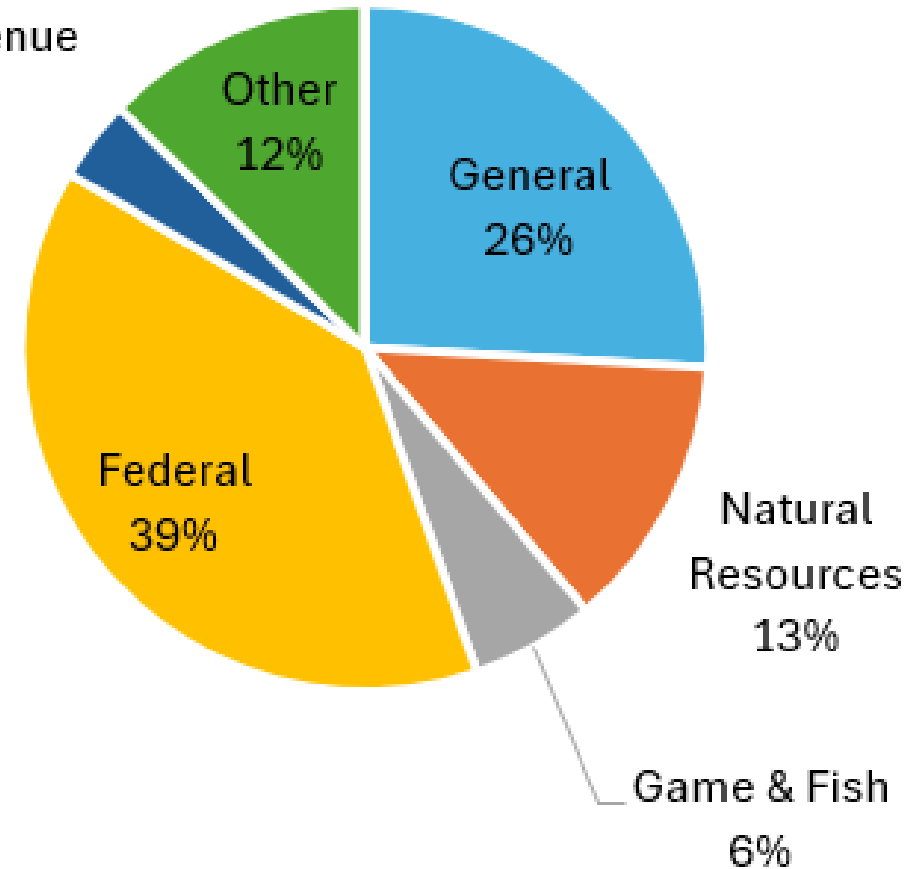
Ecological and Water Resources



DNR's ecological and water resources work falls into three main areas:

- Conservation assistance and regulation
- Ecosystem management and protection
- Inventory, monitoring, and analysis

Special Revenue
4%



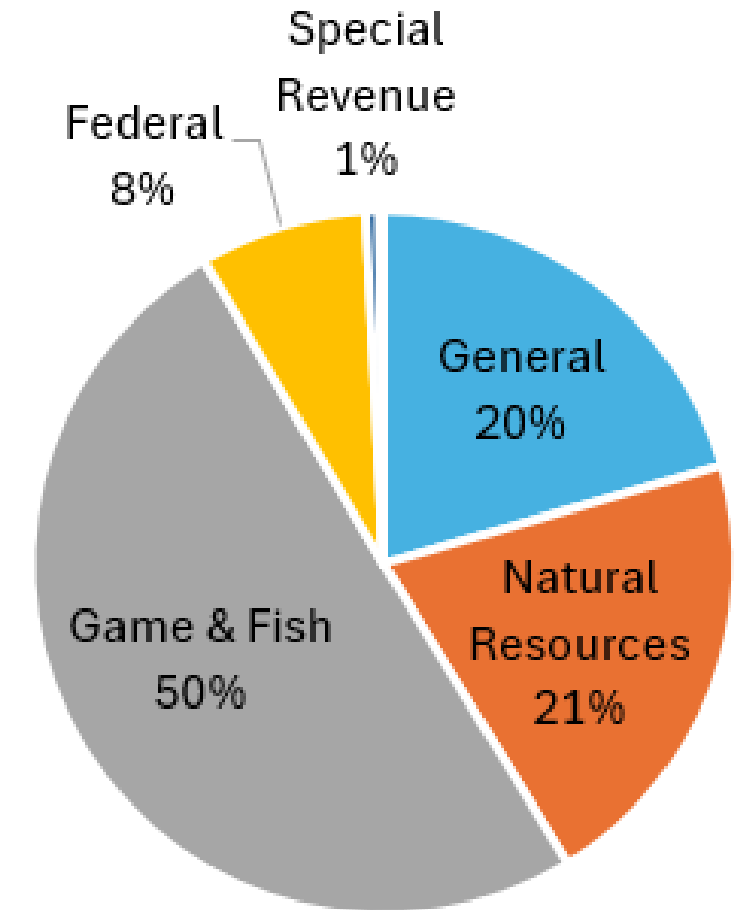
The FY26-27 budget does not include Legacy or Environmental Trust appropriations given their onetime nature.

Enforcement



Our enforcement work spans four main areas:

- Fish and game education, protection, and enforcement
- Recreational safety and enforcement
- Natural resource protection and enforcement
- Public safety



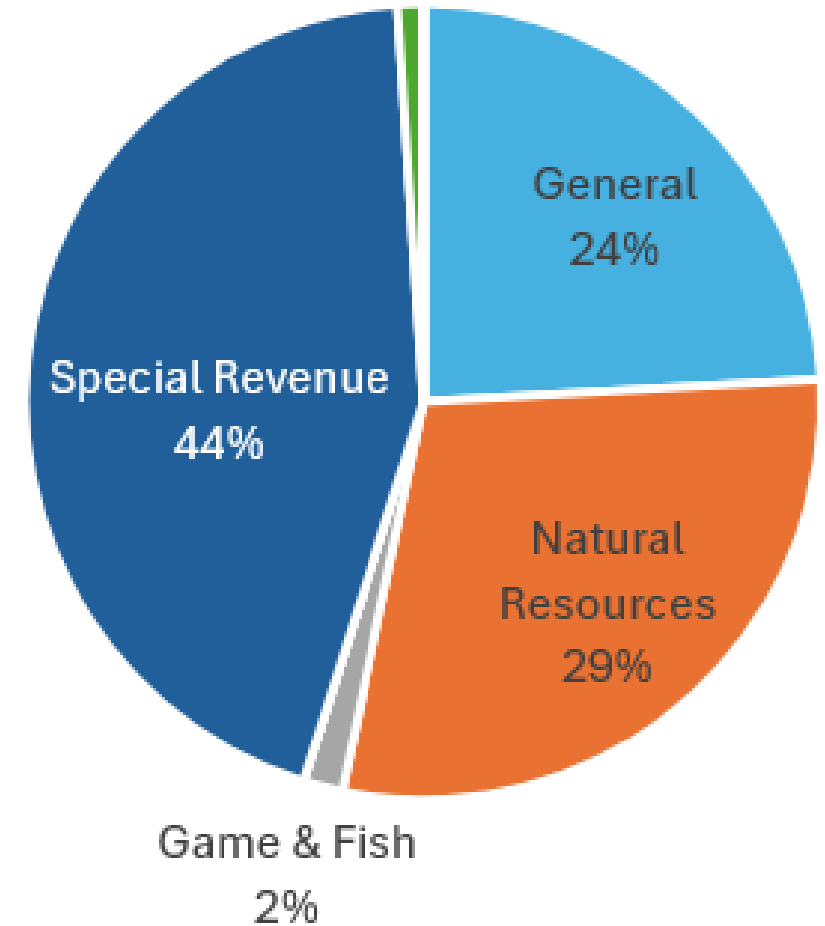
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Lands and Minerals



DNR lands and minerals falls in three areas of work:

- Mine permitting and reclamation
- Minerals management
- Real estate management



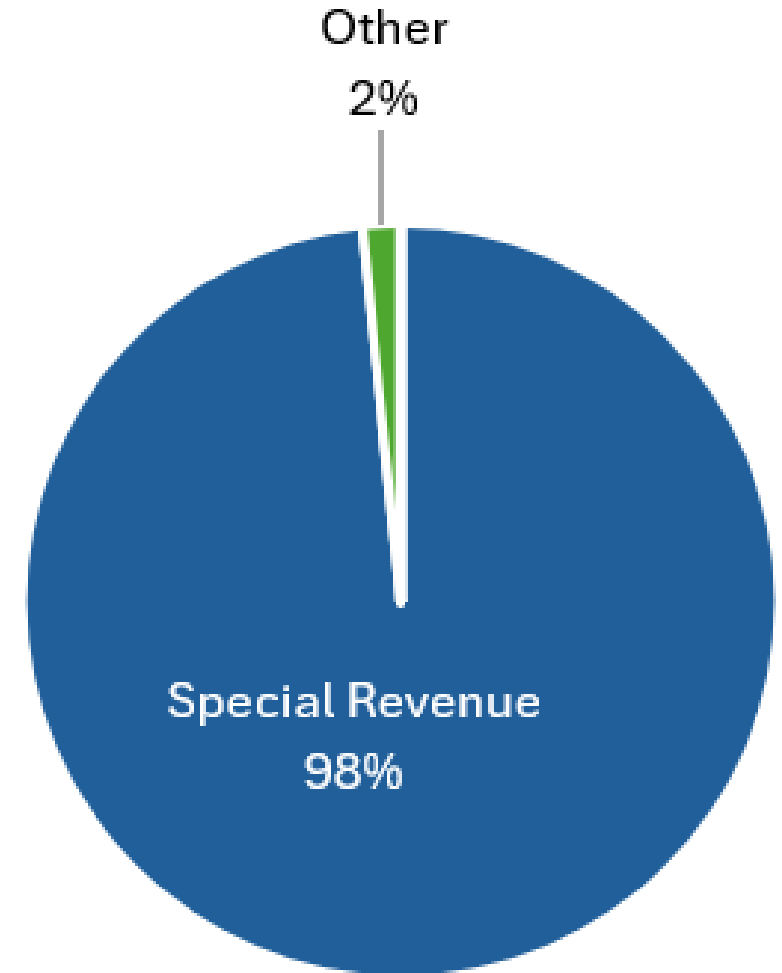
The FY26-27 budget does not include Legacy or Environmental Trust appropriations given their onetime nature.

Operations Support



The DNR's internal operations support includes:

- Budget management
- Human resources
- Facilities and asset management
- Vehicles and equipment
- Safety
- Communication and outreach
- Planning services



The FY26-27 budget does not include Legacy or Environmental Trust appropriations given their onetime nature.

FY26/27 Budget Recommendations: Gas Leasing and Permitting

Gas-related proposals are intended to implement a regulatory framework as mandated by the legislature

- Establish Hydrogen and Helium Permitting Program (General Fund: \$1.3 million)
 - Develop and manage a gas production permitting program in Minnesota for the mining of Minnesota's newly discovered gas reserves
- Establish Gas Leasing Program (Mineral Management Account: \$660,000)
 - Establish and operate a leasing program for gas exploration and production on state-managed mineral rights



Critical Operational Investments

- Legal Costs (General Fund: \$4 million)
 - Supports legal costs associated with the development and defense of major agency decisions and actions. This proposal is one-time.
- Public Safety Preparedness (General Fund: \$840,000)
 - Supports ongoing training, equipment maintenance and storage, and coordination with partner agencies for conservation officer public safety responses
- Operating Adjustment (Various Funds: \$16.9 million)
 - General Fund: \$5.4 million; Other Funds: \$11.5 million
 - Partially funds projected cost growth in FY26/27



Fee Proposals – Aquatic Invasive Species

- Prevent and Manage Spread of Aquatic Invasive Species (Invasive Species Account: \$5.7 million)
 - Increases AIS surcharge on a sliding scale to support DNR's AIS programs, grants, and provides additional funding for AIS research at the University of Minnesota
 - Surcharge increases vary by watercraft type. For example, AIS surcharge for pleasure craft less than 17 feet will increase to \$25 from \$10.60 for a 3-year license period
 - Recommendation includes a General Fund reduction for the DNR's AIS programs of \$660,000 to be off-set by additional surcharge revenue



Fee Proposals – Groundwater

- Protecting and Managing Groundwater
(Water Management Account: \$4.4 million)
 - Increases water use permit and application fees and water use fee rates to improve groundwater management and monitoring work. This funding increases DNR's permitting responsiveness and ability to evaluate complex permitting projects
 - For example, the first water use fee tier is up to 50 million gallons of water per year. It is a flat rate and under the proposal it would increase from \$140 to \$200 per permit. 85% of agricultural irrigation permits fall under this category
 - Recommendation includes a \$3.4 million General Fund reduction to water programs, to be off-set by fee revenue



Fee Proposals – State Parks & Recreation Areas

- Support State Parks and Recreation Areas
(State Parks Account/Parks and Trails License Plate Account: \$850,000)
 - Increases daily and annual state park vehicle permits to help offset park operations cost increases
 - Daily and annual state park permit fees increase from \$7 to \$10 and \$35 to \$45, respectively



General Fund Reductions

- Return Drought Killed Seedling Funds (General Fund: \$3.9 million)
 - Returns remaining unused drought-killed seedlings funds following successful completion of the program
- Eliminate Local Trail Connection Grants* (General Fund: \$500,000)
 - Reduces General Fund contribution to the mix of funding sources for DNR's Local Trail Connections Grant Program
- Aquatic Invasive Species Fee (General Fund: \$660,000)
- Groundwater Fee (General Fund: \$3.4 million)

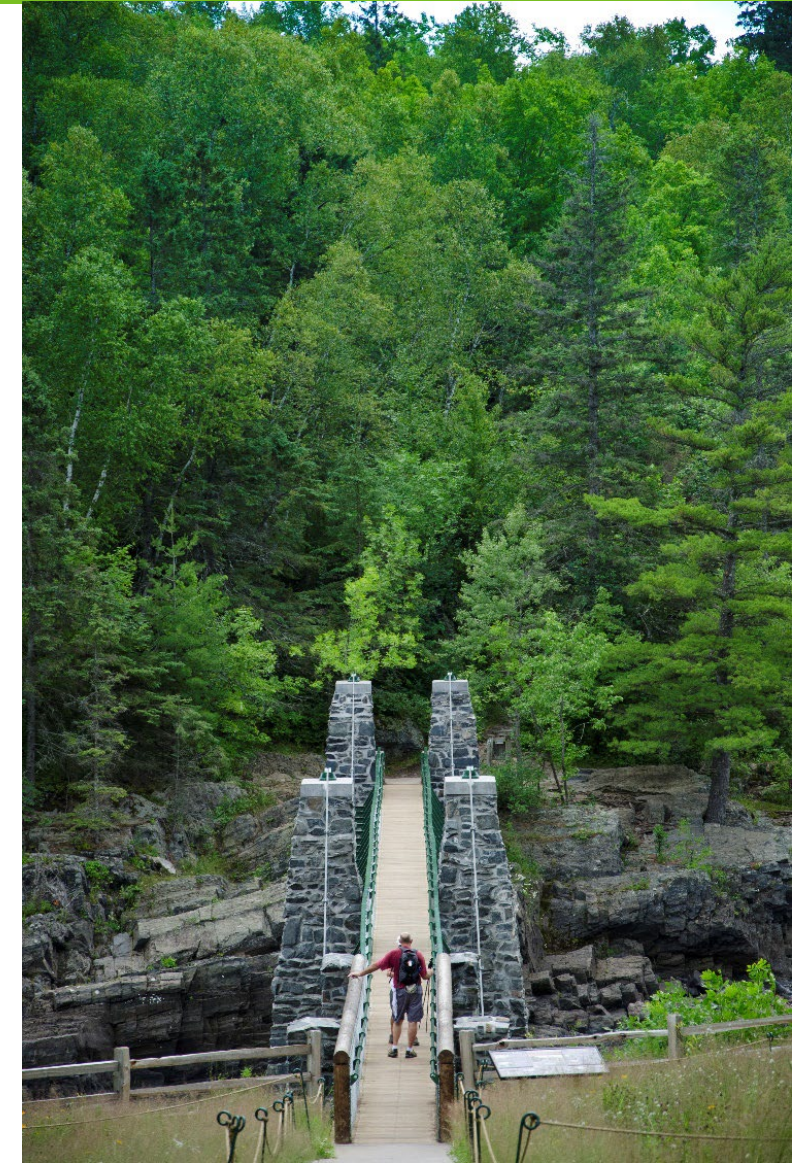
*Proposal contained in the Governor's revised budget recommendations



Parks and Trails Legacy Fund

- Parks and Trails Legacy Fund (\$78.6 million)
 - Parks and Trails Legacy Funds support parks and trails of statewide and regional significance by connecting more people to the outdoors, creating new and expanded outdoor opportunities, revitalizing existing infrastructure, restoring natural resources, and increasing inter-agency coordination and research
 - 40% of Parks and Trails Legacy Funds allocated to DNR
 - Connect people to the outdoors
 - Acquire land and create new opportunities
 - Modernize and improve outdoor infrastructure and protect unique natural and cultural resources

Legacy funds are one-time in nature and need to be appropriated every biennium.



Clean Water Legacy Fund

- Clean Water Legacy Fund (\$28.8 million)
 - Stream Flow Monitoring (\$5.7 million)
 - Watershed Restoration and Protection Strategies (\$4.8 million)
 - Aquifer Monitoring for Water Supply Planning (\$4.7 million)
 - Nonpoint Source Restoration and Protection Activities (\$4.4 million)
 - Lake IBI Assessment (\$3 million)
 - Modernize Minnesota's Culvert System (\$2.9 million)
 - Tool Development and Evaluation (\$1.4 million)
 - Fish Contamination Assessment (\$1.1 million)
 - Freshwater Mussel Restoration (\$700,000)
 - County Geologic Atlas Part B (\$200,000)

Legacy funds are one-time in nature and need to be appropriated every biennium.



FY24/25 Uncommitted General Fund Balances

Appropriation	Total General Fund Appropriation	Total Expended	Total Encumbered	Unspent and Unencumbered	Available Until
ReLeaf Grants	\$15,996,000	\$2,721,413	\$4,852,881	\$8,421,706	6/30/2027
Upper Sioux Agency State Park Transfer	\$5,000,000	\$283,672	\$4,650,000	\$66,328	6/30/2033
White-Tailed Deer Farm Inspections	\$8,400,000	\$1,380,853	\$3,025,628	\$3,993,519	6/30/2029
Enhancing Prairies and Grasslands on WMAs	\$10,000,000	\$462,330	\$1,826,833	\$7,710,837	6/30/2027
Get Out MORE*	\$110,000,000	\$6,862,846	\$15,550,241	\$87,586,913	6/30/2029

*Only the General Fund component of Get Out MORE is included on this slide. Totals including bond funding are provided on the following slide.



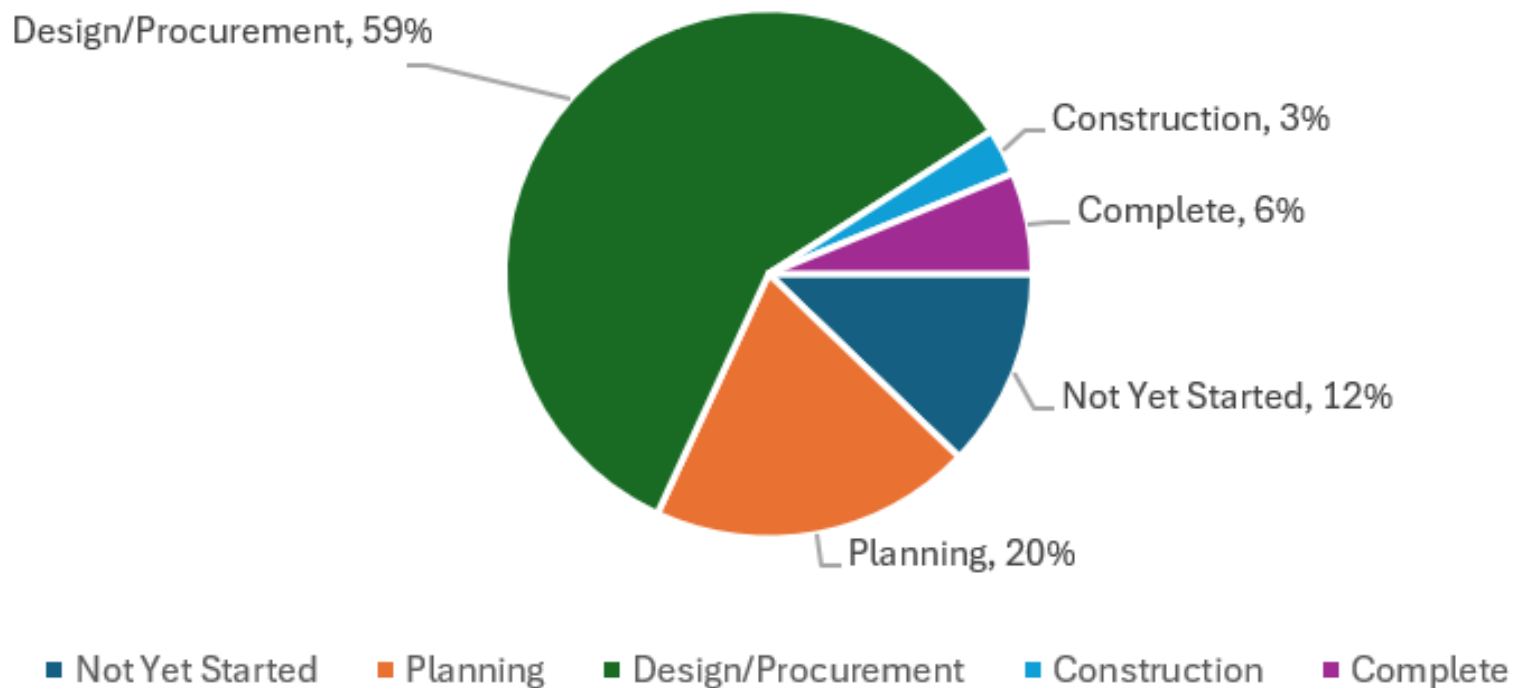
Get Out MORE Expenditure Summary and Anticipated Spending and Encumbrances

Get Out MORE		Through 2/25/2025		Through 8/31/2025		Through 3/31/2026	
Investments	Amount Available	Amount Encumbered Through 02/25/2025	Amount Expended Through 02/25/2025	Anticipated Amount Encumbered Through 08/31/2025	Anticipated Amount Expended Through 08/31/2025	Anticipated Amount Encumbered Through 03/31/2026	Anticipated Amount Expended Through 03/31/2026
Enhancing Access	\$35,400,000	\$1,359,067	\$3,044,014	\$4,110,000	\$2,950,000	\$5,030,000	\$6,860,000
Revitalizing Camping	\$9,500,000	\$30,120	\$1,632	\$4,575,000	\$1,632	\$4,650,000	\$1,632
Modernizing Boating	\$35,000,000	\$3,141,588	\$3,855,609	\$8,010,000	\$6,280,000	\$10,720,000	\$9,800,000
Enhancing Fishing	\$60,000,000	\$5,241,093	\$1,727,267	\$5,460,000	\$2,700,000	\$7,200,000	\$13,500,000
Modernizing Water-related Infrastructure	\$10,000,000	\$7,137,282	\$239,964	\$7,710,000	\$1,360,000	\$3,710,000	\$5,360,000
Total (rounded to nearest 10,000)	\$149,900,000	\$16,910,000	\$8,870,000	\$29,865,000	\$9,430,000	\$31,310,000	\$35,520,000



Get Out MORE Project Status

Get Out MORE Project Status as of March 6, 2025



Thank you!