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↻ Designates that this item is a change item

Minnesota Department of Natural Resources

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Office of the Commissioner

651-259-5555



January 27, 2009

To the 2009 Minnesota Legislature

On behalf of Governor Pawlenty, I am pleased to submit the Department of Natural Resources' (DNR) budget recommendation for the FY 2010-11 biennial budget. This budget consists of \$231.2 million from the state's General Fund to include both direct and open appropriations and \$345 million from other funds. It represents a 13.5% decrease from FY 2008-2009 direct general fund spending.

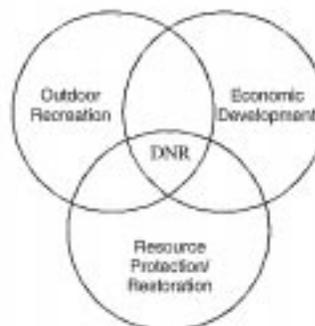
The DNR budget consists of a variety of funds, which include: General Fund (34%), Game and Fish fund (29%), Natural Resources Fund (23%), Special Revenue (7%), and Federal (7%). These funds are not evenly distributed to DNR programs. Some programs are almost entirely General Fund (Waters) and others are almost entirely dedicated fund (Fish and Wildlife). In addition, the budget includes requests for dollars generated from the constitutional amendment, \$32.9 million from the new Parks and Trail Fund and \$7.5 million from the Clean Water Fund.

The DNR's goal in this budget process is to achieve a general fund reduction while continuing to meet the mission of the DNR.

The mission of the Minnesota Department of Natural Resources (DNR) is to "work with citizens 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 quality of life."

DNR applies integrated resource management to achieve its three-part mission and priorities. DNR's unique mission requires it to balance among resource protection, recreation and resource use goals.

Achieving mission results requires the DNR to address three driving trends that impact stewardship of Minnesota natural resources:



Outdoor recreation participation

Trend: Outdoor recreation participation is declining in both the state and the nation. As Minnesota's population becomes more urban, more racially and ethnically diverse, and older, demands for recreational opportunities will continue to change and diversify.

Strategy example: DNR outdoor and education programs provide recreational opportunities and promote stewardship, outdoor skill building, and safety. Examples include MinnAqua, Fishing in the Neighborhood, Project Learning Tree, Project WET, Project WILD, Project Get Outdoors, Archery in the Schools, and Becoming an Outdoors Woman. In FY 2008, DNR programs trained 23,000 students in firearms safety, 11,000 in snowmobile safety, 3,600 in All-Terrain Vehicle safety, and 1,600 in advanced hunter education.

Renewable energy and climate change

Trend: Rising fuel prices, climate change, and national security concerns have resulted in new national and state standards for energy efficiency and increased interest in development of conservation-based energy sources as an alternative to fossil fuels. Climate change will have significant implications for natural resource management – how we manage our land and water resources.



Strategy example: As the largest charter member of the Climate Registry, DNR is defining and applying measurement standards to reduce greenhouse gas emissions, and is focusing on energy efficiency. Camden State Park office building, for example, exceeds state energy code requirements by 40 percent and uses a wind turbine and geothermal heat to provide for all of the facility's energy needs.

Landscape changes from growth and development

Trend: Minnesota is projected to grow by more than 1 million people in the next 20 years. The resulting landscape changes will challenge our efforts to restore and maintain fish and wildlife habitat and provide clean water, quality outdoor recreational opportunities, and sustainable economic uses of natural resources.

Strategy example: The Minnesota Forests for the Future Program brings together state, federal and private partners to secure permanent, large-scale conservation easements to help maintain undeveloped forest land as unfragmented wildlife habitat, a sustainable source of timber, and a place for public outdoor recreation. In 2007, the public-private partnership created one of the largest conservation projects in state history by protecting 51,000 acres of forest through a "working forest" conservation easement.

The Governor's recommendation for 2010 and 2011 includes changes in funding for:

1. **Outdoors Minnesota.** A program designed to support a proactive, coordinated outreach effort to engage young adults, families, youth, and minorities in Minnesota's great outdoors. This proposal seeks to build on and extend high-quality outdoor recreational opportunities.
2. **Forestry Initiatives.** Declining timber stumpage prices, mill closures, and a downturn in the housing market have resulted in reduced revenue to the Forest Management Investment Account. A significant reduction in appropriations from the account in FY 2010 - 2011 is needed to avoid a deficit. To partially offset the divisions' reduction, a General Fund appropriation is recommended for FY 2010 - 2011.
3. **Bovine Tuberculosis.** The DNR is cooperating with the Minnesota Board of Animal Health (BAH), Minnesota Department of Agriculture (MDA), and the U.S. Department of Agriculture (USDA) to eradicate bovine tuberculosis (TB) by monitoring the disease in wild deer, reducing overall deer numbers in TB affected areas, and intensively removing deer from targeted areas.
4. **Clean Water Fund.** Passage of the 2008 Clean Water, Land, and Legacy amendment established a Clean Water Fund to protect, enhance, and restore the quality of Minnesota's lakes, rivers, and streams and to protect groundwater from degradation.
 - Drinking Water. The DNR has the primary responsibility for managing Minnesota's water supplies. Additional resources are needed for technical studies to assess interrelated surface and ground water systems and the adequacy of water resources to supply existing and future growth.
 - Clean Water Legacy (CWL). Funding will support CWL activities including Total Maximum Daily Load (TMDL) study development and planning, water quality assessment and monitoring, and non-point source restoration and protection.
5. **Parks & Trails Fund.** 38% of the money available will be used by the DNR to renew, restore and rehabilitate state parks and state trails through visitor services and outreach, facility maintenance, and resource protection. Another 24% will be used for grants for regional parks and trails in the Twin Cities Metropolitan Area Regional Park and Trail System and for regional parks and trails in greater Minnesota.
6. **General Fund.** DNR achieves a general fund reduction by concentrating on the department's highest priorities; consolidating and integrating work activities to achieve efficiencies and more effective partnerships; and developing new funding sources.

As you review the Governor's recommendations, I look forward to working with you.

Sincerely,



Mark Holsten
Commissioner

Agency Purpose

The mission of the Minnesota Department of Natural Resources (DNR) is to “work with citizens 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 quality of life.” The DNR’s three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection, requires a fully integrated approach to conservation.

Core Functions

The DNR works to provide opportunities for hunting and fishing, other recreational opportunities, and economic development, as well as to preserve important features of our natural heritage. Integrated resource management is the DNR’s strategy to share stewardship responsibility with citizens and partners as we manage for multiple interests.

The DNR has identified three key drivers of change that influence the agency’s ability to manage for natural resource results. These drivers broadly affect the distribution and quality of Minnesota’s natural resources and the people who use them. The following strategies address these key driving trends:

- ⇒ *Outdoor recreation participation:* Increase outdoor recreation participation through targeted marketing and enhanced community outreach and communications.
- ⇒ *Renewable energy and climate change:* Increase energy efficiency in DNR operations, promote new conservation-based energy sources, and mitigate and adapt to climate change and its effects.
- ⇒ *Landscape changes from growth and development:* Work with private landowners to encourage development that conserves natural resources and promote integrated approaches to managing private and public land and water resources.

Operations

The DNR works directly with citizens, stakeholder groups, and all levels of government in setting priorities, managing diverse natural resources, and providing scientific and technical expertise. The DNR administers 12 million acres in mineral rights and 5.5 million acres of land for state forests, wildlife management areas, parks, recreation areas, scientific and natural areas, state trails, and public water access sites.

The agency is organized into four geographic regions, six operating divisions, and four support bureaus. DNR staff work out of 182 field offices that are located statewide.

- ◆ **Lands and Minerals Division** manages agency real estate transactions and promotes, regulates, and provides expertise on mineral exploration, mining, and mine land reclamation.

At A Glance

Minnesota has approximately 51 million total land acres.

Public Lands and Waters Administered by DNR

- ◆ 5.5 million acres of land owned by the state of Minnesota, including 4.8 million acres predominantly in state forest management
- ◆ 12 million acres of land managed for mineral rights
- ◆ Eight million acres of surface rights and mineral rights managed for horticultural peat, industrial minerals, and construction materials
- ◆ 58 state forests
- ◆ 11,842 lakes
- ◆ 69,000 miles of rivers and streams

Facilities and Recreational Lands Administered by DNR

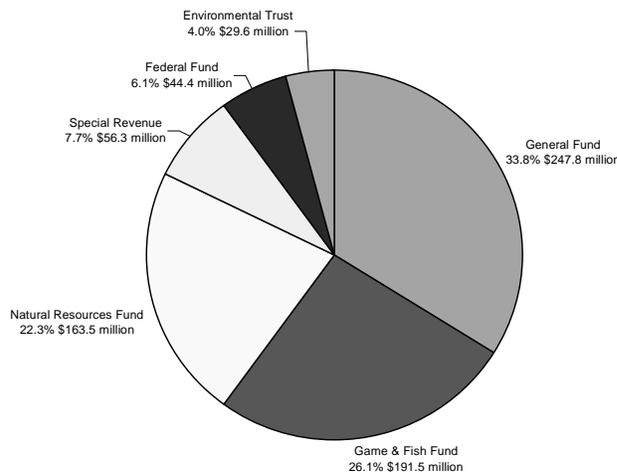
- ◆ 67 state parks and seven state recreation areas and eight state waysides totaling 226,831 acres
- ◆ 54 state forest campgrounds and day use areas
- ◆ 1,429 wildlife management areas, encompassing more than 1.277 million acres
- ◆ 38,014 acres (including 841 shoreland miles) of aquatic management areas
- ◆ 146 scientific and natural areas, totaling approximately 182,900 acres
- ◆ 1,585 state water accesses
- ◆ 340 fishing piers and shorefishing sites
- ◆ 30 designated canoe and boating routes, encompassing over 4,000 miles, and 155 miles of the Lake Superior Water Trail
- ◆ 1,249 miles of multi-use state trails, including 554 miles of paved bicycle trails
- ◆ 870 miles of cross-country ski trails (DNR and Grant-in-Aid)
- ◆ 2,198 miles of off-highway vehicle trails (DNR and Grant-in-Aid)
- ◆ 21,685 miles of snowmobile trails (DNR and Grant-in-Aid)

- ◆ **Waters Division** regulates all phases of the hydrologic cycle, including managing impacts on wetlands, lake, river, and groundwater phases of the hydrologic cycle.
- ◆ **Forestry Division** protects citizens and property from wildfire and strives for the sustainable yield of timber resources for forest products while managing state forests for wildlife habitat and recreation.
- ◆ **Parks and Trails Division** operates a system of state park and state forest campgrounds that conserves and manages natural, scenic, and cultural resources; maintains a statewide network of recreational trails; provides public access to lakes, rivers and streams, designates boating routes; and offers education opportunities.
- ◆ **Fish and Wildlife Division** conserves and enhances the state's fish and wildlife populations and their supporting habitats through regulation, restoration, research, monitoring, and education.
- ◆ **Ecological Resources Division** works to advance healthy, resilient ecosystems through research on native plant and animal communities; regulation and environmental review; provides extensive public information; and maintains the state's scientific and natural areas.
- ◆ **Enforcement Division** enforces laws related to game and fish; wetlands; aquatic plants; and the operation of watercraft, snowmobiles, ATVs and other recreational vehicles; and provides a series of conservation and safety education programs.
- ◆ **Operations Support** includes the commissioner's office, regional operations and recreation and local grants management, providing leadership and coordination, assistance to the department, services to the public, and assistance to local governments and private organizations.

Budget

Direct, open, and statutory appropriations total \$733 million for the FY 2008-09 biennium: 33.8% is from the general fund, 26.1% from the game and fish fund, 22.3% from the natural resources fund, 7.7% from special revenue, and the remaining from other funding sources. Number of full time employees for the DNR from all funding sources is 3,689.70 (due to seasonal fluctuation in workforce, total FY 2008 FTEs is 3,980.96).

**FY2008-09 Budgeted Expenditures by Fund
\$733.1 Million**



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Dollars in Thousands

	Current		Governor Recomm.		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	13,370	16,200	16,200	16,200	32,400
Recommended	13,370	16,200	0	0	0
Change		0	(16,200)	(16,200)	(32,400)
% Biennial Change from 2008-09					-100%
General					
Current Appropriation	92,540	80,619	80,619	80,619	161,238
Recommended	92,540	80,619	74,873	74,873	149,746
Change		0	(5,746)	(5,746)	(11,492)
% Biennial Change from 2008-09					-13.5%
Natural Resources					
Current Appropriation	77,564	79,326	79,326	79,326	158,652
Recommended	77,564	79,326	76,230	75,130	151,360
Change		0	(3,096)	(4,196)	(7,292)
% Biennial Change from 2008-09					-3.5%
Game And Fish (operations)					
Current Appropriation	90,111	92,818	92,818	92,818	185,636
Recommended	90,111	92,818	93,677	93,277	186,954
Change		0	859	459	1,318
% Biennial Change from 2008-09					2.2%
Remediation Fund					
Current Appropriation	100	100	100	100	200
Recommended	100	100	100	100	200
Change		0	0	0	0
% Biennial Change from 2008-09					0%
Clean Water Fund					
Current Appropriation	0	0	0	0	0
Recommended	0	0	2,483	4,966	7,449
Change		0	2,483	4,966	7,449
% Biennial Change from 2008-09					n.m.
Parks And Trails Fund					
Current Appropriation	0	0	0	0	0
Recommended	0	0	10,664	22,258	32,922
Change		0	10,664	22,258	32,922
% Biennial Change from 2008-09					n.m.

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	10,705	24,103	0	0	0
General	86,120	90,431	74,873	74,873	149,746
Minnesota Resources	104	113	0	0	0
Natural Resources	70,604	84,010	76,230	75,130	151,360
Game And Fish (Operations)	84,340	98,561	93,677	93,277	186,954
Remediation Fund	99	101	100	100	200
Clean Water Fund	0	0	2,483	4,966	7,449
Parks And Trails Fund	0	0	10,664	22,258	32,922
Permanent School	80	320	200	200	400
Open Appropriations					
General	20,750	18,912	36,151	36,015	72,166
Natural Resources	459	809	558	558	1,116
Game And Fish (Operations)	831	1,033	1,030	1,030	2,060
Statutory Appropriations					
General	306	128	0	0	0
Natural Resources	3,799	5,065	3,519	3,509	7,028
Miscellaneous Special Revenue	20,564	21,573	20,693	20,675	41,368
Game And Fish (Operations)	3,933	4,437	3,481	3,481	6,962
Federal	15,094	27,559	25,588	25,054	50,642
Remediation Fund	1,511	1,200	506	157	663
Reinvest In Minnesota	3,238	6,110	4,974	4,974	9,948
Miscellaneous Agency	13	0	0	0	0
Gift	1,684	2,295	1,871	1,871	3,742
Permanent School	5	199	3	3	6
Total	324,239	386,959	356,601	368,131	724,732
<u>Expenditures by Category</u>					
Total Compensation	163,944	179,638	175,318	178,650	353,968
Other Operating Expenses	106,663	136,803	118,675	122,868	241,543
Capital Outlay & Real Property	10,035	28,659	12,957	12,671	25,628
Payments To Individuals	1	2	2	2	4
Local Assistance	43,586	41,844	32,160	36,433	68,593
Other Financial Transactions	10	0	0	0	0
Transfers	0	13	17,489	17,507	34,996
Total	324,239	386,959	356,601	368,131	724,732
<u>Expenditures by Program</u>					
Land & Minerals Resource Mgmt	10,715	15,396	28,683	28,701	57,384
Water Resources Mgmt	21,073	18,191	16,305	17,283	33,588
Forest Management	67,199	76,848	69,475	68,162	137,637
Parks & Trails Management	73,523	87,547	90,547	102,109	192,656
Fish & Wildlife Management	82,234	99,731	87,610	88,331	175,941
Ecological Resources	21,257	31,317	24,163	23,988	48,151
Enforcement Nr Laws&Rules	31,986	33,660	33,146	33,146	66,292
Operations Support	16,252	24,269	6,672	6,411	13,083
Total	324,239	386,959	356,601	368,131	724,732
Full-Time Equivalentents (FTE)	2,425.5	2,498.3	2,427.8	2,473.1	

NATURAL RESOURCES DEPT

Change Summary

<i>Dollars in Thousands</i>				
	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
Fund: ENVIRONMENT & NATURAL RESOURCE				
FY 2009 Appropriations	16,200	16,200	16,200	32,400
Technical Adjustments				
One-time Appropriations		(16,200)	(16,200)	(32,400)
Subtotal - Forecast Base	16,200	0	0	0
Total Governor's Recommendations	16,200	0	0	0
Fund: GENERAL				
FY 2009 Appropriations	80,619	80,619	80,619	161,238
Technical Adjustments				
Approved Transfer Between Appr		0	0	0
Biennial Appropriations		125	125	250
Current Law Base Change		(93)	(93)	(186)
One-time Appropriations		(1,144)	(1,144)	(2,288)
Pt Contract Base Reduction		(14)	(14)	(28)
Subtotal - Forecast Base	80,619	79,493	79,493	158,986
Change Items				
General Fund Reduction	0	(7,220)	(7,220)	(14,440)
Bovine Tuberculosis Monitoring and Mgmt	0	600	600	1,200
Forest Management Investment Account	0	2,000	2,000	4,000
Total Governor's Recommendations	80,619	74,873	74,873	149,746
Fund: NATURAL RESOURCES				
FY 2009 Appropriations	79,326	79,326	79,326	158,652
Technical Adjustments				
One-time Appropriations		(2,000)	(2,000)	(4,000)
Subtotal - Forecast Base	79,326	77,326	77,326	154,652
Change Items				
General Fund Reduction	0	1,814	1,814	3,628
Forest Management Investment Account	0	(5,000)	(6,100)	(11,100)
Gray Wolf Management & Research	0	220	220	440
Outdoors Minnesota	0	470	470	940
Water Recreation Program	0	1,400	1,400	2,800
Total Governor's Recommendations	79,326	76,230	75,130	151,360
Fund: GAME AND FISH (OPERATIONS)				
FY 2009 Appropriations	92,818	92,818	92,818	185,636
Technical Adjustments				
Approved Transfer Between Appr		0	0	0
Current Law Base Change		48	(102)	(54)
One-time Appropriations		(674)	(674)	(1,348)
Subtotal - Forecast Base	92,818	92,192	92,042	184,234
Change Items				
Forest Management - Heritage Enhancement	0	950	950	1,900
Forest Productivity for the Future	0	250	0	250
Walleye Stamp Appropriation	0	285	285	570
Total Governor's Recommendations	92,818	93,677	93,277	186,954
Fund: REMEDIATION FUND				
FY 2009 Appropriations	100	100	100	200
Subtotal - Forecast Base	100	100	100	200
Total Governor's Recommendations	100	100	100	200

NATURAL RESOURCES DEPT

Change Summary

	<i>Dollars in Thousands</i>			
	FY2009	Governor's Recomm. FY2010	FY2011	Biennium 2010-11
Fund: CLEAN WATER FUND				
FY 2009 Appropriations	0	0	0	0
Subtotal - Forecast Base	0	0	0	0
Change Items				
CWF/Clean Water Legacy	0	2,108	4,216	6,324
CWF/Drinking Water Source Plng & Protect	0	375	750	1,125
Total Governor's Recommendations	0	2,483	4,966	7,449
Fund: PARKS AND TRAILS FUND				
FY 2009 Appropriations	0	0	0	0
Subtotal - Forecast Base	0	0	0	0
Change Items				
Parks and Trails Grants	0	4,128	8,616	12,744
State Parks and Trails Legacy	0	6,536	13,642	20,178
Total Governor's Recommendations	0	10,664	22,258	32,922
Fund: GENERAL				
Planned Open Spending	18,912	40,451	40,415	80,866
Change Items				
Pilt Adjustment	0	(4,300)	(4,400)	(8,700)
Total Governor's Recommendations	18,912	36,151	36,015	72,166
Fund: NATURAL RESOURCES				
Planned Open Spending	809	558	558	1,116
Total Governor's Recommendations	809	558	558	1,116
Fund: GAME AND FISH (OPERATIONS)				
Planned Open Spending	1,033	1,030	1,030	2,060
Total Governor's Recommendations	1,033	1,030	1,030	2,060
Fund: GENERAL				
Planned Statutory Spending	128	0	0	0
Total Governor's Recommendations	128	0	0	0
Fund: NATURAL RESOURCES				
Planned Statutory Spending	5,065	3,499	3,499	6,998
Change Items				
Water Permit Application Costs	0	20	10	30
Total Governor's Recommendations	5,065	3,519	3,509	7,028
Fund: MISCELLANEOUS SPECIAL REVENUE				
Planned Statutory Spending	21,573	20,693	20,675	41,368
Total Governor's Recommendations	21,573	20,693	20,675	41,368
Fund: GAME AND FISH (OPERATIONS)				
Planned Statutory Spending	4,437	3,481	3,481	6,962
Total Governor's Recommendations	4,437	3,481	3,481	6,962
Fund: FEDERAL				
Planned Statutory Spending	27,559	25,588	25,054	50,642
Total Governor's Recommendations	27,559	25,588	25,054	50,642
Fund: REMEDIATION FUND				

NATURAL RESOURCES DEPT

Change Summary

<i>Dollars in Thousands</i>				
	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
Planned Statutory Spending	1,200	506	157	663
Total Governor's Recommendations	1,200	506	157	663
<i>Fund: REINVEST IN MINNESOTA</i>				
Planned Statutory Spending	6,110	4,974	4,974	9,948
Total Governor's Recommendations	6,110	4,974	4,974	9,948
<i>Fund: GIFT</i>				
Planned Statutory Spending	2,295	1,871	1,871	3,742
Total Governor's Recommendations	2,295	1,871	1,871	3,742
<i>Fund: PERMANENT SCHOOL</i>				
Planned Statutory Spending	199	3	3	6
Total Governor's Recommendations	199	3	3	6
<u>Revenue Change Items</u>				
<i>Fund: NATURAL RESOURCES</i>				
Change Items				
General Fund Reduction	0	1,814	1,814	3,628

NATURAL RESOURCES DEPT

Change Item: CWF/Clean Water Legacy

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Clean Water Fund				
Expenditures	\$2,108	\$4,216	\$4,216	\$4,216
Revenues	0	0	0	0
Net Fiscal Impact	\$2,108	\$4,216	\$4,216	\$4,216

Recommendation

The Governor recommends an appropriation of \$2.108 million in FY 2010 and \$4.216 million in FY 2011 from the Clean Water Fund for clean water activities including Total Maximum Daily Load (TMDL) study development and planning, water quality assessment and monitoring, and restoration and protection.

Background

This change is necessary to implement a portion of the clean water related activities of the Clean Water, Land and Legacy amendment to Minnesota's Constitution, which dedicates an increase of 3/8ths of 1% of the state sales tax to clean water, habitat, arts, and parks and trails.

The Clean Water Act requires states to achieve and maintain federal water quality requirements by identifying impaired waters, developing TMDLs for pollutants that are causing impairments, and developing and implementing plans to restore impaired waters and prevent healthy waters from becoming impaired. The role of the Department of Natural Resources (DNR) in this effort includes identifying impaired waters, providing technical assistance to local governments in development of TMDL plans, assessing and monitoring of impairments and restoration efforts, restoring impaired waters, and protecting waters that currently meet water quality standards.

This proposal would provide: \$721,000 in FY 2010 and \$1.313 million in FY 2011 for technical assistance for TMDL planning, development of watershed data to support TMDL planning, and restoration planning and implementation; \$1.327 million in FY 2010 and \$2.373 million in FY 2011 for water quality assessment and monitoring to include development of biological indicators for water quality, fish tissue mercury monitoring, stream flow monitoring, watershed delineation, and drainage assessment; and \$60,000 in FY 2010 and \$530,000 in FY 2011 for restoration and protection through shoreland stewardship.

Relationship to Base Budget

DNR received a one-time general fund appropriation of \$4.5 million for Clean Water Legacy (CWL) activities in the fiscal year 2008. There is currently no funding for Clean Water Legacy activities in the DNR's base budget.

Key Goals and Measures

This proposal is consistent with many aquatic resource-related goals, strategies, and performance measures contained in the Legislative-Citizen Commission on Minnesota Resource's (LCCMR) *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net), the DNR's *A Strategic Conservation Agenda, 2003-2007: Measuring Progress toward Mission* (<http://mndnr.gov/conservationagenda>), and the National Fish Habitat Action Plan (fishhabitat.org). It also addresses changing trends in land use, which is a leading departmental priority.

From LCCMR's *Minnesota Statewide Conservation and Preservation Plan*, this proposal serves to: Protect critical shorelands of streams and lakes; Restore and protect shallow lake habitat; Protect and restore critical in-water habitat of lakes and streams; Keep water on the landscape; Improve understanding of watersheds to multiple drivers of change; Support local and regional conservation-based community planning; and Ensure protection of water resources in urban areas.

From DNR's *A Strategic Conservation Agenda, 2003-2007: Measuring Progress toward Mission*, this proposal assists in meeting the following targets:

- ◆ Restore and enhance shoreline habitat in collaboration with citizens and conservation organizations
- ◆ Complete river and stream restoration projects to protect aquatic habitat
- ◆ Evaluate hydrologic monitoring to support work priorities
- ◆ Continue outreach to key audiences and increase understanding of river systems

From the *National Fish Habitat Action Plan*, under which this work links to other partnerships and ongoing efforts:

- ◆ Technical assistance and coordination for non-point source restoration and protection not tied to TMDLs
- ◆ Focus on high priority, important recreational fisheries

Specifically, key measures and outcomes associated with this proposal include:

- ◆ Expand web-based technical assistance tools for shoreline protection and restoration to include modules on nutrient and forest management;
- ◆ Increase outreach and education to targeted audiences for better resource management;
- ◆ Complete 100 full lake and/or stream surveys in targeted watersheds to identify and assess impaired waters and provide data for TMDL studies, a portion designated for shallow lakes in FY 2011;
- ◆ Maintain 26 and install eight new automated streamflow gages to provide full coverage for all major watersheds;
- ◆ Assess fish tissue mercury concentrations at 80 additional sites per year;
- ◆ Expand field crews in lake Index of Biotic Integrity (IBI) work to meet MPCA goal of assessing 100 lakes/year;
- ◆ Fisheries technical assistance and coordination for non-point source restoration and protection focused on high priority recreational fisheries in FY 2011;
- ◆ As part of GIS-based watershed tools, complete watershed delineations and identify critical locations for restoration efforts;
- ◆ Delineate watershed areas for priority stream gages and 1,000 shallow lakes;
- ◆ Update watershed data for ten counties and/or watershed districts;
- ◆ One statewide coordinator and eight regional specialists (four in hydrology and four in watershed ecology) to serve on TMDL teams and coordinate DNR information and expertise; and
- ◆ Contribute fisheries technical expertise towards development of TMDL plans in eight watersheds in FY 2011.

Alternatives Considered

None.

Statutory Change: Not Applicable.

NATURAL RESOURCES DEPT

Change Item: CWF/Drinking Water Source Planning & Protection

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Clean Water Fund				
Expenditures	\$375	\$750	\$750	\$750
Revenues	0	0	0	0
Net Fiscal Impact	\$375	\$750	\$750	\$750

Recommendation

The Governor recommends an appropriation of \$375,000 in FY 2010 and \$750,000 in FY 2011 from the Clean Water Fund for drinking water planning and protection activities.

Background

This change is necessary to implement a portion of the clean water related activities of the Clean Water, Land, and Legacy amendment to Minnesota's Constitution, which dedicates an increase of 3/8ths of 1% of the state sales tax to clean water, habitat, arts, and parks and trails. Statute dictates that at least 5% of the Clean Water Fund be dedicated to the protection of Minnesota's drinking water sources.

Additional resources are needed for technical studies to assess interrelated surface and ground water systems and the adequacy of water resources to supply existing and future growth. This information will be used to develop water management plans that protect water resources and help communities plan for the future.

Relationship to Base Budget

This is a major change necessary to address existing and potential future water supply problems. Base level of funding is only adequate to be reactive to problems and it is expected that proactively planning for future water supplies will be cost effective as compared to the alternative - increasing conflicts over multiple uses for water.

Key Goals and Measures

The proposal supports Minnesota Milestones – Water Use Indicator #59: Insufficient information about the state's complex ground water systems makes it difficult to predict the long-term effects of the state's increasing reliance on ground water.

This proposal also supports the Legislative-Citizen Commission on Minnesota Resource's (LCCMR) *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net) recommendations to improve our understanding of ground water resources (HR11) to support local and regional conservation based community planning (LUR2).

This initiative will provide funding to address water supply information, planning, and protection, including:

- ◆ Drinking Water Supply Planning:
 - ⇒ Identify areas with potential water supply issues;
 - ⇒ Conduct aquifer tests and technical studies; and
 - ⇒ Develop regional and local water supply management plans.
- ◆ Water Level Monitoring:
 - ⇒ Develop a state plan for an adequate ground water level monitoring network; and
 - ⇒ Expand and automate the ground water monitoring network.
- ◆ Aquifer Protection:
 - ⇒ Determine aquifer characteristics to support long-term resource management; and
 - ⇒ Develop resource protection thresholds.

Specifically, key measures and outcomes associated with this proposal include:

- ◆ Complete a statewide assessment to identify areas with potential water supply problems;
- ◆ Develop proactive regional and local water resource plans to manage potential water supply problems before they occur;
- ◆ Complete technical studies to characterize aquifers and establish resource protection limits in areas with existing supply problems, such as for the cities of Moorhead and Brocton and for Pipestone County;

- ◆ Define technical studies and monitoring needs for 20 communities projected to have water supply problems in the Twin Cities Metropolitan Area;
- ◆ Develop a state plan for an adequate ground water monitoring network and identify priorities for implementing the plan; and
- ◆ Equip 100 observation wells for automated water level readings and expand the ground water monitoring network.

Alternatives Considered

None.

Statutory Change: Not Applicable.

NATURAL RESOURCES DEPT

Change Item: General Fund Reduction

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$(7,220)	\$(7,220)	\$(7,220)	\$(7,220)
Revenues	0	0	0	0
Natural Resources Fund				
Expenditures	1,814	1,814	1,814	1,814
Revenues	1,814	1,814	1,814	1,814
Net Fiscal Impact	\$(7,220)	\$(7,220)	\$(7,220)	\$(7,220)

Recommendation

The Governor recommends a reduction of \$7.22 million each fiscal year, which achieves a 10% reduction of agency general fund direct appropriations.

Background

The Department of Natural Resources (DNR) mission is “to work with citizens 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 quality of life.” DNR’s FY2010-2011 Biennial Budget priorities enhance the interdependent values of a healthy environment, a sustainable economy, and livable communities. DNR priorities are designed to respond to driving trends including declining outdoor recreation participation, growing demands related to renewable energy and climate change, and landscape changes from growth and development.

DNR achieves a general fund reduction by Concentrating on the department’s highest priorities; consolidating and integrating work activities to achieve efficiencies and more effective partnerships; and developing new funding sources.

Lands & Minerals (\$1,877,000)

\$(1,877,000)	General Fund Reduction
	Natural Resources Fund
\$1,814,000	Revenues
\$1,814,000	Expenditures
\$(1,877,000)	Net Fiscal Impact

Real Estate Management Services (\$675,000)

This change item pertains to general fund monies that provide for real estate services related to state-owned lands managed by the department. DNR manages about 12,500 real estate contracts for various purposes, including easements and utility licenses. The division annually issues about 30 access easements, 200 water crossing licenses, and 35 land crossing licenses. Historically, a general fund appropriation provides monies for the cost of issuing these real estate contracts.

The current fee schedule for utility licenses and easements applications does not recover the full cost of staff time required to process the contracts. Specific to utility licenses, with the current build-outs of power line and pipeline infrastructure projects crossing state lands and waters – and additional projects being proposed – the current fee schedule falls short of covering the costs of working with the companies and monitoring construction activities to assure they are performed in an environmentally sound manner. The general fund reduction will also result in the elimination or reduction of various real estate services, including trail sales, transfers of custodial control, resolution of trespasses, and analysis and preparation of restrictions exceeding the Minnesota Public Utilities Commission requirements for utilities.

Mineland Reclamation (\$1,202,000): The Governor recommends that the costs of the Mineland Reclamation Section be borne by the users of the services (i.e. mining companies). An annual Permit to Mine fee would be charged to the ferrous (iron ore, scam and taconite), non-ferrous, and peat mining companies. Historically, the

expenses for the Mineland Reclamation Section were funded by the general fund. Since the 2008 legislative session, DNR is directed to collect fees for the issuance and monitoring of mining permits. This will allow the state to carry out its obligations under statutes 93.44 through 93.51 "to control possible adverse environmental effects of mining, to preserve the natural resources, and to encourage the planning of future land utilization, while at the same time promoting the orderly development of mining, the encouragement of good mining practices, and the recognition and identification of the beneficial aspects of mining."

Waters (\$640,000)

Mississippi Headwaters Board (MHB) and Leech Lake Band State Grants (\$70,000): The Governor recommends that the local governments fully fund their review of local land use decisions associated with these two activities. MHB is a joint powers board consisting of the eight northern-most counties along the Mississippi River; it was established in 1980 as an alternative to federal designation. In 1981, the Minnesota Legislature enacted M.S. 103F.361 - 103F.377 that directed counties to fund MHB and authorized it to seek state grants. Since FY2004-05, state grants have been at \$65,000 per year for the MHB and \$5,000 per year for the Leech Lake Band.

Red River Mediation Agreement (\$70,000): Prior to FY 2008, the funding for this activity was \$210,000 annually. For FY 2008 - 2009, the funding was increased to \$310,000 each year. During the 2008 Legislative Session, the FY 2009 appropriation was reduced by \$30,000 in the supplemental budget. Reducing this grant by \$70,000 returns the level of funding for this work to pre-FY 2008 levels.

Shoreland rulemaking (\$500,000): DNR provides technical assistance to local governmental units in the adoption and administration of their shoreland controls. This involves planning and zoning assistance and most recently efforts to work with partners to update Minnesota's minimum shoreland standards. DNR may delay some efforts to implement new shoreland rules, while existing rules remain in effect.

Fish & Wildlife (\$2,770,000)

Fish and Wildlife Management Activities (\$2,141,000): DNR will adapt programs while continuing to manage for fish and wildlife populations, habitat, and customer service. Efficiencies and improvements will occur through a current redesign effort. The department may also reduce or eliminate programs including research and surveys, technical assistance and guidance, certain habitat management projects, informal environmental review processes, and volunteer programs.

Working Lands Initiative (\$575,000): DNR will target reductions in its "Working Lands" initiative, a public-private partnership that works to improve conservation on public and private lands in Minnesota's prairie pothole region. Specifically, general fund grants to local soil and water conservation districts will be reduced.

MN Shooting Sports and Education Center (MSSEC) (\$54,000): DNR currently operates and maintains the MSSEC, a state-owned facility, and uses it for programs and special events. A new model for funding and operating the MSSEC will need to be developed. Alternatives include leasing to an outside organization to hold shooting events, obtaining grants from private organizations, or assessing fees to users. DNR will also be exploring capital investment in the building to allow for additional office space in the Grand Rapids area, or sale of the building and property.

Agency General Fund Reduction (\$1,933,000)

Organizational Changes: Minnesota's lands and waters are interconnected and are undergoing rapid changes related to population growth, development, and outdoor recreation demands. To position itself for the future, DNR must adapt to these changes. DNR will examine work design, staffing priorities, and organizational innovations and efficiencies to achieve long-term cost savings. Organizational changes will reinforce DNR's integrated approach to natural resource management.

Facilities Consolidation: DNR owns more than 2,500 buildings in 185 locations. To adapt to changing conditions, DNR is re-thinking how to orient workers, equipment, and money to accomplish natural resource management.

New strategies include consolidating DNR operations into shared facilities and partnering with other state agencies and local units of government. By using new strategies and closing some buildings, DNR expects a 10% reduction in facility costs. DNR will still effectively serve citizens and conduct its statewide natural resource management; no citizen who now receives services from the DNR will be more than 35 miles from a working DNR location, and, in nearly every case, no worker will be more than 35 miles from their work in the field.

Relationship to Base Budget

This reduction represents a 10% reduction of agency general fund direct appropriations (not including fire direct appropriations).

Key Goals and Measures

The Department of Natural Resources general fund reduction of \$7.22 million each fiscal year will contribute toward Minnesota's statewide goals of managing state government within the context of an anticipated budget shortfall.

DNR will continue to use a set of performance measures to assess progress toward its overall mission and goals through *DNR's Strategic Conservation Agenda* (<http://www.dnr.state.mn.us/conservationagenda/index.html>). For a complete set of performance measures, demonstrating how the department is accountable to Minnesota's citizens, and more detailed descriptions of each measure, please see *DNR's A Strategic Conservation Agenda, 2003–2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html).

Alternatives Considered

DNR has designed and implemented a multidisciplinary, systematic approach to reviewing its highest priorities and related budget impacts. This budget reduction addresses the broad themes advanced by the Governor, including transforming government, rewarding performance, and reducing government costs. It also allows DNR to meet its highest departmental priorities for natural resource management.

Statutory Change

Changes related to charging for the issuance of real estate contracts will require the following: easements M.S. sec. 84.63, 84.631, 84.632, and 85.015; utility licenses M.S. 84.415.

NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Change Item: Bovine Tuberculosis Monitoring and Mgmt

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$600	\$600	\$0	\$0
Revenues	0	0	0	0
Net Fiscal Impact	\$600	\$600	\$0	\$0

Recommendation

The Governor recommends a \$1.2 million appropriation for the FY 2010-11 biennium for monitoring and managing bovine tuberculosis (TB) in wild deer population. The Department of Natural Resources (DNR) is cooperating with the Minnesota Board of Animal Health (BAH), Minnesota Department of Agriculture (MDA), and the U.S. Department of Agriculture (USDA) to eradicate bovine TB by monitoring the disease in wild deer, reducing overall deer numbers in TB affected areas, and intensively removing deer from targeted areas. This funding change will ensure that DNR wild deer disease surveillance and management efforts are fully consistent with the needs of USDA, MDA and BAH for restoring the state's bovine TB-free status.

Background

Since its initial discovery in cattle and wild deer in 2005, bovine TB has been confirmed in 24 deer, all located within a relatively small core area near Skime, Minnesota. DNR has been monitoring deer for bovine TB, reducing deer numbers through hunting and landowner shooting, and intensively removing deer from the core area by sharpshooting. Concurrently, BAH has been testing cattle, depopulating affected herds, buying out cattle herds from willing sellers, and assisting cattle producers with fencing to separate deer from cattle feed. All of the responsible agencies are working cooperatively with the Governor's office to achieve the goal of restoring Minnesota's USDA TB-free status as soon as possible.

DNR primary responsibilities are to conduct surveillance for bovine TB in wild deer to determine the spatial distribution and infection rates, reduce deer numbers in affected areas, aggressively cull and test deer in the core bovine TB area, and restrict the feeding of wild deer and elk. Specifically, DNR will assign DNR staff to design, conduct, and administer bovine TB sampling programs, deer reduction programs, and provide liaison with BAH, USDA, and other collaborators; contract with students and deploy staff to collect tissue samples at deer registration stations and process them for submission to the University of Minnesota Veterinary Diagnostic Lab; purchase sampling and other supplies and incur travel and miscellaneous expenses required to collect tissue samples; contract with the University of Minnesota Veterinary Diagnostics Laboratory (VDL) to conduct initial histopathological examination of collected tissue samples and prepare and ship samples to the National Veterinary Services Laboratories (NVSL) for bacterial culture and final diagnosis; contract with USDA Wildlife Services assistance in deer removal by sharpshooting; contract with aviation services for removal of deer by aerial gunning; promulgate and enforce rules prohibiting deer and elk feeding, including aerial surveillance for compliance; and promulgate special hunting seasons and limits and provide permits/rules authorizing landowner deer shooting in affected areas. However, the primary purpose of bovine TB monitoring and management in wild deer is not done for purposes of wild deer population management, but rather is necessary for Minnesota to regain its USDA bovine TB-free status for the livestock industry.

Relationship to Base Budget

The Fish and Wildlife Management's FY 2010-11 program budget is \$67.985 million. Of this amount, \$67,000 in general fund in FY 2010 is available to fund all wildlife health activities. This funding is insufficient to meet the bovine TB management needs that DNR, BAH, MDA, and USDA have identified.

Key Goals and Measures

Key measures of performance will be:

- ◆ Collecting sufficient samples from wild deer to meet statistical goals of sample size and distribution;
- ◆ Completing diagnostics on all samples collected;
- ◆ Obtaining USDA and BAH approval of results; and
- ◆ Reducing bovine TB in wild deer within the biennium with the goal of total eradication of the disease.

NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Change Item: Bovine Tuberculosis Monitoring and Mgmt

Alternatives Considered

In the past, funding from the wild cervid health management account in the Game and Fish Fund has in part funded this activity.

Statutory Change: Not Applicable.

NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Change Item: Gray Wolf Management & Research

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Natural Resources Fund (185)				
Expenditures	\$220	\$220	\$220	\$220
Revenues	0	0	0	0
Net Fiscal Impact	\$220	\$220	\$220	\$220

Recommendation

The Governor recommends an appropriation of \$220,000 annually from the Natural Resources fund for gray wolf management and research. With the implementation of the Minnesota Wolf Management Plan following the federal delisting of gray wolves in March 2007, the Department of Natural Resources (DNR), Division of Fish and Wildlife seeks to improve monitoring of gray wolves for future management actions. In addition, the division also seeks funding to support the ongoing depredation control program through a cost share agreement to mitigate livestock losses caused by gray wolves in Minnesota.

Background

The Minnesota Wolf Management Plan identified gray wolf management and research priorities to be implemented when wolves were delisted from the federal Endangered Species Act. This initiative is to establish annual base funding of \$100,000 to monitor and manage the wolf population in Minnesota. The first two years will be used to develop research proposals and initiate the development, testing and evaluation of a population monitoring technique to improve the current wolf survey method by increasing accuracy and efficiency of the approach. Additionally, funding will be used to fulfill the U.S. Fish and Wildlife Services (USFWS) five-year post-delisting monitoring requirements by collecting blood and tissue samples from wolves for disease monitoring purposes and monitoring mortality factors of radio-collared wolves in various parts of the state. Base funding for wolf management will assist the DNR's Division of Fish and Wildlife in ongoing management of wolves and evaluation of Minnesota's Wolf Management Plan.

Gray wolf depredation management is a critical component of the Minnesota Wolf Management Plan. U.S. Department of Agriculture (USDA) Wildlife Services through a cooperative agreement with DNR's Division of Fish and Wildlife conduct current gray wolf control activities. The federal Wildlife Services budget experienced an unanticipated reduction in funding. In order to provide the same level of services for gray wolf depredation control, U.S. Wildlife Services has requested a cost share program to support wolf depredation control management in Minnesota and maintain existing efforts to effectively resolve wolf-livestock depredation issues with livestock producers.

Relationship to Base Budget

The Fish and Wildlife Management program budget for FY 2010 is \$67.985 million. The requested annual appropriation of \$220,000 per year is a less than 1% increase. This program is essential in the state's wolf management program.

Key Goals and Measures

Gray Wolf Population Monitoring and Research. A two-year pilot study will be initiated to assess an aerial survey method for enumerating wolves in Minnesota. This method has shown promise in Alaska and Ontario, but the feasibility of doing it at the statewide level under different vegetation and precipitation characteristics may show that it is not feasible for use in Minnesota. The Minnesota Wolf Management Plan identified the wolf population survey method evaluation, in order to increase efficiency and reduce costs, as one of the highest priorities.

During the five-year post delisting monitoring period, those interested in how wolves are managed by the State will closely watch Minnesota. This funding would establish low-level monitoring in various parts of Minnesota's wolf range to assess mortality factors and disease influence and meet USFWS reporting requirements. Funding will support radio-telemetry work to evaluate wolf mortality factors, collection and analysis of blood and tissue

NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Change Item: Gray Wolf Management & Research

samples for disease screening, and to establish partnerships with other agencies or tribal entities to establish study areas for low-level wolf monitoring.

Depredation. Since 1978, federal agencies (USFWS and USDA) have provided essential wolf depredation control in Minnesota. Because USDA Wildlife Services has a very effective program and experienced personnel, DNR has maintained the USDA Wildlife Services program through a cooperative agreement, with modifications to include state certified predator controllers. USDA Wildlife Services depredation programs typically require a 50/50 cost share agreement with state agencies. Since delisting in March 2007, USDA Wildlife Services has maintained this program with full federal funding. Due to a reduction in federal funding of this program, USDA Wildlife Services has requested funding from the DNR to maintain the same level of wolf-livestock depredation response in Minnesota. While the gray wolf was under federal control, Minnesota successfully argued for full federal funding of this program. However, since gray wolf management has become a state responsibility, continuation of the USDA Wildlife Services program will require cost-sharing by the state. DNR estimates that the state portion of a cost-share cooperative wolf damage management program will be \$120,000 annually. Additional funding may be needed to provide payments to state certified predator controllers and to conduct training programs.

Alternatives Considered

An Environmental Trust Fund proposal was considered but was not consistent with current Legislative-Citizen Commission on Minnesota Resources (LCCMR) priorities.

Statutory Change: Not applicable.

NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Change Item: Walleye Stamp Appropriation

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Game and Fish Fund				
Expenditures	\$285	\$285	\$285	\$285
Revenues	0	0	0	0
Net Fiscal Impact	\$285	\$285	\$285	\$285

Recommendation

The Governor recommends a direct appropriation for the new voluntary walleye stamp from the Game and Fish Fund.

Background

A voluntary \$5.00 walleye stamp was created during the 2008 legislative session. Stamps are available March 1, 2009 with sale proceeds to be used for stocking walleye in state waters. An appropriation of stamp funds was not included in the enabling legislation.

The voluntary nature of the stamp complicates accurate revenue projections. Based on 1.14 million fishing license sales in 2007, if 1% of license holders purchase the stamp, approximately \$57,000 would be generated annually. For the purposes of this change item, it is estimated that 5% of anglers will purchase a walleye stamp annually. However, the type of license purchased may affect the likelihood of purchase. For example, from the chart below, over 70,000 seven-day non-resident licenses were sold. It is assumed that these license holders are less likely to buy a voluntary stamp. Therefore, we've estimated revenues and expenditures on a per stamp sold basis.

2007 Fishing License Sales

Resident Annual	471,457
Resident Combo	208,234
Resident /Non Resident 1 Day	56,134
Resident Sports	98,624
Resident Combo Sports	80,811
Non-resident	
Non Resident Annual	57,941
Non Resident Family	28,139
Non Resident 14 Day - Family *	25,566
Non Resident 7 Day	70,119
Non Resident 3 Day	43,453
Total Licenses Sold	1,140,478

Relationship to Base Budget

This is a minor change in relation to the Division of Fish and Wildlife's base budget.

Key Goals and Measures

Assure that proceeds from the walleye stamp go directly to stocking walleyes in Minnesota's managed fishing lakes.

Alternatives Considered

The alternative of not appropriating the revenues would cause the fee to be collected and credited to the account.

Statutory Change: Not applicable.

NATURAL RESOURCES DEPT

Program: FOREST MANAGEMENT

Change Item: Forest Management - Heritage Enhancement

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Other Fund - Heritage				
Expenditures	\$950	\$950	\$0	\$0
Revenues	0	0	0	0
Net Fiscal Impact	\$950	\$950	\$0	\$0

Recommendation

The Governor recommends an appropriation of \$950,000 to the Department of Natural Resources (DNR) from the Heritage Enhancement Account to maintain and expand the Ecological Classification System (ECS) program on state forest lands, and prevent the introduction and spread of invasive species on state lands.

Background

The Ecological Classification System (ECS) is a critical tool that provides DNR staff with science-based information on the full set of management options and site constraints for forest communities that vary geographically across the state. ECS enhances interdisciplinary communication and management decision-making for addressing pressing forest issues involving sustainable harvest, critical habitat needs, and biological diversity.

Every day, opportunities increase for insects, plants, diseases, and other invasive species to enter the United States and Minnesota. For example, gypsy moth is being found in greater numbers in Minnesota each year and will soon impact the health and enjoyment of our state lands. Emerald ash borer, currently not found in Minnesota, is capable of killing all species of ash in any forest type within three to five years of attack. Since invasive species outbreaks can occur at any time and in any place within Minnesota, state agencies must be proactive. Strategies, action plans, and guidelines need to be developed and implemented now to slow the introduction and spread of invasive species and to help combat outbreaks when they occur.

Relationship to Base Budget

The additional \$950,000 from the Heritage Enhancement Account in FY 2010-11 will be used for the ECS program (\$600,000 each fiscal year) and for managing invasive species (\$350,000 each fiscal year).

Additional dollars for the ECS program will be used to:

- ◆ Fund three regional ECS specialist positions (two were established in FY 2008 using dollars from the Heritage Enhancement Account). These positions provide technology transfer; ensuring field staff has training on the application of ECS tools to meet sustainable forestry objectives.
- ◆ Accelerate the completion of native plant community classifications on up to 50,000 acres of state forest land each year.
- ◆ Continue silvicultural interpretations, which are the link between the ecological characteristics of a native plant community and the forest management actions taken to manage that community.
- ◆ Provide training to introduce and incorporate the use of ECS field keys into forest management and planning.

Additional dollars for managing invasive species will be used to:

- ◆ Develop a risk rating of invasive terrestrial plants in Minnesota's forested ecosystems.
- ◆ Finalize and implement silvicultural guidelines for gypsy moth on all land ownerships.
- ◆ Develop and implement silvicultural guidelines for emerald ash borer on all land ownerships.
- ◆ Identify invasive pathways to state lands and inventory a sample of pathways to establish a baseline.
- ◆ Control terrestrial invasive plants found in critical habitats and/or along leading edges of invasive species populations.

Key Goals and Measures

DNR has the goal of maintaining, enhancing, or restoring the health of Minnesota ecosystems so they can continue to serve environmental, social, and economic purposes.

According to M.S. section 89.002, subd. 2 (a), "The commissioner shall maintain all forest lands under authority of the commissioner in appropriate forest cover with species of trees, degree of stocking, rate of growth, and stand

NATURAL RESOURCES DEPT

Program: FOREST MANAGEMENT

Change Item: Forest Management - Heritage Enhancement

conditions designed to secure optimum public benefits according to multiple use, sustained yield principles and consistent with applicable forest management plans.”

Alternatives Considered

Partnerships with federal agencies like the U.S. Department of Agriculture (USDA) APHIS (Animal and Plant Health Inspection Service) have been, and will continue to be, pursued for both technical and financial assistance for invasive species outbreaks.

Statutory Change: Not Applicable.

NATURAL RESOURCES DEPT

Program: FOREST MANAGEMENT

Change Item: Forest Management Activities

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$2,000	\$2,000	0	0
Revenues	0	0	0	0
Natural Resources Fund				
Expenditures	(\$5,000)	(\$6,100)	(\$6,100)	(\$6,100)
Revenues	0	0	0	0
Net Fiscal Impact	(\$3,000)	(\$4,100)	(\$6,100)	(\$6,100)

Recommendation

The Governor recommends a \$2.0 million increase in the general fund appropriation to the Department of Natural Resources (DNR) Division of Forestry for FY 2010 and FY 2011. These additional general fund dollars will help offset the reduction in the Forest Management Investment Account (FMIA) appropriations necessitated by declining receipts in the FMIA. Appropriation reductions of \$5.0 million in FY 2010 and \$6.1 million reduction in FY 2011 are required to avoid a deficit in the account balance.

Background

The Governor's Advisory Task Force on the Competitiveness of Minnesota's Primary Forest Products Industry recommended that the Legislature create a dedicated forest management fund to "provide long-term funding stability and an incentive for active forest management." The FMIA was created in the 2004 legislative session, directing the deposit of timber sale revenues from forestry management activities to the account.

The DNR Division of Forestry received a legislative appropriation of \$37.8 million out of the FMIA for the FY 2008-09 biennium. However, due to reduced receipts in the FMIA resulting from a downturn in Minnesota's forest-based economy, almost \$5.5 million has been unallotted for spending in the FY2008-09 biennium. As the FY 2010-11 biennium approaches, continued poor economic conditions would likely further reduce revenues.

An additional \$4.0 million from the general fund over the FY 2010-2011 biennium will enable the division to retain 30-35 FTEs. Retaining these positions will enable the division to maintain the commitment to offer wood for sale (by offering 800,000 or more cords of wood) and prepare itself to meet the Governor's Task Force recommendation of increased harvest. In addition, forest inventories will be maintained at reduced levels and investments in forest health and productivity will be protected. Investment in state land improvements, stewardship plan writing and associated silvicultural activities, and new land transactions may be reduced.

Relationship to Base Budget

The DNR Division of Forestry's budget totals \$71.0 million per year. \$3.0 million in FY 2010 is a 4 % decrease and \$4.1 million in FY 2011 is a 6% decrease.

Key Goals and Measures

The DNR has the goal of maintaining, enhancing, or restoring the health of Minnesota ecosystems so they can continue to serve environmental, social and economic purposes.

According to Minnesota Statutes, section 89.002, subd. 2 (a), "The commissioner shall maintain all forest lands under authority of the commissioner in appropriate forest cover with species of trees, degree of stocking, rate of growth, and stand conditions designed to secure optimum public benefits according to multiple use, sustained yield principles and consistent with applicable forest management plans."

DNR measures its progress in managing forest lands in many ways. For a complete set of performance measures, demonstrating how the department is accountable to Minnesota's citizens, and more detailed descriptions of each measure, please see DNR's *A Strategic Conservation Agenda, 2003-2007: Measuring Progress Toward Mission* (mndnr.gov/conservationagenda/index.html).

Alternatives Considered

The Division of Forestry is investigating other options to increase revenue, including:

- ◆ Negotiating more sand/gravel leases on state-administered forest land
- ◆ Charging back costs incurred by the division when managing non-Forestry lands (for example, seeking payment from the Game and Fish Fund for management activities done on wildlife lands)
- ◆ Applying for more federal grants (although the availability of federal dollars is declining).

Statutory Change: Not Applicable.

NATURAL RESOURCES DEPT

Program: FOREST MANAGEMENT

Change Item: Forest Productivity for the Future

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Game & Fish Fund (239)				
Expenditures	\$250	\$0	\$0	\$0
Revenues	0	0	0	0
Net Fiscal Impact	\$250	\$0	\$0	\$0

Recommendation

The Governor recommends completing a study on the feasibility of developing a public-private partnership for nursery research and large-scale production of containerized seedlings for use in managing Minnesota's forest lands.

Background

The Department of Natural Resources (DNR) state forest tree nurseries produce seedlings that are either sold to the public or used to reforest state-administered lands. DNR typically plants three million seedlings per year on state-administered forest lands as part of its forest management responsibilities using a combination of seedlings produced in its nurseries and seedlings purchased from private nurseries in Minnesota, other states, and Canada.

Public-private partnerships are an excellent opportunity for improving the state's forest tree nursery system. By combining Minnesota's expertise and enterprise, we can enhance the state's natural resources, stimulate economic development, and position the department to better respond to any challenges it will face in the future. This funding will enable a study to be completed that will detail how a public-private partnership for nursery research and seedling production can be formed, including associated costs and how those costs can be covered. The DNR will work with Minnesota's private nurseries to gain their support of the initiative.

This is important because:

- ◆ Demand for high-quality tree seedlings for conservation purposes and sustaining the state's forests exceeds the state's current seedling production capacity and is increasing sharply;
- ◆ The role of forests in mitigating the effects of climate change by sequestering carbon and supplying biomass to replace fossil fuels is widely recognized. Forest land also provides other ecosystem services by improving water quality, providing wildlife habitat, and supporting outdoor recreation. At the same time, however, invasive species (e.g., emerald ash borer) threaten to extirpate some species from our forests; and
- ◆ Invasive species pose a significant risk to the health and productivity of the state's forests. For example, emerald ash borers are capable of killing all species of ash in any forest type within two or three years of attack. A supply of high quality tree seedlings is important for replacing potential tree losses and maintaining forest productivity.

Relationship to Base Budget

This is a one-time request. The Forest Management Program budget for FY 2010 is \$52.972 million. The requested \$250,000 appropriation is a less than 1% increase.

Key Goals and Measures

Reforestation of harvested timberlands is essential for sustaining Minnesota's forest ecosystems. As demand for wood, fiber, and biomass increase and forest management intensifies, more high-quality tree seedlings will be needed.

As part of the state's goals to reduce carbon emissions, the Minnesota Climate Change Advisory Group (MCCAG) recommended that 1 million acres of new forest land be established. In addition, MCCAG recommended that currently understocked forest land be brought to full stocking and productivity.

Minnesota nurseries lack the research support and the investment capital for the upgrades needed to keep pace with these demands.

NATURAL RESOURCES DEPT

Program: FOREST MANAGEMENT

Change Item: Forest Productivity for the Future

DNR's *A Strategic Conservation Agenda, 2003-2007: Measuring Progress toward Mission*

(www.mndnr.gov/conservationagenda) measures wood fiber productivity, an indicator of many factors, including successful planting and growth of high-quality tree seedlings.

Alternatives Considered

Funding this activity with existing dollars would delay development of the private-public partnership and the critical societal benefits it will provide.

Statutory Change: Not Applicable

NATURAL RESOURCES DEPT

Change Item: PILT Adjustment

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$(4,300)	\$(4,400)	\$(5,200)	\$(5,300)
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	\$(4,300)	\$(4,400)	\$(5,200)	\$(5,300)

Recommendation

The Governor recommends a reduction to the Department of Natural Resources in the appropriation for payments in lieu of taxes (PILT).

Background

PILT payments are governed under M.S. 477A.12. The appropriation is made initially to the Department of Natural Resources and then transferred to the commissioner of the Department of Revenue for payment. They are intended to help counties that have a large amount of state owned land. Because state owned land does not pay local property taxes, delivering even basic level services to that state owned land can be financially difficult for local governments.

PILT payment obligations have grown over the last several years, and they are expected to keep growing. The current forecast base for General Fund PILT is \$21.787 million in FY 2010 and \$21.905 million in FY 2011.

The Governor is proposing to modify the PILT payment formula to provide 80% of funding currently forecast. A reduction to PILT payments does not affect operations of the DNR, but it is a reduction in payments to counties.

Relationship to Base Budget

This proposal will continue to provide PILT payments to counties at 80% of forecasted funding levels.

Key Goals and Measures

This budget item is submitted to help manage cost in the growing PILT program.

Statutory Change: Updates are needed from M.S. 477A.12

NATURAL RESOURCES DEPT

Program: PARKS & TRAILS MANAGEMENT

Change Item: Outdoors Minnesota

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Natural Resources Fund				
Expenditures	\$470	\$470	\$470	\$470
Revenues	0	0	0	0
Net Fiscal Impact	\$470	\$470	\$470	\$470

Recommendation

The Governor recommends an annual appropriation of \$470,000 to support a proactive, coordinated outreach effort to engage young adults, families, youth, and minorities in Minnesota's great outdoors. This proposal seeks to build on and extend high-quality outdoor recreational opportunities.

Background

Minnesota's history is inextricably linked to the great outdoors. The state has the highest per capita participation in fishing and boating in the nation, and numbers of hunters, park and trail users, and wildlife watchers in Minnesota are far above the national average. However, recent outdoor participation research has signaled a troubling national trend. After some 50 years of growth following World War II, nature-based recreation turned a corner in the 1990s and is now exhibiting broad-based participation declines on a per-capita basis. It affects state parks, national parks and forests, state trails, hunting, fishing, boating, wildlife watching, and wilderness use. The primary driving factor behind this trend is declining participation in outdoor recreation by young adults (20 to 40) and their children across the nation.

Addressing the growing disconnect between people and the outdoors is a major societal issue and a leading departmental priority. This initiative will help organize a department-wide outreach response that strengthens our efforts to connect with youth and young adults, families, new participants, and underserved groups. This proposal would include development of new outreach approaches and build on existing high quality outdoor recreational opportunities, programs, and facilities. Elements of this proposal include:

- ◆ **Outreach:** Connect with young adults (20-40 year olds), families, and youth, the groups that are currently not participating in outdoor recreation at levels that they have in the past. Include communities or groups that historically have been poorly represented at DNR facilities or opportunities (e.g., ethnic communities who experience language or cultural barriers, foreign-born Minnesotans, single parents).
- ◆ **Access:** Make it fun and easy for people to get outdoors and be active. Provide special events and programs that attract new participants to our state parks, trails, lakes and rivers. Build on successful DNR programs such as State Park naturalist programming, School Forests, MinnAqua, and Fishing in the Neighborhood. Strengthen our connection with k-12 schools. Expand existing DNR efforts to support after school outdoor recreation-centered programming.
- ◆ **Building Outdoor Skills:** Enhance outdoor skill building programs and gear them to new participants and families. Programs could include opportunities for angling, camping, archery, hunting, biking, and much more.

Relationship to Base Budget

This is an ongoing appropriation to the department to initiate a comprehensive, department-wide outreach effort to young adults, families, youth, new participants, and under-represented groups. This is an addition of \$470,000 to the department's base budget.

Key Goals and Measures

The key goal of this appropriation is to increase nature-based outdoor recreation participation by providing high quality opportunities. This supports Minnesota's outdoor recreation policy plan, *Adapting to Change: Minnesota's 2008-2012 State Comprehensive Outdoor Recreation Plan* (mndnr.gov/aboutdnr/reports/scorp/index.html).

The department tracks a variety of measures associated with participation in hunting, angling, trail riding, park and forest visitation, and more. These measures, found in DNR's *A Strategic Conservation Agenda, 2003-2007: Measuring Progress toward Mission* (<http://mndnr.gov/conservationagenda>), will continue to be touchstones for gauging broad participation in the outdoors. As measurement tools become more refined and sophisticated, we

NATURAL RESOURCES DEPT

Program: PARKS & TRAILS MANAGEMENT

Change Item: Outdoors Minnesota

will measure connections between participation and support for natural resource conservation and stewardship. In addition, the department commits to evaluating the effectiveness of specific outreach programs to reach their goals (e.g., direct mail marketing campaign to lapsed anglers).

Additional measures relevant to this appropriation include:

- ◆ Participation in nature-based outdoor recreation, particularly among young adults, families, youth;
- ◆ Established Hispanic Community Connections Program, including hiring program coordinator;
- ◆ Number of bilingual web/print publications for young adults, families, youth;
- ◆ Operational capacity for outreach programs within the DNR, and;
- ◆ Number of participants in DNR outdoor education programs.

Alternatives Considered

Recent outdoor participation studies have signaled some troubling trends for outdoor recreation. The department views this as a serious problem and believes it must expand current outreach efforts. This initiative provides a reasonable approach to increase outdoor recreation participation.

Statutory Change: Not Applicable.

NATURAL RESOURCES DEPT

Program: **PARKS & TRAILS MANAGEMENT**

Change Item: Investing in our State Parks and Trails Legacy

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Parks and Trails Fund				
Expenditures	\$6,536	\$13,642	\$14,174	\$14,782
Revenues	0	0	0	0
Net Fiscal Impact	\$6,536	\$13,642	\$14,174	\$14,782

Recommendation

The Governor recommends \$6.536 million in FY 2010 and \$13.642 million in FY 2011 be appropriated to the Department of Natural Resources (DNR) from the Parks and Trails Fund.

Background

This change is necessary to implement the parks and trails portion of the Clean Water, Land, and Legacy amendment to Minnesota's Constitution, which dedicates an increase of 3/8ths of 1% of the state sales tax to clean water, habitat, arts, and parks and trails. The DNR will use these funds to renew, restore and rehabilitate state parks and state trails along with expanded resource protection efforts. This change will result in accelerated state park and state trail renewal, restoration and development statewide. The DNR will also use these funds to enhance visitor services and outreach at state parks and state trails.

Relationship to Base Budget

As directed by the constitutional amendment, these funds would supplement existing funding provided for state parks, state trails, state recreation areas and state forest campgrounds and day use areas. This level of funding represents a significant change to address visitor services and outreach, natural and cultural resource protection, facility maintenance, trail improvements, and other system needs.

Key Goals and Measures

- ◆ Create gateways to the outdoors through outreach opportunities at state parks and trails, targeting families and new participants through marketing and new technologies, to attract 50,000 new participants to state parks and trails annually.
- ◆ Increase conservation education, interpretation, outdoor skills training, and outreach activities to reach 20% of the total current users to state parks and trails.
- ◆ Upgrade approximately 4% of facilities in overnight and day use areas and trails.
- ◆ Restore 111 acres of parklands that are currently old fields, cropland, or other non-native vegetation (ultimately: 16,700 acres need to be restored to prairie/savanna; 8,600 acres need to be restored to forest/woodland).
- ◆ Restore or manage native prairies and woodlands on 6% of the developed miles of state trails, including invasive species removal.
- ◆ Rehabilitate and renew motorized and non-motorized trails in state parks and state forests at a rate of 4% per year.
- ◆ Improve accessibility throughout the park and trail systems for visitors of all ability levels with a target of 5% of existing playgrounds and 15 buildings and facilities each year.
- ◆ Increase energy conservation in facilities and operations, promote new conservation-based energy sources, and mitigate and adapt to climate change and its effects in seven buildings and facilities each year.
- ◆ Enhance customer and visitor services, resource management, and facility repairs and services for 74 state park and recreation areas and 54 state forest campground and day use areas with over 5,000 campsites, 68 group sites, 1,250 trail miles, 6,381 picnic sites, 36 swimming beaches, and trail and visitor centers using best management practices.
- ◆ Enhance the state trail system, including improved trail surfaces, trailhead operation, vegetation and natural resources management (including invasive species control), and interpretive services (kiosks, signage, mapping, and brochures).
- ◆ Rehabilitate 20 miles of state trails, repair four to six trail bridges, and replace one to two bridges annually. This work is critical to maintaining public safety along Minnesota's state trails.

NATURAL RESOURCES DEPT

Program: PARKS & TRAILS MANAGEMENT

Change Item: Investing in our State Parks and Trails Legacy

- ◆ Better understand the needs and desires of state parks, trails, and forest users and stakeholders and develop comprehensive statewide strategies for meeting recreation needs. Insights gained from onsite face-to-face visitor surveys will be used to develop strategies for recreation planning, land management, and facility development in a pilot group of heavily used state facilities to better meet the needs expressed by visitors.

Alternatives Considered

Funding alternatives considered include additional user fees and various tax scenarios (e.g. sales tax, property tax, vehicle registration and titling tax, hospitality tax).

Statutory Change: Not Applicable.

NATURAL RESOURCES DEPT

Program: **PARKS & TRAILS MANAGEMENT**

Change Item: **Water Recreation Program**

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Natural Resources Fund				
Expenditures	\$1,400	\$1,400	\$1,300	\$1,300
Revenues	0	0	0	0
Net Fiscal Impact	\$1,400	\$1,400	\$1,300	\$1,300

Recommendation

The Governor recommends an annual increase of \$1.4 million from the Water Recreation Account (WRA) in the Natural Resources Fund to enable the Department of Natural Resources (DNR) to meet the public demand for water access facilities. As user trends, interests and technological opportunities evolve, funds must be strategically invested to keep pace with public demand. The additional funds will help DNR meet critical water recreation needs. Focus areas include maintaining public water accesses, restoring shorelines, providing downloadable Global Positioning System (GPS) waypoints and interpretation of river level gauge information. Of this, \$100,000 is a one-time appropriation for each year of the FY 2010-11 biennium to provide downloadable GPS coordinates and river gauge data interpretation.

Background

Public Water Access Maintenance:

Public water access sites on large lakes and rivers will be improved to make launching and retrieval of boats safer, easier, and more efficient, especially for families and older users. Minnesotans are driving larger, more powerful boats, and public facilities are needed that provide more suitable access for these boats, especially on larger lakes and heavily used sites. Access sites on large lakes and rivers such as: Lake Mille Lacs, Red Lake, Lake of the Woods, Lake Superior, and the Mississippi River will be targeted. Additional docks to aid in launching and retrieval will be added, launch ramps will be lengthened, and interpretive signs with lake and safety information will be posted.

Rehabilitation of Existing Public Water Access Sites:

Facility rehabilitation includes more than the repairs and improvements that are accomplished through regular or routine maintenance. When facilities are first constructed, they include best management practices and follow appropriate regulatory procedures. However, over the years, best management practices and facility designs evolve. Some sites will undergo complete redevelopment while others may have portions of the site renewed. Project locations throughout the state will be selected based on facility condition, amount of use, visibility or potential for public outreach, and availability of partnership opportunities.

The division will improve existing outdated water access sites to be demonstration sites showcasing state-of-the-art stormwater management techniques and best management practices. Shoreline buffer areas will be restored using native vegetation. Interpretive signs/kiosks will inform the public about the importance of shoreline buffer zones and how to perform shoreline restoration projects on their property.

Provide Downloadable GPS Coordinates and Interpret River Gauge Data:

This funding request includes a \$100,000 one-time appropriation for each year of the FY 2010-11 biennium to develop GPS waypoints and real-time river level data. Technological advancements in the use and availability of information on the web has created a public need for GPS waypoints and real time river level data. Downloadable GPS map coordinates will be made available on the DNR website for public water accesses, water trail campsites, portages and safety hazards.

River level gauge data on many of the designated water trails is already available on the web. Unfortunately, the information does not translate well to the conditions that exist on the river. There will be analysis of river gauge readings to actual river conditions from the perspective of a canoe and kayak boating public. Those interpretations can put into recreational language using a scale similar to high, moderate, low conditions. The data will have meaning to recreational users providing an element of safety into trip planning.

Relationship to Base Budget

The FY 2008-09 base budget for the Water Recreation Program was \$8.413 million for each year. These funds are used to acquire, develop, and maintain 1,585 public water access sites, over 4,000 miles of water trails for canoeing and kayaking, and small craft/safe harbors on Lake Superior. Funds are also used to rehabilitate local units of government access sites. The addition of \$1.4 million to the base budget in the direct appropriation from this account is an increase of 17% for FY 2010-11.

Key Goals and Measures

This appropriation will result in:

Public Water Access Maintenance

- ◆ 60-80 docks added
- ◆ 100-150 ramps repaired
- ◆ 100 informational kiosks/signs posted

Rehabilitation of Existing Public Water Access Sites

- ◆ Stormwater runoff control measures added at 50 sites throughout the state
- ◆ Minimum of 90,000 square feet of shoreline restored at 50 sites
- ◆ Interpretive signs added at 50 sites

Provide Downloadable GPS Coordinates and Interpret River Gauge Data

- ◆ GPS waypoint data provided for 1,585 DNR public water access sites
- ◆ GPS waypoint data provided for various parts of the states 30 water trails including water trail campsites, portages and safety hazards.
- ◆ Increased safety to canoe/kayak trip planning: Using existing river gauge data, interpret the information to a user-friendly format supplying real time river level information to the recreational user

Additional water recreation measures are found in the DNR's *A Strategic Conservation Agenda* (<http://mndnr.gov/conservationagenda>).

Alternatives Considered

Redesign of existing facilities would be accomplished incrementally with the use of existing funds.

Statutory Change: Not Applicable.

NATURAL RESOURCES DEPT

Program: PARKS & TRAILS MANAGEMENT

Change Item: Parks & Trails Grants

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Parks and Trails Fund				
Expenditures	\$4,128	\$8,616	\$8,952	\$9,336
Revenues	0	0	0	0
Net Fiscal Impact	\$4,128	\$8,616	\$8,952	\$9,336

Recommendation

The Governor recommends \$4.128 million in FY 2010 and \$8.616 million in FY 2011 be appropriated to the Department of Natural Resources (DNR) from the Parks and Trails Fund for grants for regional parks and trails.

Background

This change is necessary to implement the parks and trails portion of the Clean Water, Land, and Legacy amendment to Minnesota's Constitution, which dedicates an increase of 3/8ths of 1% of the state sales tax to clean water, habitat, arts, and parks and trails. Of this amount, 24% will be used for grants for regional parks and trails statewide.

Opportunities for local governments to acquire and protect larger parcels for regional parks are rapidly diminishing. Other local governments are unable to develop adequate recreational facilities to meet the needs of their region. Regional trails provide gateways that connect people to the outdoors and are significant in length and often cross government boundaries. Local governments lack sufficient resources to acquire or develop these facilities on their own.

Relationship to Base Budget

As directed by the constitutional amendment, these funds would supplement existing funding to provide the necessary functions to support parks and trails of regional significance. Grant programs are used to provide state funding support for these facilities.

In 2008, the DNR's Regional Park Grants Program (MS 85.019, subd. 2b) and Regional Trail Grants Program (MS 85.019, subd. 4b) received \$37,800,000 in requests for \$850,000 in available funds.

This funding recommendation represents a significant change to address the need for local government grant assistance to acquire and develop regional parks and trails.

Key Goals and Measure

The Regional Park Grants Program (MS 85.019, subd. 2b) and the Regional Trail Grants Program (MS 85.019, subd. 4b) provide grants to local units of government for community initiatives that leverage local funds to accelerate the protection, development and acquisition of parks and trails. These grants will help increase participation in outdoor recreation by all Minnesotans. Since 1997, the DNR has awarded 25 regional park grants and 59 regional trail grants to communities throughout Minnesota. The regional park and trail grants will address the goal and strategies outlined in the *Minnesota's 2008-2012 State Comprehensive Outdoor Recreation Plan* (SCORP) (mndnr.gov/aboutdnr/reports/scorp/index.html), and will also advance DNR's mission priorities and make progress toward priority indicators as identified in the DNR's *A Strategic Conservation Agenda, 2003-2007: Measuring Progress toward Mission* (<http://mndnr.gov/conservationagenda>).

Alternatives Considered

Funding alternatives considered include additional user fees and various tax scenarios (e.g. sales tax, property tax, vehicle registration and titling tax, hospitality tax).

Statutory Change: M.S. 85.019

NATURAL RESOURCES DEPT

Program: WATER RESOURCES MANAGEMENT

Change Item: Water Permit Application Costs

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
Natural Resources Fund				
Expenditures	\$20	\$10	\$5	\$5
Revenues	0	0	0	0
Net Fiscal Impact	\$20	\$10	\$5	\$5

Recommendation

The Governor recommends that the fee for large water use projects continue to be directly appropriated to the Commissioner. Additionally, the Governor recommends fees for field inspections and monitoring be directly appropriated to the Commissioner to cover these costs.

Background

The 2007 legislature created a new fee for large volume projects to require that they pay the full costs of permitting and environmental review. In FY 2008-09, large water use projects included several ethanol plants. Projects requiring large water uses (in excess of 100 million gallons per year [mgpy]) will continue to be proposed, so continuing the direct appropriation is needed to cover the full costs of environmental review, permitting, field inspections, and monitoring associated with these projects.

Relationship to Base Budget

This is a small change, however, it would allow the Department of Natural Resources (DNR) to directly recover its costs for review of large water use projects. The fee provides that the proposer pay the full costs of project review.

Key Goals and Measures

This proposal supports *Minnesota Milestones – Water Use Indicator #59*: Insufficient information about the state's complex ground water systems makes it difficult to predict the long-term effects of the state's increasing reliance on ground water.

This proposal supports the Legislative-Citizen Commission on Minnesota Resources (LCCMR) *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net) recommendations to improve our understanding of ground water resources (HR11) to support local and regional conservation based community planning (LUR2).

Important measures in DNR's *A Strategic Conservation Agenda, 2003-2007: Measuring Progress toward Mission* (www.mndnr.gov/conservationagenda) include gallons of public water use and number of development projects with environmental review.

Alternatives Considered

The alternative of not appropriating the revenues would allow the fee to be collected and credited to the account.

Statutory Change: M.S. 103G.301 would be amended to extend the collection and use of this fee.

Program Description

The Department of Natural Resources (DNR) is responsible for implementing land policy on state-owned lands and providing fiduciary oversight for real estate and mineral transactions that relate to state lands. This program is the responsibility of the DNR’s Division of Lands and Minerals.

The program’s real estate responsibilities include land purchases, sales, and exchanges that implement the resource management plans reflected in the DNR’s *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission*. The land survey unit provides the foundation for fee title and conservation easement boundaries.

Mineral management responsibilities include issuing leases for exploration and mining, negotiating lease terms, inspecting mines and exploratory drilling, calculating ores mined, and managing revenue related to mining and exploration. The program also provides technical assistance to local governments on mineral resources and mining issues.

The mineland reclamation program has regulatory authority for reclamation of metallic minerals and peat mines to ensure environmentally sound mining practices. Current work includes environmental review for the ongoing exploration and mineral development projects in northern Minnesota.

Population Served

State-owned lands provide citizens recreational opportunities for hunting, fishing, and other pursuits. Mineral rents and royalties provide financial benefits to state trust funds, local governments, and the general fund.

Services Provided

DNR’s three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection, requires a fully integrated approach to conservation. Integrated resource management is DNR’s strategy to share stewardship responsibility with citizens and partners as we manage for multiple interests. The Land and Minerals Resource Management Program serves the mission by providing real estate management services to the department and managing state-owned minerals resources, including the permitting and reclamation of taconite, non-ferrous metallic minerals, and horticultural peat mines for the various trusts that own the land.

◆ **Real Estate Management**

The program provides the following real estate transactional services: land acquisitions; land exchanges; land sales; road easements; utility licenses; real estate tax and special assessment payments; and agricultural and other types of leases. Land is acquired in fee title and for conservation easements designed to protect habitat and natural resources for current and future generations of Minnesotans. Specific responsibilities include calculating payments in lieu of taxes (PILT) that provide counties revenue for state-owned natural resources lands within each county. Responsibilities also include conducting legislatively mandated reviews for county-proposed, tax-forfeited land sales. This program provides land surveying services for the department, including boundary staking and platting for acquisitions, conservation easements, land sales, and trespass situations. Additional services include: land title research, review of encroachments and adjoining rights, and review of quiet title actions served on the department by the judiciary.

Program at a Glance

- ◆ National Mineral Commodity Rankings*
 - ⇒ 8th in non-fuel mineral production
 - ⇒ 1st in taconite production
 - ⇒ 10th in sand and gravel production
 - ⇒ 3rd in horticultural peat production
- ◆ 12 million acres of land managed for mineral rights and eight million acres of surface rights managed for horticultural peat, industrial minerals, and construction materials
- ◆ Fiduciary responsibilities for the Permanent School Fund and Permanent University Fund
- ◆ \$59.9 million in mineral revenue generated in FY 2007-2008
- ◆ Reclamation program for iron ore, metallic minerals, and horticultural peat
- ◆ Acquisition of 57,469 acres of conservation easements
- ◆ Acquisition of 14,850 acres of fee title land

*Mineral Commodity Summaries 2008, United States Geological Survey

◆ Land Records System

In FY 2008, the department began a four-year project to reengineer the department's Land Records System. The system contains records for about 400,000 individual parcels totaling about 5.3 million acres of DNR-administrated land and 2.9 million acres of county-administered land held in trust by the state in addition to 12 million acres of mineral rights. Fiscal years 2010-11 will be the third and fourth years of the project that will eventually support department-wide strategic land management, increase the transparency of real estate transactions, and enable public Web-based Internet access to the department's land records.

◆ Mineral Management

The DNR is responsible for managing minerals resources owned by the state. Activities include identifying mineral resources and leasing mineral lands for the financial benefit of various trust funds and local units of government. State-owned mineral resources include taconite, iron ore, non-ferrous metallic minerals, horticultural peat, construction aggregates, and industrial minerals. The DNR is responsible for monitoring global commodity demand and pricing; establishing equitable royalty rates for state-owned minerals; developing mineral resource information to support state mineral lease sales and mining, determining ore quality, generating resource and reserve estimates, conducting field inspections, collecting rental and royalties due from exploration and mining on state lands; and reconciling and disbursing mineral rental and royalty payments to the appropriate accounts.

◆ Mineland Reclamation

As directed by Minnesota statutes, the DNR establishes and enforces regulations for reclamation of lands disturbed by mining. Responsibilities include reducing the environmental impacts of mining; ensuring adequate environmental review of proposed developments; issuing permits; ensuring progressive reclamation; enforcing reclamation law; ensuring public review and input to the permitting process; developing mine closure plans and overseeing mine closures.

Historical Perspective

A number of global trends are affecting the Lands and Minerals Management Program. Foremost is the global minerals marketplace. In addition, the country's focus on energy and related infrastructure construction is impacting the department's management of land assets.

Strong global demand for iron ore and steel has continued to have a positive impact for the taconite industry. Worldwide demand for iron ore is expected to surpass two billion tons in 2008, doubling 2001 demand. In Minnesota, taconite plants are operating at capacity, new processing plants are under construction, and companies are expanding mines. Iron demand is not only driving production of taconite pellets in the state, but it is also providing jobs and producing record state royalties.

As of August 2008, the DNR had issued a permit amendment to United Taconite, LLC for an expansion of the Thunderbird Pit near Eveleth and Northshore Mining Company was working toward an expansion of the Peter Mitchell Pit near Babbitt. ArcelorMittal Steel USA was mining in their East Reserve to supplement the declining production from the Laurentian Mine, potentially expanding the life of the mine by 12 to 15 years. U.S. Steel Corporation's Keewatin Taconite was undergoing environmental review and permitting to restart an idled furnace and expand the current mine pit limits. U.S. Steel Corporation's Minntac operation near Virginia was beginning wetland delineation in preparation for a permit amendment to increase the pit limits and production, and Hibbing Taconite Company had applied for a permit amendment to allow for a hydro-separator system to improve tailings segregation and allow for increased storage in their current tailings basin. In addition, the construction of the Mesabi Nugget, LLC commercial iron nugget plant was scheduled for completion in the fall of 2009. Minnesota Steel Industries, LLC has received a permit to mine, and all other required permits, for a planned taconite mine and steel plant near Nashwauk on the western Mesabi Iron Range, and Steel Dynamics, Inc.'s project was undergoing environmental review and permitting to restart mining in some of the adjacent pits to feed the iron nugget plant currently under construction.

As part of its fiduciary responsibilities in managing mineral leases, the DNR has negotiated increases in taconite royalty rates with ArcelorMittal and U.S. Steel. Upon approval of the Executive Council in September, the royalty rate per gross ton of taconite mined increased from \$0.88 per ton to \$1.62 per ton for ArcelorMittal and \$0.88 per gross ton to \$1.52 per ton for U.S. Steel leases.

Similar to iron ore, global non-ferrous metal demand and pricing is driving exploration and development in the state. As of August 2008, metal prices had softened, but prices continued to be near historical highs for copper, nickel, platinum and gold. In Minnesota, PolyMet's NorthMet project was undergoing environmental review for an open pit mine near Hoyt Lakes. In the Duluth Complex, Duluth Metals' Nokomis project, Franconia's Birch Lake project, and Teck Cominco Ltd.'s Babbitt project were in advanced stages of exploration drilling. In addition, Kennecott had announced a significant copper-nickel discovery near Tamarack, in Aitkin County, and has embarked on an extensive drilling program to determine the extent of mineralization.

As of July 2008, the state had 271 active metallic mineral leases, encompassing about 87,000 acres, located in Aitkin, Carlton, Itasca, Kanabec, Koochiching, Lake, Lake of the Woods, Mille Lacs, and St. Louis counties. This was an increase of 61 leases from the 210 active leases two years prior. During the same period, lease acreage had increased by 18,000 acres, to total about 87,000 acres, from two years earlier. Another measure of mineral exploration is drilling footage. In FY 2008, drilling totaled 369,800 feet, which was about two and one-half times the drilling in FY 2007 (151,990 feet), and ten times the drilling footage of FY 2006 (36,386 feet).

The division is in the midst of issuing licenses for key transmission lines and oil and gas pipeline projects that cross state-owned lands and waters. Currently, five multi-year transcontinental oil and natural gas infrastructure projects are ongoing, and five major transmission line projects are being planned, all of which will cross significant areas of state land and public waters. These projects illustrate industry and government's incremental steps in addressing the current energy crisis as well as the department's response, as a major landowner in the state, to reducing energy costs, making more affordable energy available to citizens of the state.

Key Program Goals

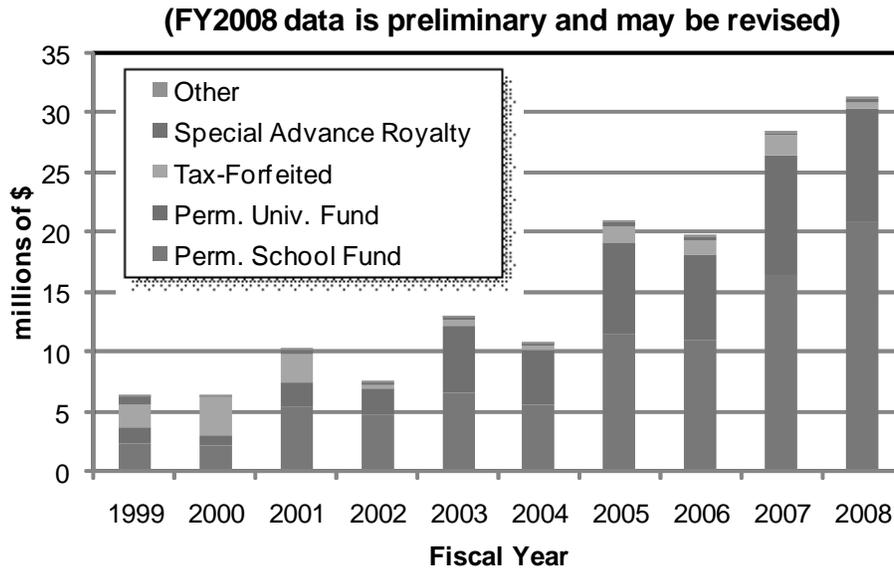
The mineral management program encompasses a state goal of providing for *growth in the gross state product* as outlined in *Minnesota Milestones I* (Indicator 38), which states that Minnesota will have sustainable, strong economic growth. Effective mineral development in the state underpins strong and sustainable economic growth, creating good jobs, economic prosperity, while providing environmental protection.

The program's real estate staff assists the department in implementing strategic land asset decisions, which embraces many other state and departmental goals. Acquisition of lands that support diverse plant communities and wildlife, parkland, and open space, reflect Minnesota Milestone goals 67, 68, and 69, respectively.

Key Program Measures

◆ Mineral Revenue

Rental and royalty revenue is a prime measure of the division's mineral management program. Mineral receipts continued to mark historical highs in FY 2007-08, with revenue of about \$30 million in each year. Both FY 2007 and FY 2008 revenue exceeded FY 2006 revenue by about 30%. FY 2009 revenue is projected to be similar to that of the last two fiscal years. Global iron ore demand and steel production are the drivers of domestic taconite production and subsequent mineral revenue. (See chart on following page.)



◆ Real Estate Transactions

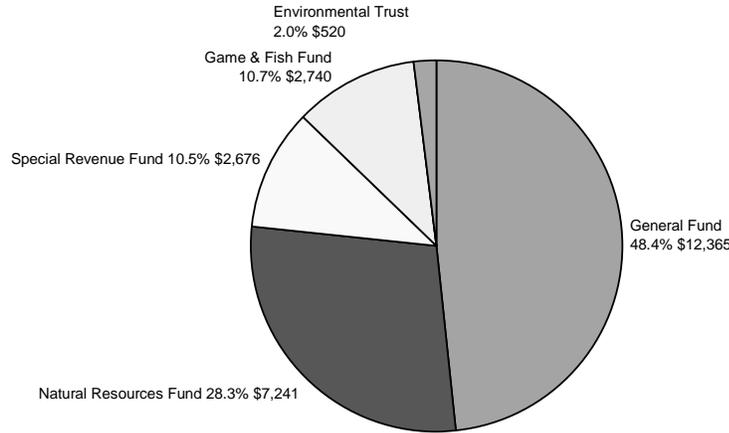
The following table provides a summary of land acquisitions, land sales, and land exchanges completed by the department in FY07-08.

		No.	Acres	Cost	Value
Land acquisition	Fee title	150	14,850	\$44,865,777	
	Easements	43	57,575	\$11,508,876	
	Total	194	72,425	\$56,374,653	
<hr/>					
Land sales		64	1,088		\$1,938,498
<hr/>					
Land exchanges	Relinquished	14	5,511		\$9,254,580
	Acquired	14	11,544		\$9,272,949

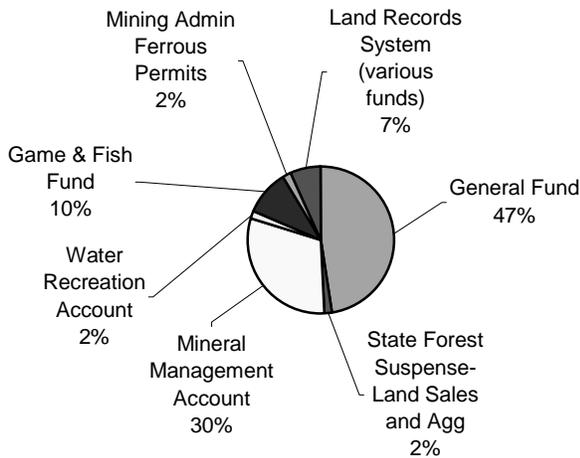
Program Funding

The operating budget for the division is provided by the following sources: the general fund, dedicated dedicated funds from the natural resources fund, the game & fish fund, the permanent school fund, and the special revenue fund. The general fund supports the division’s real estate activities and the mine reclamation unit. The Minerals Management Account in the natural resources fund supports division work related to iron ore, taconite, and nonferrous and industrial minerals. The game & fish fund and the water recreation account in the natural resources fund provide for real estate services on game and fish lands and water recreation lands, respectively. The charts below broadly depict the divisions funding and expenditures by program responsibilities.

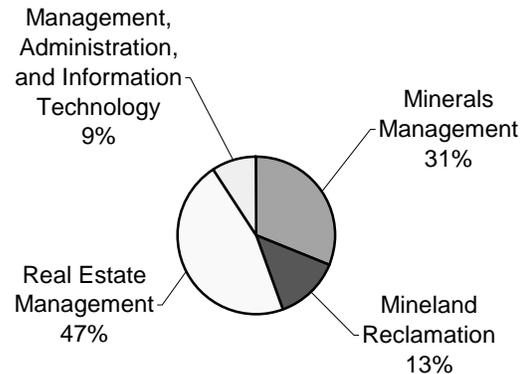
**FY 2008-09 Land and Minerals Budgeted Expenditures
\$25.5 Million (excluding PILT)**



Lands and Minerals Funding



Lands and Minerals Operating Budget



During the 2008 session, the legislature created the Mine Permit Administration Account to provide for the costs of administering mine permits. The account is funded by fees charged to iron ore and taconite operations. The legislature requested a report of the costs of this program to be delivered during the 2009 session to determine the adequacy of the fee structure.

Funding for the final stages of re-engineering the department's Land Records System is also included in the program funding. Funds supporting the project include appropriations from the Water Recreation Account, the Snow Account, Forestry Management Investment Account, and the Game and Fish Fund.

Contact

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mndnr.gov/lands_minerals/index.html

NATURAL RESOURCES DEPT

Program: LAND & MINERALS RESOURCE MGMT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	0	520	520	520	1,040
Technical Adjustments					
One-time Appropriations			(520)	(520)	(1,040)
Subtotal - Forecast Base	0	520	0	0	0
Total	0	520	0	0	0
General					
Current Appropriation	6,633	5,805	5,805	5,805	11,610
Technical Adjustments					
Approved Transfer Between Appr			(75)	(75)	(150)
One-time Appropriations			(500)	(500)	(1,000)
Pt Contract Base Reduction			(2)	(2)	(4)
Subtotal - Forecast Base	6,633	5,805	5,228	5,228	10,456
Governor's Recommendations					
General Fund Reduction		0	(1,877)	(1,877)	(3,754)
Total	6,633	5,805	3,351	3,351	6,702
Natural Resources					
Current Appropriation	3,551	3,647	3,647	3,647	7,294
Subtotal - Forecast Base	3,551	3,647	3,647	3,647	7,294
Governor's Recommendations					
General Fund Reduction		0	1,814	1,814	3,628
Total	3,551	3,647	5,461	5,461	10,922
Game And Fish (operations)					
Current Appropriation	1,363	1,395	1,395	1,395	2,790
Technical Adjustments					
Approved Transfer Between Appr			(9)	(9)	(18)
Subtotal - Forecast Base	1,363	1,395	1,386	1,386	2,772
Total	1,363	1,395	1,386	1,386	2,772
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	0	520	0	0	0
General	5,300	7,001	3,351	3,351	6,702
Natural Resources	2,704	4,494	5,461	5,461	10,922
Game And Fish (Operations)	919	1,821	1,386	1,386	2,772
Permanent School	80	320	200	200	400
Open Appropriations					
General	46	9	17,487	17,505	34,992
Natural Resources	11	20	20	20	40
Statutory Appropriations					
Natural Resources	0	20	2	2	4
Miscellaneous Special Revenue	1,637	969	773	773	1,546
Miscellaneous Agency	13	0	0	0	0
Gift	0	23	0	0	0
Permanent School	5	199	3	3	6
Total	10,715	15,396	28,683	28,701	57,384

NATURAL RESOURCES DEPT

Program: LAND & MINERALS RESOURCE MGMT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Category</u>					
Total Compensation	6,601	8,318	7,009	7,009	14,018
Other Operating Expenses	4,068	7,012	4,153	4,153	8,306
Capital Outlay & Real Property	0	57	34	34	68
Local Assistance	46	9	14	14	28
Transfers	0	0	17,473	17,491	34,964
Total	10,715	15,396	28,683	28,701	57,384
<u>Expenditures by Activity</u>					
Land & Minerals Resource Mgmt	10,715	15,396	28,683	28,701	57,384
Total	10,715	15,396	28,683	28,701	57,384
Full-Time Equivalent (FTE)	85.8	110.4	94.6	94.2	

Program Description

The purpose of the Water Resources Management Program is to protect the physical integrity of Minnesota's wetlands, lakes, rivers, and ground water resources. This program is the responsibility of the Department of Natural Resources (DNR) Division of Waters. The division cooperates with local units of government and the public to measure rainfall, lake levels, stream flow, and ground water levels; and also gathers and interprets water resource data to describe how human activities impact the hydrologic system and how negative impacts can be mitigated. The division balances resource protection with reasonable uses of water resources and adjacent lands in administering its programs. Statutory duties are found in M.S. 103A through 103I, with most contained in M.S. 103G.

Population Served

The Division of Waters provides water resources data, information, stewardship education, and water resources technical assistance to other state and federal agencies, local government officials, planning commissions, consultants, environmental organizations, teachers, and the public. The division provides grants, training, and technical assistance to local governments. The Division of Waters also regulates certain activities of riparian land owners, dam owners, persons proposing projects that would result in filling or excavation of public waters, and water users who exceed the threshold of 10,000 gallons a day or one million gallons per year.

Services Provided

DNR's three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection, requires a fully integrated approach to conservation. Integrated resource management is DNR's strategy to share stewardship responsibility with citizens and partners as we manage for multiple interests. This program serves the DNR mission by maintaining critical data collection and services not duplicated elsewhere:

- ◆ gathers, compiles, and interprets information from a precipitation monitoring network of over 1,400 volunteers managed by the state climatologist in cooperation with soil and water conservation districts;
- ◆ gathers, compiles, and interprets water level data from a lake level monitoring network encompassing about 1,000 lakes with the assistance of about 700 citizen volunteers and several local government partners;
- ◆ operates a river flood warning system that includes 38 automated stream gages and provides matching funds to support 30 stream flow monitoring gages operated by the U.S. Geological Survey;
- ◆ gathers, compiles, and interprets water level data from over 750 ground water level monitoring wells in partnership with soil and water conservation districts;
- ◆ expands the ground water level monitoring network to adequately assess changes in ground water levels due to water withdrawals and climatic trends;
- ◆ collects information on water use from approximately 7,000 water appropriation permit holders;
- ◆ regulates water withdrawals and approves water supply plans and conservation measures to assure sustainable natural resources for future generations;
- ◆ prepares County Geologic Atlases and Regional Ground Water Assessments in cooperation with the Minnesota Geological Survey and local government partners;
- ◆ prepares maps of ground water aquifers and surface water watersheds;
- ◆ provides assistance to decision-makers through technical analysis and modeling, including ordinary high water level determinations;
- ◆ administers grants for local flood hazard mitigation, dam repair or removal, and coastal zone management projects;

Program at a Glance

- ◆ Regulate over 21,000 public waters basins and 69,200 miles of rivers and streams
- ◆ Permit and monitor about 7,000 large water users and enforce dam safety regulations at over 1,000 public and private dams
- ◆ Manage statewide monitoring networks for precipitation, lake levels, stream flow, and ground water levels
- ◆ Administer flood hazard mitigation grants totaling over \$230 million since 1997
- ◆ Assist 450 local governments to administer floodplain ordinances, and 250 local governments to administer shoreland ordinances
- ◆ Establish stream monitoring gages, delineate watersheds, and provide technical services related to drainage systems and shoreland stewardship to support the Clean Water Legacy Act

- ◆ assists counties and cities in developing and administering zoning ordinances for shorelands, floodplains, critical areas, and wild and scenic rivers;
- ◆ investigates and mitigates domestic well interference problems that may be caused by high capacity wells; and
- ◆ regulates work occurring during periods of low water levels on public waters, permits withdrawals of water from surface and ground water sources, and constructs, operates and maintains public and private dams.

Historical Perspective

The Division of Waters statutory responsibilities to manage Minnesota’s public waters and water supply through a state permit program dates back to 1937. In the 1960s, responsibilities were added to set minimum standards for local shoreland and floodplain zoning ordinances; in the 1970s, a statewide inventory of public waters basins and watercourses was added; and in the 1980s, flood hazard mitigation and dam safety grant programs were created. The 1989 Groundwater Act provided the Division of Waters responsibility for the County Atlas Program.

Also, recent societal trends are changing the nature of the state’s natural resources and their contribution to Minnesota’s quality of life. The Division of Waters works to address critical drivers of change, including:

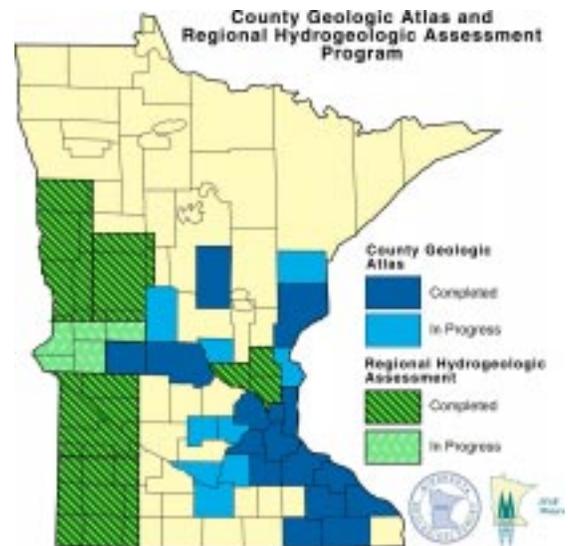
- ◆ **Development pressure and land use change:** The activity’s programs are integral to managing changes from population growth and development. Through its floodplain, shoreland, wild and scenic rivers, and public waters permit programs protect state waters and provide information for long term management of Minnesota’s water resources. Technical assistance and support are provided to local units of government that are responsible for implementation and administration of land use programs.
- ◆ **Climate change and demands for renewable energy:** The Division of Water’s programs address energy and climate change issues by providing technical information for water supply studies, ground water monitoring, climatology, and by managing water use. State climatology office staff collects and maintains data that provide an historic perspective regarding climate trends, recent events, and current conditions.
- ◆ **Changes in outdoor recreation:** The division’s programs also support outdoor recreation opportunities by providing water resource protection and lake and stream level data useful for recreational boating.

Key Program Goals

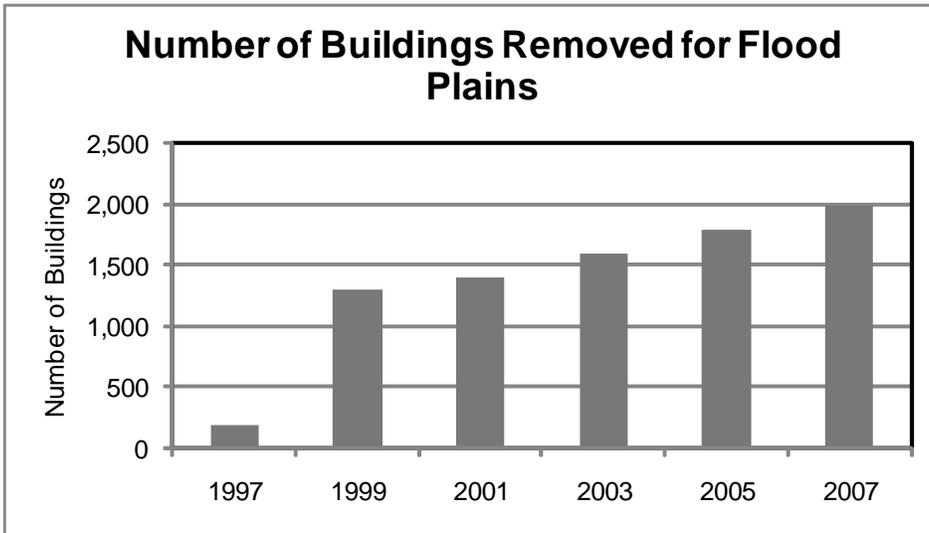
The program balances resource protection with reasonable uses of water resources and adjacent lands in administering its programs. This program contributes to the DNR’s *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html) by addressing priority resource issues relating to water use, county atlases, wells on state land, monitoring networks, flood hazard mitigation, and development of new shoreland standards. The Legislative-Citizen Commission on Minnesota Resources (LCCMR’s) *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net) identifies priorities that are principal responsibilities of the Division of Waters including shoreland protection, habitat protection, keeping water on the landscape (see M.S. 103A.205), and improving understanding of ground water resources.

Key Program Measures

- ◆ **County Geologic Atlases or Regional Hydro-geological Assessments are completed:** The Division of Waters, in partnership with the Minnesota Geological Survey (MGS), provides local governments with baseline hydro-geologic information to effectively plan for and manage their land and water resources. Information and technical assistance helps communities find reliable sources of water, and manage water and land use to sustain high quality water resources. Baseline hydro-geologic information is now available for areas that include 75% of the state’s population and 37% of its land area. These data provide local officials, well drillers, consultants, and land owners a common framework for understanding the local ground water resource.



- ◆ **Homes and businesses are removed from flood plains to prevent flood damage:** Flooding is a natural part of river systems, but flood extremes harm people and property. Protecting healthy watersheds, removing structures from floodplains, and preparing for floods before they occur can reduce flood damages. The division's goal is to continue to remove structures from floodplains. Since 1987, DNR has provided funds to communities to build flood-control structures, define flood hazard areas, and buy and remove flood-prone buildings. In Austin, for example, DNR has spent \$1.3 million to acquire flood-prone homes. Major flooding occurred there in 2000 and 2004, and the cost savings due to removal of flood-prone buildings exceeded the cost of acquiring the structures. Statewide, over 2,000 homes have been removed from the floodplain.



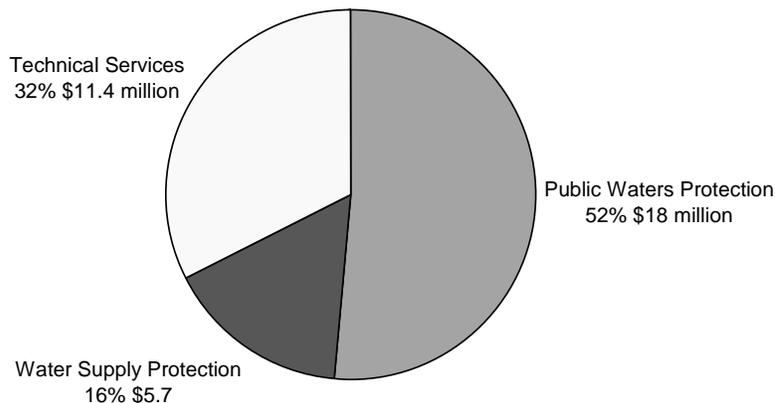
By removing homes from flood plains, the expense and inherent danger of fighting a flood is avoided.

Program Funding

The Division of Waters is funded primarily through general fund appropriations. A small portion (about 2%) of the operating budget comes from the natural resources fund.

Non-dedicated fees collected for permit applications and annual water use fees totaling approximately \$5 million a year are deposited in the general fund. A surcharge on summer water use was initiated in 2005 and brings in approximately \$750,000 in revenue annually. Current sources of federal grant income of about \$2 million a year include Federal Emergency Management Agency grants for the floodplain management and dam safety programs, and National Oceanic and Atmospheric Agency grants for the coastal zone program in the Lake Superior basin.

FY2008-09 Water Resources Program Breakdown by Activity
\$35.1 million



Contact

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For additional Division of Waters program information, visit mndnr.gov/waters/index.html.

NATURAL RESOURCES DEPT

Program: WATER RESOURCES MGMT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<i>Direct Appropriations by Fund</i>					
Environment & Natural Resource					
Current Appropriation	0	894	894	894	1,788
Technical Adjustments					
One-time Appropriations			(894)	(894)	(1,788)
Subtotal - Forecast Base	0	894	0	0	0
Total	0	894	0	0	0
General					
Current Appropriation	14,851	11,974	11,974	11,974	23,948
Technical Adjustments					
Approved Transfer Between Appr			(13)	(13)	(26)
Biennial Appropriations			125	125	250
Current Law Base Change			(22)	(22)	(44)
Pt Contract Base Reduction			(2)	(2)	(4)
Subtotal - Forecast Base	14,851	11,974	12,062	12,062	24,124
Governor's Recommendations					
General Fund Reduction		0	(640)	(640)	(1,280)
Total	14,851	11,974	11,422	11,422	22,844
Natural Resources					
Current Appropriation	280	380	380	380	760
Technical Adjustments					
One-time Appropriations			(100)	(100)	(200)
Subtotal - Forecast Base	280	380	280	280	560
Total	280	380	280	280	560
Clean Water Fund					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
CWF/Clean Water Legacy			1,050	1,665	2,715
CWF/Drinking Water Source Plng & Protect			375	750	1,125
Total	0	0	1,425	2,415	3,840

NATURAL RESOURCES DEPT

Program: WATER RESOURCES MGMT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	0	894	0	0	0
General	18,862	14,349	11,422	11,422	22,844
Natural Resources	230	430	280	280	560
Clean Water Fund	0	0	1,425	2,415	3,840
Statutory Appropriations					
Natural Resources	0	79	60	50	110
Miscellaneous Special Revenue	215	348	234	234	468
Federal	1,758	2,085	2,878	2,876	5,754
Gift	8	6	6	6	12
Total	21,073	18,191	16,305	17,283	33,588
<u>Expenditures by Category</u>					
Total Compensation	9,534	11,091	10,434	11,016	21,450
Other Operating Expenses	3,004	4,547	3,469	3,649	7,118
Local Assistance	8,535	2,553	2,402	2,618	5,020
Total	21,073	18,191	16,305	17,283	33,588
<u>Expenditures by Activity</u>					
Water Resources Mgmt	21,073	18,191	16,305	17,283	33,588
Total	21,073	18,191	16,305	17,283	33,588
Full-Time Equivalent (FTE)	125.8	124.9	122.7	128.8	

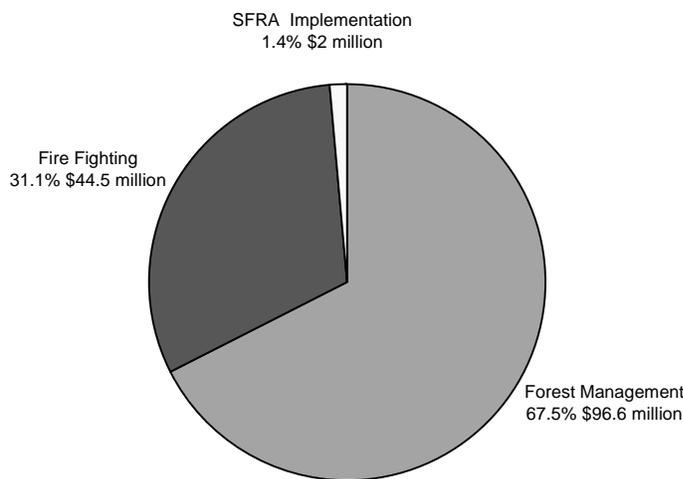
Program Description

The purpose of the Forest Management Program is to:

- ◆ manage forest lands in the state (including community forests) for multiple forest values, including quality timber, wildlife habitat, recreation, and aesthetics, over the long term;
- ◆ protect citizens, property, and natural resources from wildfires; and
- ◆ bring together the state's varied forest resource interests to develop and implement programs that promote sustainable site and landscape-based forest management practices.

This program is the responsibility of the Department of Natural Resources (DNR's) Division of Forestry.

FY2008-09 Forestry Program Breakdown by Activity
\$143.1 million



Budget Activities

This program includes the following budget activities:

- ◆ Forest Management
- ◆ Fire Fighting
- ◆ Sustainable Forest Resources Act Implementation

Key Program Measures

DNR measures its progress in managing forest lands in many ways. The measures in these narratives demonstrate how we are accountable to Minnesota's citizens. See program activity sections for measures related to specific activities. For a complete set of performance measures and more detailed descriptions of each measure, please see the DNR's A Strategic Conservation Agenda, 2003–2007: Measuring Progress toward Mission (mndnr.gov/conservationagenda/index.html).

NATURAL RESOURCES DEPT
Program: FOREST MANAGEMENT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<i>Direct Appropriations by Fund</i>					
Environment & Natural Resource					
Current Appropriation	2,000	0	0	0	0
Subtotal - Forecast Base	2,000	0	0	0	0
Total	2,000	0	0	0	0
General					
Current Appropriation	24,680	25,011	25,011	25,011	50,022
Technical Adjustments					
Current Law Base Change			(500)	(500)	(1,000)
One-time Appropriations			(53)	(53)	(106)
Pt Contract Base Reduction			(6)	(6)	(12)
Subtotal - Forecast Base	24,680	25,011	24,452	24,452	48,904
Governor's Recommendations					
Forest Management Investment Account		0	2,000	2,000	4,000
Total	24,680	25,011	26,452	26,452	52,904
Natural Resources					
Current Appropriation	19,483	18,293	18,293	18,293	36,586
Technical Adjustments					
One-time Appropriations			(1,100)	(1,100)	(2,200)
Subtotal - Forecast Base	19,483	18,293	17,193	17,193	34,386
Governor's Recommendations					
Forest Management Investment Account		0	(5,000)	(6,100)	(11,100)
Total	19,483	18,293	12,193	11,093	23,286
Game And Fish (operations)					
Current Appropriation	257	264	264	264	528
Subtotal - Forecast Base	257	264	264	264	528
Governor's Recommendations					
Forest Management - Heritage Enhancement		0	950	950	1,900
Forest Productivity for the Future		0	250	0	250
Total	257	264	1,464	1,214	2,678

NATURAL RESOURCES DEPT
Program: FOREST MANAGEMENT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	638	2,061	0	0	0
General	23,226	26,403	26,452	26,452	52,904
Natural Resources	15,849	17,201	12,193	11,093	23,286
Game And Fish (Operations)	230	291	1,464	1,214	2,678
Open Appropriations					
General	12,561	11,000	11,000	11,000	22,000
Natural Resources	58	63	63	63	126
Statutory Appropriations					
Natural Resources	1,671	1,794	1,531	1,531	3,062
Miscellaneous Special Revenue	9,317	10,157	9,386	9,368	18,754
Federal	3,642	7,850	7,358	7,413	14,771
Gift	7	28	28	28	56
Total	67,199	76,848	69,475	68,162	137,637
<u>Expenditures by Category</u>					
Total Compensation	34,253	38,082	36,810	35,966	72,776
Other Operating Expenses	27,608	30,592	27,287	26,837	54,124
Capital Outlay & Real Property	1,144	5,512	3,486	3,467	6,953
Payments To Individuals	1	2	2	2	4
Local Assistance	4,193	2,660	1,890	1,890	3,780
Total	67,199	76,848	69,475	68,162	137,637
<u>Expenditures by Activity</u>					
Forest Management	44,013	53,536	47,096	45,783	92,879
Fire Fighting	22,243	21,763	21,060	21,060	42,120
Sustain Res Act Implementation	943	1,549	1,319	1,319	2,638
Total	67,199	76,848	69,475	68,162	137,637
Full-Time Equivalent (FTE)	534.8	560.9	530.1	516.9	

Activity Description

The Department of Natural Resources (DNR's) forest management activities sustain and enhance forest ecosystems; supply quality forest products and provide recreational opportunities to meet human needs (e.g., environmental, economic, and social); and provide income to the permanent school trust fund. The goals of this activity are to:

- ◆ provide a long-term, sustainable yield of forest resources (as defined in M.S. 89.001);
- ◆ manage school trust lands and fulfill fiduciary responsibilities to the permanent school trust; and
- ◆ improve the health and productivity of public and private forestlands.

Population Served

Forest management stakeholders include:

- ◆ non-industrial private forest landowners;
- ◆ forest industries;
- ◆ environmental groups;
- ◆ participants in outdoor recreation, including hunters and anglers;
- ◆ public school teachers, pupils and parents;
- ◆ loggers;
- ◆ communities;
- ◆ other state agencies and levels of government; and
- ◆ consulting foresters and other forestry professionals.

Services Provided

The DNR's three-part mission to promote economic development, recreational use, and natural resources protection requires fully integrated resource management. The DNR manages for multiple values and shares stewardship responsibilities with citizens and partners. This program serves the DNR mission by sustaining healthy forest ecosystems capable of supplying high quality forest products and substantial income to the permanent school trust fund.

- ◆ managing of 4.2 million acres of state-owned forest lands, including:
 - ⇒ planning for and managing forest vegetation;
 - ⇒ providing opportunities to harvest forest products, including biomass;
 - ⇒ reforesting harvested areas and improving timber stands;
 - ⇒ conserving old growth, critical ecosystems and habitats, and riparian areas;
 - ⇒ maintaining over 2,000 miles of state forest roads for public recreational uses and access to state lands;
 - ⇒ supporting for outdoor recreation, including motorized and non-motorized activities;
 - ⇒ enforcing state forest rules and regulations; and
 - ⇒ maintaining forest health and minimizing the negative effects of invasive species.
- ◆ providing technical and cost-share assistance to non-industrial private forest landowners;
- ◆ providing technical and cost-share assistance to Minnesota communities for urban forests;
- ◆ producing and selling tree and shrub seedlings for conservation planting on public and private lands;
- ◆ monitoring the health, growth, and composition of Minnesota' forests;
- ◆ monitoring the implementation and effectiveness of forest management practices and guidelines;
- ◆ providing technical assistance to counties on land management approaches
- ◆ developing, monitoring, and evaluating new management approaches; and
- ◆ coordinating forestry related education programs in schools.

Activity at a Glance

- ◆ Manage 4.2 million acres of state-owned forest land
- ◆ Offer for sale 850,000–950,000 cords of wood each year
- ◆ Produce 8-10 million tree seedlings for planting on public and private lands
- ◆ Reforest 30,000 acres of state forest lands each year
- ◆ Provide technical and cost-share assistance serving 140,000 private forest landowners to promote sustainable management on 5.7 million acres of non-industrial private forestland
- ◆ Maintain certification that our management of forests is sustainable and our forest products are sustainably produced

Historical Perspective

Since 1995, the amount of timber harvested in Minnesota has ranged from 3.5 to 4.1 million cords per year. About 20% of the harvested wood came from state-owned forestlands managed by the DNR. New DNR forest management plans outline the means to maintain desired acreages of various forest types; limit losses to decay and mortality; and improve the growth, quality and diversity of our forests while increasing harvests over the next seven to 10 years. As a result, DNR's contribution to state timber harvesting will increase and DNR's forestland will be more productive.

The DNR improves private forest management through the voluntary Forest Stewardship Program by providing professional natural resource management expertise and cost sharing (for tree planting and other actions) to private landowners. The DNR currently provides about 35% of the Forest Stewardship planning assistance. Recent changes to the Sustainable Forestry Incentives Act (M.S. 290C), which provides an incentive payment for landowners that follow a professionally prepared forest management plan, and the creation of a Managed Forestland property tax classification likely will increase the demand for forest management plan preparation and other assistance for private forestland owners.

Established in 1931, DNR Forest Tree Nurseries play a significant role in providing tree seedlings to private and public landowners for conservation purposes. In 1997, the legislature capped tree seedling production at DNR nurseries at 10 million seedlings per year to limit competition with private nurseries. The DNR will continue to cooperate with private nurseries to provide tree seedlings for sustaining Minnesota's forests.

Healthy, resilient, and productive forests are fundamental to meeting many goals, from high water quality and abundant wildlife and plant habitat to recreation and timber. Recent societal trends, however, are changing the nature of the state's forests and their contribution to Minnesota's quality of life. Since 1990, the area of forestland in the state has declined about four percent to 16.4 million acres as forestland was developed or used for pasture, farmland, or rights-of-way. Most of this loss occurred north of the 46th parallel, which runs through Hinckley, Minnesota.

- ◆ **Land ownership changes and development pressure:** Nearly one million acres of large, largely undeveloped private industrial tracts of Minnesota forests are at risk of being sold, divided into smaller parcels, and converted to non-forest uses. Given the recent and dramatic trends in industrial forest ownership, the DNR has joined forces with other state, federal and private partners under the banner of the Minnesota Forest Legacy Partnership and the Minnesota Forests for the Future Program to secure permanent, large-scale conservation easements to help maintain these large blocks of undeveloped forest land as unfragmented wildlife habitat, a sustainable source of timber for the state's forest industries, and a place for public outdoor recreation.
- ◆ **Changes in outdoor recreation:** Use of motorized recreational vehicles on state forestlands has grown substantially in recent years. In response to this growing demand and to limit the potential for negative effects on the state's forest ecosystems, the legislature directed the DNR to identify and designate motorized trail opportunities on state forestlands by the end of 2008. The Forest Management activity will continue to play a significant role in managing motorized recreation, including the ongoing maintenance and operation of designated motorized trails on state forestlands.
- ◆ **Demand for renewable forms of energy and climate change:** Forests and forest management activities help mitigate climate change and its effects. Substituting conservation-based energy sources for fossil fuels and maintaining highly productive forestlands reduces the amount of greenhouse gases that enter the atmosphere. Also, large connected forests are the corridors in which many of Minnesota's plants and wildlife species can migrate in response to climate change.

Key Activity Goals

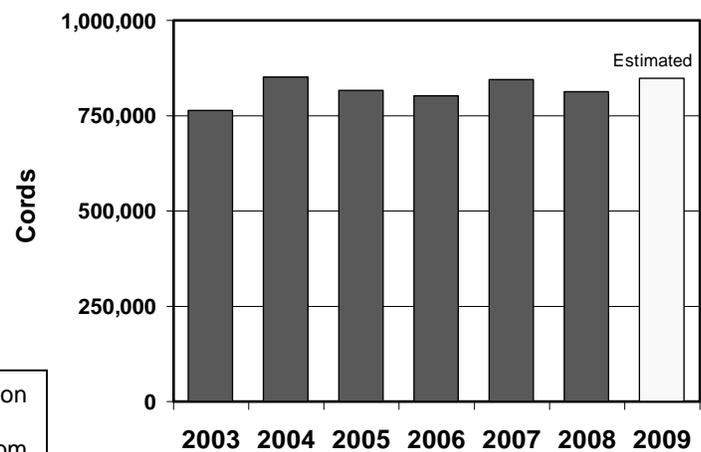
Sustaining Minnesota’s forest ecosystems in a healthy, resilient, and productive state is the best way to ensure that current and future generations enjoy a full range of forest benefits, a primary goal of the DNR’s *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html). The DNR’s forest management efforts are designed to foster economic development within the forest products industry by providing a sustainable supply of raw materials; to encourage forest-based outdoor recreation by providing high quality opportunities and ready access; and to secure our forest resources by protecting large blocks of working forest from development and expanding sustainable practices as recommended by the Legislative-Citizen Commission on Minnesota Resources (LCCMR’s) *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net). The DNR supports the recommendations of the Minnesota Climate Change Advisory Group to protect and enhance the carbon sequestration benefits of forests by maintaining existing forests and adding new forests, increasing forest health and productivity, and reducing the risk of wildfire (http://www.mnclimatechange.us/index.cfm).

Key Activity Measures

- ◆ **DNR Timber Sales:** With 24% of the state’s timberland, DNR is a significant source of raw materials for forest products industries and woody biomass for energy production. Harvesting is an essential management tool and also creates habitat for many kinds of wildlife. DNR integrates timber production from state lands with other goals such as maintaining wildlife population, water quality, and biodiversity, and providing recreational opportunities with guidance from citizens and the legislature.

Indicator: Number of cords of wood offered for sale on DNR lands
Target: Offer for sale about 850,000 cords of timber from DNR lands in FY 2009

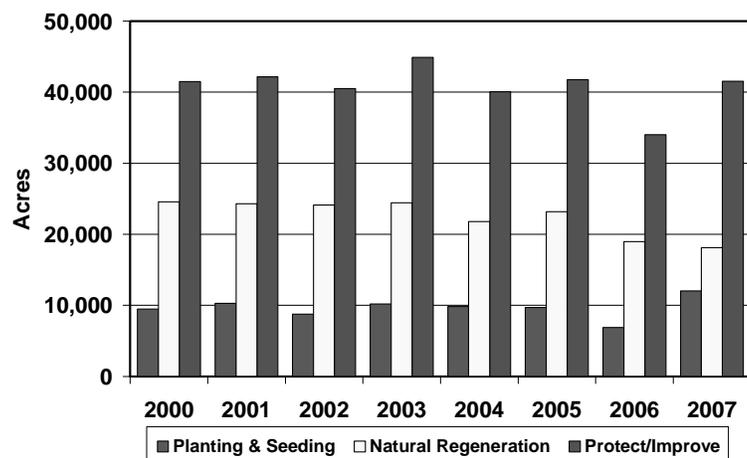
Timber Offered for Sale on DNR Lands



- ◆ **State Land Reforestation:** The DNR is required by statute to restore harvested, damaged (i.e., by natural causes), or otherwise poorly stocked sites on state forestlands to a state of productivity. DNR reforests harvested sites by natural means (i.e., sprouting or natural seeding assisted by appropriate timber harvest design and site preparation), “artificial” means (i.e., tree planting, seeding, and site preparation), and by protecting trees from damaging agents and reducing competition from undesirable species (i.e., to help assure that young trees survive and grow).

Indicator: Acres of reforestation (natural and artificial) and protection/improvement completed on DNR lands
Target: Naturally reforest 22,000 acres, artificially reforest 10,000-12,000 acres, and protect or improve 40,000 acres on DNR lands in FY 2009

State Land Reforestation Completed



NATURAL RESOURCES DEPT

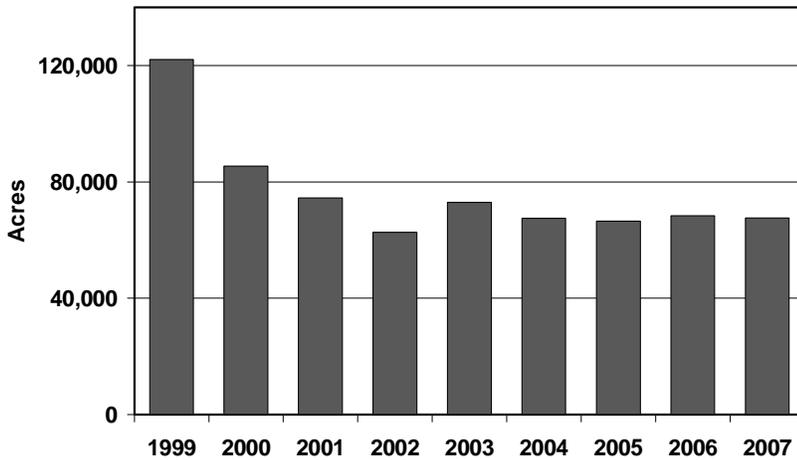
Program: FOREST MANAGEMENT

Activity: FOREST MANAGEMENT

Narrative

- ◆ **Cooperative Forest Management:** More than 140,000 individuals and organizations (excluding corporations and forest industry) own 40% of Minnesota's forestland. These forestlands provide more than 50% of the timber harvested in the state. To encourage retention and sustainable management of these forestlands despite increasing development pressure, the Forest Stewardship Program prepares sustainable management plans for non-industrial, private forest owners. These plans help guide tree planting, timber harvesting and other forest management activities.

Forest Stewardship Plans Completed by DNR Personnel

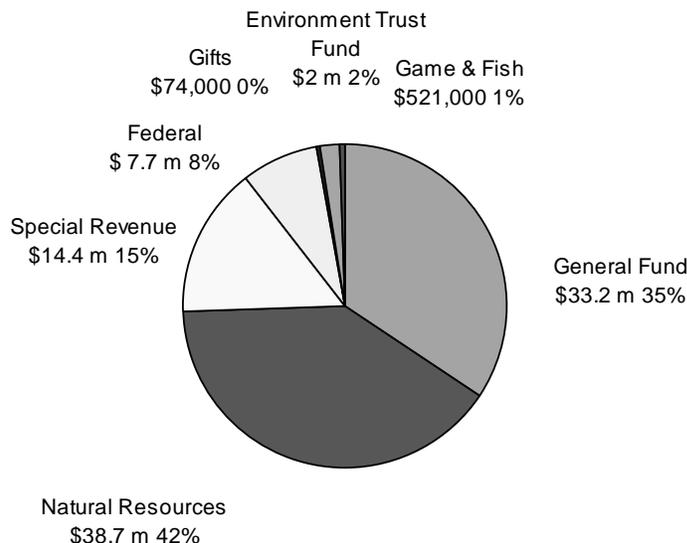


Indicator: Acres of private forestlands with stewardship plans
Target: Complete 125,000 acres of Forest Stewardship Plans in FY 2009 with 45,000 acres completed by DNR staff and the remainder by the private sector

Activity Funding

This activity receives 33.2% of its funding from general fund appropriations, 38.7% from the natural resources fund that includes Forest Management Investment Account, 15% from other special revenue accounts, and 7.7% from federal sources. About 53% of this activity's expenditures are salary-related, 38% are for other operating costs, and 9% are for local assistance grants.

FY 2008-2009 Forest Management Budgeted Expenditures \$96.6 million



NATURAL RESOURCES DEPT

Program: FOREST MANAGEMENT

Activity: FOREST MANAGEMENT

Narrative

Contact

For additional information, please contact:

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Learn more about:

- ◆ Timber harvesting on state lands at <http://www.dnr.state.mn.us/forestry/harvesting/index.html>
- ◆ Public involvement in forest planning at <http://www.dnr.state.mn.us/forestry/subsection/index.html>
- ◆ Statewide timber harvest at <http://www.mnplan.state.mn.us/mm/goal.html>
- ◆ The Forest Stewardship Program at <http://www.dnr.state.mn.us/grants/forestmgmt/stewardship.html>

NATURAL RESOURCES DEPT
Program: FOREST MANAGEMENT
Activity: FOREST MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	2,000	0	0	0	0
Subtotal - Forecast Base	2,000	0	0	0	0
Total	2,000	0	0	0	0
General					
Current Appropriation	16,443	16,764	16,764	16,764	33,528
Technical Adjustments					
Current Law Base Change			(500)	(500)	(1,000)
Pt Contract Base Reduction			(6)	(6)	(12)
Subtotal - Forecast Base	16,443	16,764	16,258	16,258	32,516
Governor's Recommendations					
Forest Management Investment Account		0	2,000	2,000	4,000
Total	16,443	16,764	18,258	18,258	36,516
Natural Resources					
Current Appropriation	19,483	18,293	18,293	18,293	36,586
Technical Adjustments					
One-time Appropriations			(1,100)	(1,100)	(2,200)
Subtotal - Forecast Base	19,483	18,293	17,193	17,193	34,386
Governor's Recommendations					
Forest Management Investment Account		0	(5,000)	(6,100)	(11,100)
Total	19,483	18,293	12,193	11,093	23,286
Game And Fish (operations)					
Current Appropriation	257	264	264	264	528
Subtotal - Forecast Base	257	264	264	264	528
Governor's Recommendations					
Forest Management - Heritage Enhancement		0	950	950	1,900
Forest Productivity for the Future		0	250	0	250
Total	257	264	1,464	1,214	2,678
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	638	2,061	0	0	0
General	15,268	17,877	18,258	18,258	36,516
Natural Resources	15,849	17,201	12,193	11,093	23,286
Game And Fish (Operations)	230	291	1,464	1,214	2,678
Open Appropriations					
Natural Resources	58	63	63	63	126
Statutory Appropriations					
Natural Resources	1,671	1,794	1,531	1,531	3,062
Miscellaneous Special Revenue	6,650	6,371	6,201	6,183	12,384
Federal	3,642	7,850	7,358	7,413	14,771
Gift	7	28	28	28	56

NATURAL RESOURCES DEPT
Program: FOREST MANAGEMENT
Activity: FOREST MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Total	44,013	53,536	47,096	45,783	92,879
<u>Expenditures by Category</u>					
Total Compensation	23,151	25,678	23,929	23,085	47,014
Other Operating Expenses	15,850	20,002	18,107	17,657	35,764
Capital Outlay & Real Property	1,134	5,512	3,486	3,467	6,953
Payments To Individuals	1	2	2	2	4
Local Assistance	3,877	2,342	1,572	1,572	3,144
Total	44,013	53,536	47,096	45,783	92,879
Full-Time Equivalent (FTE)	351.2	351.8	323.5	310.3	

Activity Description

The Department of Natural Resources (DNR) is charged with preventing and suppressing wildfires on 45.5 million acres of public and private land in Minnesota. This activity is the responsibility of the DNR's Division of Forestry. Activity goals include:

- ◆ providing wildfire protection to avoid loss of life;
- ◆ minimizing loss of property and natural resources;
- ◆ responding to fire and natural disaster emergencies in Minnesota and other states; and
- ◆ supporting the effective use of prescribed fire as a natural resource management tool.

Wildfire control efforts under state authority originated in the early 1900s after a series of devastating wildfires destroyed Hinckley, Baudette, Chisholm, and Cloquet. After a severe wildfire season in 1976, the legislature created an open appropriation account to fund emergency fire suppression efforts. Since then, the division worked with the legislature to assure an appropriate balance between direct and open appropriations.

Activity at a Glance

- ◆ protection of 45.5 million acres of land in Minnesota
- ◆ response to an average of 1,780 fires reported to the DNR each year that burn over 41,000 acres
- ◆ oversight of open burning statutes through the issuing of 60,000-70,000 burning permits each year
- ◆ coordination of wildfire response and resource sharing for wildfire suppression in Minnesota and for out-of-state reciprocal assistance via the Minnesota Interagency Fire Center
- ◆ response to wildfire emergencies outside of Minnesota with equipment and trained staff

Population Served

The population served by this activity include:

- ◆ Minnesota citizens, homeowners, landowners and businesses;
- ◆ Minnesota rural fire departments;
- ◆ other state, provincial, and federal agencies as partners in wildfire and other emergency response; and
- ◆ land and natural resources managers.

Services Provided

The DNR's three-part mission to promote economic development, recreational use, and natural resources protection requires fully integrated resource management. The DNR manages for multiple values and shares stewardship responsibility with citizens and partners. This program serves the DNR mission by protecting against the loss of life, property, and natural resources from wildfire and by enhancing the effectiveness of prescribed fire in natural resource management.

- ◆ *Pre-suppression* activities include:
 - ⇒ training firefighters and support personnel;
 - ⇒ developing and maintaining partnerships and mutual aid agreements with other fire protection agencies;
 - ⇒ operating the Minnesota Interagency Fire Center;
 - ⇒ participating in a national interagency fire equipment cache;
 - ⇒ ensuring that specialized heavy ground and aerial suppression equipment are available statewide;
 - ⇒ maintaining an emergency communications network that supports multi-agency response; and
 - ⇒ developing mobilization and dispatch plans.
- ◆ *Suppression* requires trained firefighters, support personnel, and aerial and ground-based equipment. Activities include:
 - ⇒ locating wildfires using aerial patrols, public reports, and lookout towers (i.e., detection);
 - ⇒ pre-positioning fire-fighting resources to shorten response times (i.e., initial attack); and
 - ⇒ controlling the spread of wildfires and minimizing the damage they cause.
- ◆ *Firewise Structures and Communities'* activities include:
 - ⇒ training and supporting homeowners, developers, and communities in practices that reduce the risk of wildfire (e.g., fuel reduction);

NATURAL RESOURCES DEPT

Program: FOREST MANAGEMENT

Activity: FIRE FIGHTING

Narrative

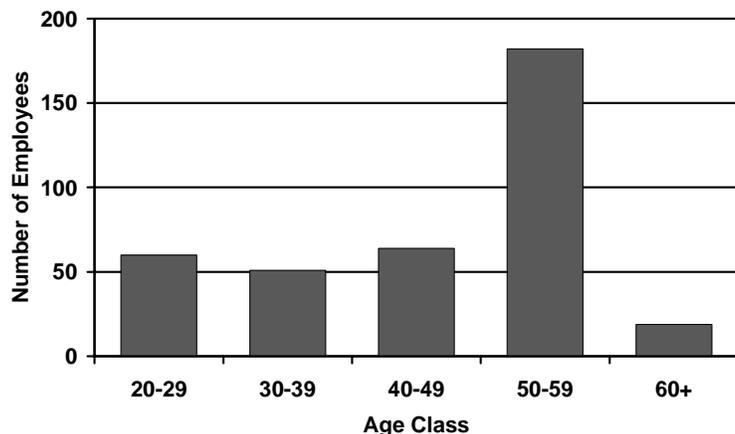
- ⇒ incorporating Firewise principles into K-12 education (e.g., teaching modules for geography and computer science classes); and
- ⇒ increasing fire service communities' use of Geographic Information System technology to assess and respond to wildfire risks.
- ◆ *Prevention* activities include:
 - ⇒ educating children and adults (e.g., Smokey Bear, fire prevention week, school visits);
 - ⇒ regulating open burning (i.e., spring fire restrictions, issuing open burning permits, implementation of internet-based open burning permit system); and
 - ⇒ enforcing state wildfire and open burning laws (M.S. 88).
- ◆ *Emergency response* assistance includes:
 - ⇒ maintaining expertise and interagency qualifications in the National Incident Management System (NIMS); and
 - ⇒ providing assistance in the form of equipment, and NIMS-trained staff in support of other emergency response agencies.
- ◆ *Prescribed burning* helps prepare sites for reforestation; control insects, diseases, and invasive plants; improve wildlife habitat; maintain natural community types; reduce the risk and severity of wildfires; and provide valuable fire suppression training. Activities include:
 - ⇒ planning prescribed fires;
 - ⇒ conducting prescribed fires;
 - ⇒ monitoring and evaluating DNR's prescribed burns; and
 - ⇒ providing training to DNR staff, partner agencies, and organizations involved in prescribed burning.
- ◆ *Rural Community Fire Assistance* helps rural fire departments protect their communities from wildfires through cooperative agreements, training, grants, and contracts. Activities include:
 - ⇒ obtaining federal surplus equipment for local fire departments as part of the Federal Excess Property Program and the new Firefighter Property Program (FPP);
 - ⇒ distributing approximately \$450,000 of state and federal funds per year to small communities (pop. under 10,000) to organize, train, and equip their fire departments for wildfire suppression; and
 - ⇒ providing state surplus wildfire engines to rural fire departments that provide wildfire mutual aid.

Historical Perspective

Firefighting is arduous and hazardous work; heart attacks are the leading cause of wildland firefighter deaths. To maintain the states wildfire suppression capability despite DNR's aging work force and expansion of the wildland-urban interface, DNR will expand use of aircraft, local emergency firefighters, staff overtime, and resources from regional and national partner agencies.

Minnesota's strong reciprocal relationships with state, federal, and provincial partners in wildfire suppression are vital. Maintaining these relationships and sharing resources regionally and nationally will affect the division's other programs. The DNR has managed the increased wildfire threat from the 1999 windstorm in northeastern Minnesota and the expanding wildland-urban interface in part with CL-215 water scooping aircraft and by increasing reliance on partners (e.g., Minnesota National Guard, Superior National Forest, the Provinces of Ontario and Manitoba). In addition, as skilled personnel retire or restrict their physical activities and inexperienced personnel take their places, training must be accelerated.

Age Distribution of Employees
DNR Division of Forestry 2008



NATURAL RESOURCES DEPT

Program: FOREST MANAGEMENT

Activity: FIRE FIGHTING

Narrative

In December 2005, the DNR completed the lease purchase of the two CL-215 aircraft. Use of these aircraft is expanding regionally and nationally, due to the reductions in the availability of large air tankers over the last two years. The department increased its reimbursement costs for use of aircraft to account for accelerated depreciation and increased maintenance costs.

Rural community fire departments have long been reliable partners. However, many rural fire departments are also having difficulty recruiting, training, and retaining personnel. This limits their ability to respond to fires independently in the wildland-urban interface.

Healthy, resilient, and productive forests are fundamental to meeting many goals: water quality, abundant wildlife and plant habitat, accessible recreation resources and sustainable supplies of timber. Recent societal trends, however, are changing the nature of the state's forests and their contribution to Minnesota's quality of life.

- ◆ **Climate change:** Higher temperatures and seasonal shifts in precipitation associated with climate change may increase the frequency and geographic extent of wildfire.
- ◆ **Land ownership changes and development pressure:** As Minnesota's population grows and urban development expands the wildland-urban interface, the demands associated with protecting citizens and their property from wildfire will increase substantially.

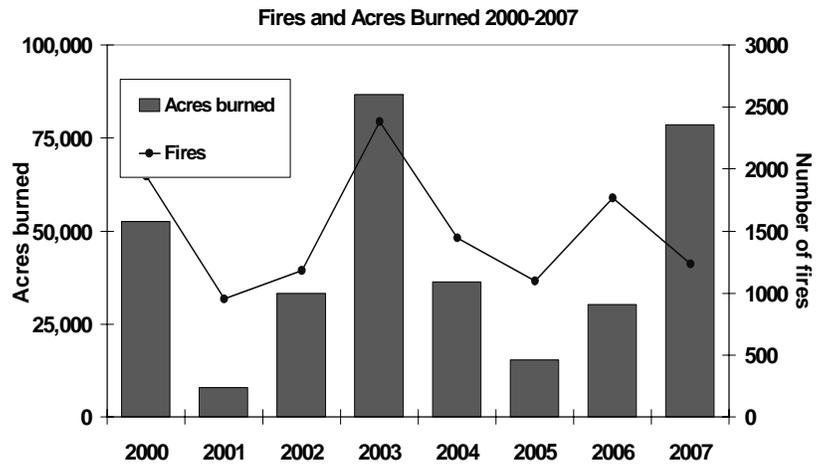
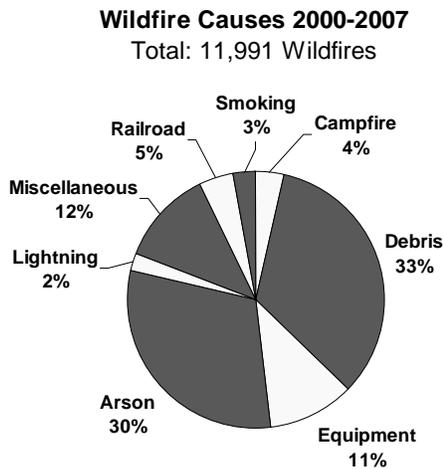
Key Activity Goals

Protecting the lives and property of citizens is the primary goal of this activity. Protecting forests from wildfire is also essential to sustaining the economies of rural communities, supplying biomass for renewable energy production, and maintaining habitat for Minnesota's native plants and animals.

- ◆ Forest product manufacturing is a significant contributor to Minnesota's economy. Rural economies in forested portions of the state rely on raw materials from forests to supply forest products industries and create jobs.
- ◆ Sustainably managed and protected forests can help satisfy increasing demands for renewable energy, help offset greenhouse gas emissions from fossil fuels, and sequester large amounts of greenhouse gases in trees and forest soils, key recommendations of the Minnesota Climate Change Advisory Group (<http://www.mnclimatechange.us/index.cfm>).
- ◆ Protecting older forests from wildfire and using prescribed burning to create and maintain healthy young forests helps maintain the habitats vital to self-sustaining populations of wildlife and plants while enhancing their carbon sequestration potential.

Key Activity Measures

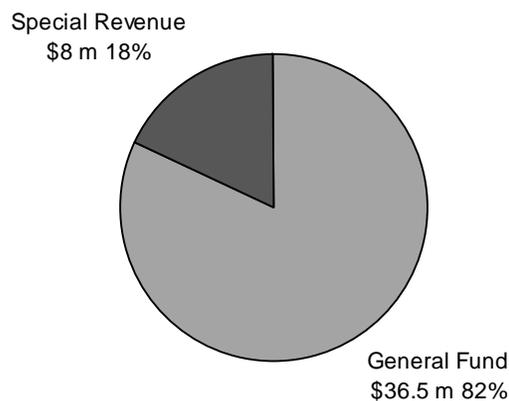
⇒ **Wildfire Protection:** M.S. 88 defines a wildfire as "a fire requiring suppression action, burning any forest, brush, grassland, cropland, or any other vegetative material." The charts below describe the causes, frequency, and size of fires suppressed by the DNR and/or reported to the DNR by other fire departments. Wildfire protection represents a significant workload for the department, but this workload is unpredictable from year to year, as illustrated in the graph below.



Activity Funding

The activity is funded primarily through General Fund appropriations. Of the activity's state expenditures, about 82% are from the General Fund direct and open appropriation. The state receives full reimbursement for personnel or equipment mobilized in support of other states, provinces, or national emergencies.

**FY 2008-2009 Fire Fighting Budgeted Expenditures
\$44.5 million**



NATURAL RESOURCES DEPT

Program: FOREST MANAGEMENT

Activity: FIRE FIGHTING

Narrative

Contact

For additional information, please contact:

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To learn more about this activity, please visit the following websites:

- ◆ Fire management in the DNR at http://www.dnr.state.mn.us/forestry/fire_management.html
- ◆ Wildfires in Minnesota at <http://www.dnr.state.mn.us/forestry/fire/index.html>
- ◆ Protecting your home from wildfire at <http://www.dnr.state.mn.us/firewise/homerisk.html>
- ◆ Wildfire prevention materials for educators at <http://www.dnr.state.mn.us/education/wildfire/index.html>

NATURAL RESOURCES DEPT
Program: FOREST MANAGEMENT
Activity: FIRE FIGHTING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	7,217	7,217	7,217	7,217	14,434
Subtotal - Forecast Base	7,217	7,217	7,217	7,217	14,434
Total	7,217	7,217	7,217	7,217	14,434
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	7,015	7,419	7,217	7,217	14,434
Open Appropriations					
General	12,561	11,000	11,000	11,000	22,000
Statutory Appropriations					
Miscellaneous Special Revenue	2,667	3,344	2,843	2,843	5,686
Total	22,243	21,763	21,060	21,060	42,120
<u>Expenditures by Category</u>					
Total Compensation	10,634	11,912	12,389	12,389	24,778
Other Operating Expenses	11,527	9,739	8,559	8,559	17,118
Capital Outlay & Real Property	10	0	0	0	0
Local Assistance	72	112	112	112	224
Total	22,243	21,763	21,060	21,060	42,120
Full-Time Equivalent (FTE)	178.2	202.6	202.6	202.6	

Activity Description

This activity implements provisions of the Sustainable Forest Resources Act (SFRA), M.S. 89A, for promoting sustainable management and protection of Minnesota's forest resources. Through the SFRA, the legislature created the Minnesota Forest Resources Council (MFRC) as a forum of forest stakeholders for solving problems in forest management and protection collaboratively. The MFRC's primary mission is to advise the governor and federal, state, and local governments on forest policy and practices. The MFRC's initiatives address continuing conflicts between economic, ecological and social values associated with forests by focusing on site-based forest resource practices and landscape-level planning and coordination.

Population Served

Forests occupy one-third of Minnesota and provide a variety of benefits vital to many Minnesota communities, their economies and the natural environment. All Minnesotans, both urban and rural, benefit from forestland's contributions to a vibrant economy, viable communities, and healthy ecosystems. Citizens who reside in forested areas and those who recreate there are especially dependent on the state's forest resources.

Services Provided

DNR's three-part mission to promote economic development, recreational use, and natural resources protection requires fully integrated resource management. The DNR manages for multiple values and shares stewardship responsibility with citizens and partners. This program serves the DNR mission by helping to sustain the environmental, recreational and economic values of forests. The MFRC'S key programs focus on: a) providing policy advice to the governor, legislature and public management agencies; b) developing and promoting science-based best management practices; c) coordinating multi-owner, landscape-level forest resource planning and management; d) assessing the implementation and effectiveness of guidelines; e) assessing current trends and conditions of forest resources; f) supporting relevant forest research; and g) evaluating citizen concerns regarding timber harvesting and forest management practices via the Citizens Concern Registration Program.

Historical Perspective

Large increases in timber harvesting beginning in the 1970s led to intense conflict over forest management in Minnesota in the late 1980s. In response, the Minnesota Environmental Quality Board commissioned a Generic Environmental Impact Statement (GEIS) on Timber Harvesting and Forest Management in 1989. The GEIS evaluated the effects that expanded timber harvesting might have on the state's forest resources and suggested strategies to mitigate potential adverse impacts. In 1995, the Minnesota legislature passed the SFRA, one of the state's most significant forestry laws. The SFRA established policies and programs to ensure sustainable use and management of Minnesota's forests. The SFRA also created the MFRC (M.S. 89A.03), and mandated it to develop and oversee programs to address impacts of timber harvesting and forest management.

Key Activity Goals

The *Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net) recommends promoting sustainable forest practices by building on the accomplishments of the Minnesota Forest Resources Council. The MFRC's voluntary Timber Harvesting and Forest Management Guidelines and periodic reports on their use have been instrumental in protecting many forest values and in demonstrating to stakeholders the sustainability of forest management practices. The DNR has adopted these guidelines for use in all its timber sale operations.

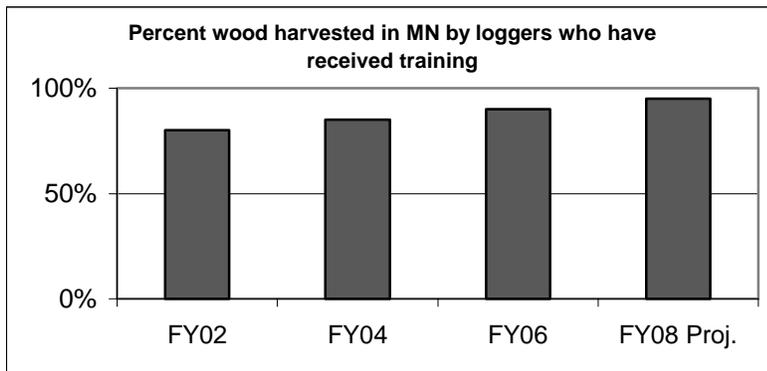
Activity at a Glance

- ◆ Addresses complex forest management issues through collaborative problem solving with the MFRC. The MFRC's 17 members represent a broad spectrum of interests in Minnesota's forests
- ◆ Oversees implementation and monitoring of comprehensive site-level forest management guidelines for sustainable harvest of Minnesota's timber
- ◆ Coordinates long-term forest management across all ownerships in six landscape using common goals
- ◆ Monitors timber-harvesting activity across the state
- ◆ Guides the sustainable management and use of resources that are vitally important to the state's \$6.9 billion forest industry (2006 data) and \$9 billion tourism industry

Continuing the support for monitoring effective implementation of the guidelines and coordinating management among forestland owners is essential for sustaining working forests in Minnesota.

Key Activity Measures

- ◆ **Timber Harvesting and Site-based Forest Management Guidelines:** The MFRC leads and conducts the development, implementation, review and revision of Timber Harvesting and Forest Management Guidelines.

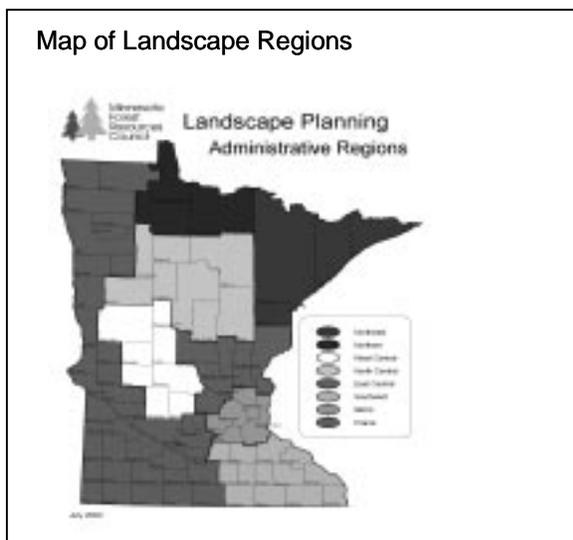


Indicator: Percent of wood harvested by loggers who have received guideline training.

Target: Trained loggers harvest over 95% of Minnesota’s wood.

Additional Target: Promote the use guidelines for sustainable removal of woody biomass from forests and brushlands for energy and monitor their use in forest management activities. These guidelines, the first in the U.S., were published in January 2008.

- ◆ **Landscape-level Planning and Coordination:** The MFRC leads and coordinates the development of landscape-level forest resource plans within six major forested regions of the state.



Indicator: Progress toward the goals of MFRC Landscape plans.

Target: Commitment of resources and coordination among the participating land managers to management actions that further long-term goals.

- ◆ **Forestland Conservation Policy Assessment and Recommendations:** The MFRC assesses policy approaches needed to conserve private forestland in response to unprecedented ownership change, parcelization and development.

Target: Assess trends in forestland parcelization and development in major forest regions, evaluate policy approaches available to address these trends, and make recommendations to the legislature on the most cost-effective approaches.

NATURAL RESOURCES DEPT

Program: FOREST MANAGEMENT

Activity: SUSTAIN RES ACT IMPLEMENTATION

Narrative

Activity Funding

This activity is funded by a \$2 million general fund appropriation with additional project-specific funds from the Blandin Foundation (\$100,000) and Iron Range Resources and Rehabilitation Board (\$50,000). Additional private funds are being pursued.

Contact

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To learn more about the Minnesota Forest Resources Council and its programs, please visit <http://www.frc.state.mn.us/>.

NATURAL RESOURCES DEPT
Program: FOREST MANAGEMENT
Activity: SUSTAIN RES ACT IMPLEMENTATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,020	1,030	1,030	1,030	2,060
Technical Adjustments					
One-time Appropriations			(53)	(53)	(106)
Subtotal - Forecast Base	1,020	1,030	977	977	1,954
Total	1,020	1,030	977	977	1,954
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	943	1,107	977	977	1,954
Statutory Appropriations					
Miscellaneous Special Revenue	0	442	342	342	684
Total	943	1,549	1,319	1,319	2,638
<u>Expenditures by Category</u>					
Total Compensation	468	492	492	492	984
Other Operating Expenses	231	851	621	621	1,242
Local Assistance	244	206	206	206	412
Total	943	1,549	1,319	1,319	2,638
Full-Time Equivalent (FTE)	5.4	6.5	4.0	4.0	

Program Description

The purpose of the Parks and Trails Program is to provide an outdoor recreation system that connects Minnesota residents and visitors to the outdoors, develops new stewards of natural resources, and conserves Minnesota’s scenic, natural, and cultural resources for current and future generations. This program manages Minnesota state parks, recreation areas, state trails, water trails, public water accesses, state forest campgrounds and day use areas.

Population Served

All Minnesota residents and visitors benefit directly or indirectly from a high quality outdoor recreation system. Outdoor recreation opportunities promote a high quality of life, natural resource stewardship, personal health, tourism, and economic development. The Parks and Trails Program serves state park and recreation area users; non-motorized and motorized trail users; and those who access Minnesota’s lakes and rivers to boat, canoe, kayak, or fish.

Services Provided

The Department of Natural Resources (DNR) has three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection. Through integrated resource management, the DNR shares responsibility for the development of recreational and stewardship opportunities with numerous partners that represent multiple interests. Management of the Parks and Trails Program is coordinated through two major program activity areas that serve the overall DNR mission:

- ⇒ **Parks Management:** This program activity manages Minnesota’s state park system, state recreation areas, state forest campgrounds and day use areas. This includes park operations, such as resource management, visitor services, and conservation education; park development and real estate, including land acquisition, archaeology, and emergency maintenance; and public affairs, technology, and planning, including marketing, geographic information systems, merchandise sales, and planning.
- ⇒ **Trails and Waterways Management:** This program activity manages non-motorized and motorized trail recreation and water recreation. Non-motorized and motorized trail recreation provide trail users the opportunity to access and enjoy the outdoors in a safe, responsible manner while protecting sensitive resources and fostering local economic development; and water recreation provides the public with water-based recreational boating, canoeing, kayaking and fishing opportunities and services.

See activity narratives for detailed information.

Program at a Glance

- ◆ Serves thousands of user groups that represent millions of hiking, biking, horseback riding, canoeing, kayaking, boating, fishing, off-highway vehicle and snowmobile riding, and cross-country skiing enthusiasts
- ◆ 74 state park and recreation areas and 8 waysides totaling 226,831 acres.
- ◆ Over 8 million annual state park visitors:
 - 30% of Minnesotans visits a state park each year.
- ◆ 54 state forest campground and day use areas
- ◆ Over 5,000 campsites and 6,381 picnic sites
- ◆ 4,350 miles of water trails on 30 rivers and the North Shore of Lake Superior
- ◆ 1,585 public water accesses
- ◆ 3,562 miles of trails, including:
 - 1,250 miles on 21 State Trails
 - 1,227 miles of State Park Trails
 - 1,085 miles of State Forest Trails

Historical Perspective

New Division Focused on Outdoor Recreation Management: DNR must position itself for the future and respond to major social and economic trends, such as declining outdoor recreation participation. To strengthen capacity to adapt to change, DNR recently created an integrated Parks and Trails division. This combines two separate divisions – Parks and Recreation, and Trails and Waterways – that share goals for promoting and developing outdoor recreation opportunities. The integrated division will give DNR an enhanced ability to target efforts to provide high-quality recreation opportunities and ultimately build new stewards through outdoor experiences.

Environmental and Societal Trends

The new Division of Parks and Trails will more effectively address critical drivers of change, including:

- ⇒ **Changes in Outdoor Participation.**
- ⇒ **Growing Demands Related to Renewable Energy and Climate Change.**
- ⇒ **Landscape Changes and Loss of Open Space.**

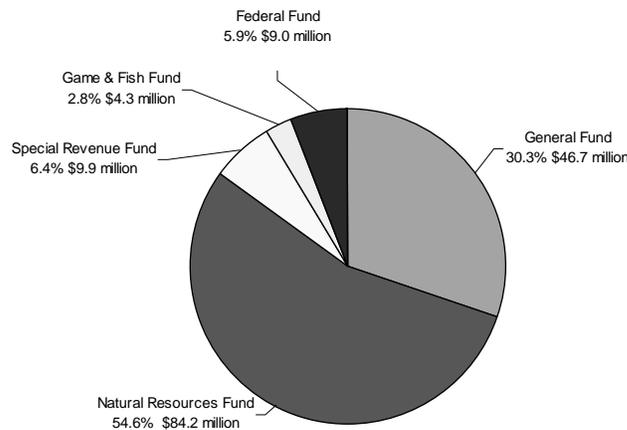
Key Program Goals

Parks and Trails Program goals reflect DNR’s mission and are consistent with other statewide goals such as Minnesota’s 2008-2012 *State Comprehensive Outdoor Recreation Plan (SCORP)*. (<http://www.dnr.state.mn.us/aboutdnr/reports/scorp/index.html>). See the Parks and the Trails and Waterways activity sections for more specific program goals.

Key Program Measures

DNR uses a range of performance measures to assess its programs in managing parks and trails opportunities and services. See activity sections for specific measures related to program activities. For a more complete set of performance measures with detailed descriptions, please see the DNR’s *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress Toward Mission* (mndnr.gov/conservationagenda/index.html). See Parks and Trails activity sections for more specific trend descriptions and detailed performance measures.

**FY 2008-09 Parks and Trails Budgeted Expenditures
\$154.2 Million**



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NATURAL RESOURCES DEPT

Program: PARKS & TRAILS PROGRAM

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	23,271	23,581	23,581	23,581	47,162
Technical Adjustments					
Approved Transfer Between Appr			(23)	(23)	(46)
One-time Appropriations			(350)	(350)	(700)
Pt Contract Base Reduction			(1)	(1)	(2)
Subtotal - Forecast Base	23,271	23,581	23,207	23,207	46,414
Total	23,271	23,581	23,207	23,207	46,414
Natural Resources					
Current Appropriation	40,231	42,121	42,121	42,121	84,242
Technical Adjustments					
One-time Appropriations			(800)	(800)	(1,600)
Subtotal - Forecast Base	40,231	42,121	41,321	41,321	82,642
Governor's Recommendations					
Outdoors Minnesota		0	470	470	940
Water Recreation Program		0	1,400	1,400	2,800
Total	40,231	42,121	43,191	43,191	86,382
Game And Fish (operations)					
Current Appropriation	2,119	2,194	2,194	2,194	4,388
Subtotal - Forecast Base	2,119	2,194	2,194	2,194	4,388
Total	2,119	2,194	2,194	2,194	4,388
Parks And Trails Fund					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
Parks and Trails Grants		0	4,128	8,616	12,744
State Parks and Trails Legacy		0	6,536	13,642	20,178
Total	0	0	10,664	22,258	32,922
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	922	1,869	0	0	0
General	22,424	24,274	23,207	23,207	46,414
Minnesota Resources	104	113	0	0	0
Natural Resources	39,264	45,752	43,191	43,191	86,382
Game And Fish (Operations)	1,262	3,051	2,194	2,194	4,388
Parks And Trails Fund	0	0	10,664	22,258	32,922
Open Appropriations					
Natural Resources	384	721	470	470	940
Statutory Appropriations					
Natural Resources	245	720	440	440	880
Miscellaneous Special Revenue	5,687	6,217	5,811	5,811	11,622
Federal	3,048	4,396	4,410	4,378	8,788
Gift	183	434	160	160	320
Total	73,523	87,547	90,547	102,109	192,656

NATURAL RESOURCES DEPT

Program: PARKS & TRAILS PROGRAM

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Category</u>					
Total Compensation	35,437	37,655	41,272	44,128	85,400
Other Operating Expenses	22,483	26,296	28,336	32,586	60,922
Capital Outlay & Real Property	3,559	7,290	3,219	3,219	6,438
Local Assistance	12,034	16,296	17,711	22,167	39,878
Other Financial Transactions	10	0	0	0	0
Transfers	0	10	9	9	18
Total	73,523	87,547	90,547	102,109	192,656
<u>Expenditures by Activity</u>					
Parks & Recreation	40,826	43,694	50,024	58,065	108,089
Trails & Waterways	32,697	43,853	40,523	44,044	84,567
Total	73,523	87,547	90,547	102,109	192,656
Full-Time Equivalents (FTE)	581.2	588.9	624.5	677.1	

Activity Description

The purpose of the this activity is to provide a state park system that preserves and manages Minnesota's scenic, natural, and cultural resources for current and future generations while providing appropriate recreational and educational opportunities for the public (M.S. 85 and M.S. 86A). This activity also manages state forest campgrounds and day use areas. This activity is the responsibility of the Department of Natural Resources' (DNR's) new Parks and Trails Division.

State parks serve as a gateway for connecting people with the outdoors. The Minnesota State Legislature established the Minnesota State Park System, which contains some of the state's most spectacular scenic, natural, and cultural resources. Minnesota was the second state in the U.S. to recognize the importance of a state park system when it established Itasca State Park in 1891. This was done to ensure that citizens would have places in perpetuity to experience nature at its best, learn about the importance of the natural world, and have a safe and fun outdoor recreational experience.

Activity at a Glance

- ◆ 74 state park and recreation areas and eight state waysides totaling 226,831 acres
- ◆ 54 state forest campground and day use areas
- ◆ over 5,000 individual campsites, 218 horse campsites, 68 group campsites, over 1,250 miles of trail, 6,381 picnic sites, 36 swimming beaches, 33 fishing piers, 322 miles of road, and more than 1,600 buildings
- ◆ over eight million recorded visits and \$15.68 million in annual revenue generated

Population Served

All Minnesota residents and visitors benefit directly or indirectly from a high quality state park system. In any given year, about 1.3 million Minnesotans participate in state park activities. They make up more than eight million recorded visits to state parks and state recreation areas. Out-of-state guests, who bring in new money to the state, represent 16% of these visits. In addition, the DNR's state park system benefits out-of-state visitors, communities, the economy, and the environment. The state park system provides safe, healthy recreation opportunities to the public, as well as places to learn about and enjoy a natural environment, relax, and escape the stresses of modern day life. Communities located near parks gain a sense of community pride, a better understanding of their natural environment, a greater appreciation for what makes their community a special place to live and work, and increased local business activities that support park visitors and park operations. Economic benefits are generated by increased employment opportunities that strengthen economic vitality within communities. Environmental benefits include a protected and restored natural landscape that supports clean water and provides habitat for a significant number of rare native plant and animal species.

Services Provided

DNR's has a three-part mission based on the interrelated values of economic development, recreational use, and natural resources protection. Integrated resource management has been the DNR's strategy to share stewardship responsibility with residents and partners as we manage for multiple interests. The Parks Management Activity serves the mission of the DNR through three major program areas comprised of a variety of activities, which in combination provide gateway experiences to connect people with the great outdoors.

Park Operations – This program area provides for policy development and compliance, customer service, park maintenance, equipment management, interdisciplinary activities, local government contacts, budget management, law enforcement and emergency response, public relations, and personnel management.

⇒ **Resource Management** – This activity provides direction and technical expertise for the department in protecting, restoring and managing natural and cultural resources on state park lands.

⇒ **Visitor Services** – This activity provides for a range of recreational opportunities and services for park visitors that includes a variety of trails, day use facilities, and overnight accommodations.

NATURAL RESOURCES DEPT

Program: PARKS AND TRAILS PROGRAM

Activity: Parks Management

Narrative

Interpretive Services and Conservation Education – This activity provides information, interpretive services and environmental education for park visitors, communities, and schools to increase their understanding and appreciation of natural and cultural resources, learn outdoor skills, examine environmental issues, and provides for enhanced recreational opportunities.

Park Development and Real Estate – This program activity is responsible for all capital improvements, determining infrastructure needs, securing funds from the legislature, designing and building park structures and facilities, complying with the Americans with Disabilities Act (ADA), rehabilitation and maintenance of facilities, and completing acquisition and real estate transactions.

⇒ **Land Acquisition** – This activity provides all the services necessary to evaluate statutory boundaries, determine legal boundary descriptions, acquire, transfer or dispose of land, and maintain land records for the Division.

⇒ **Archaeology** – This activity conducts archaeological investigations and interpretations of all state park sites and projects as required by state and federal law.

⇒ **Emergency Maintenance** – This activity provides immediate help in the event of natural and man-made disasters such as floods, storms, forest fires, and accidents.

Public Affairs, Information Technology, and Planning – This program activity manages all public affairs, completes comprehensive and strategic park and recreation area planning, completes environmental review, develops marketing plans, produces a variety of brochures, and manages information technology.

⇒ **Marketing** – This activity creates, communicates and delivers value to customers, and manages customer relationships in ways that benefit stakeholders and supports organizational goals. As a part of this, marketing provides research and development (R&D) for products and assesses consumer trends to aid in organizational planning.

⇒ **Management and Geographic Information Systems** – This activity provides the hardware and software for all state park computerized functions and the comprehensive management of all state park information, desktop support, Geographic Information System (GIS) surveys, and mapping services.

⇒ **Merchandise** – The merchandise activity provides high quality products and gifts for sale in state park nature stores and generates revenues for resource and education programs.

⇒ **Planning** – The planning activity develops the Division strategic plan, comprehensive master plans and plan amendments, and performs environmental review, park research, surveys, and prepares special reports and projects.

Historical Perspective

In 1891, the legislature created Itasca State Park to preserve the Mississippi River headwaters region with its old growth red and white pine. In 1895, Interstate Park (Minnesota/Wisconsin) became the first interstate park in the country. Since that time, the system has grown to include 74 state parks and recreation areas, 54 state forest campgrounds and day use recreation areas, and eight state waysides. The most significant growth in the state park system occurred through a series of punctuated state park additions: in 1937, when 10 parks were added across the state; 20 years later, in 1957, five more parks were added to the system, including four along the North Shore; and in 1963, when another 11 parks were added to the park system.

Environmental and Societal Trends

Recent societal trends are changing the nature of the state's natural resources and their contribution to Minnesota's quality of life. DNR's Parks and Trails Program works to address critical drivers of change, including:

- ⇒ **Changes in Outdoor Participation:** Given recent changes in outdoor recreation participation, there is a concerted effort to increase public engagement in the outdoors by providing new, gateway experiences to Minnesota's great outdoors. Hundreds of programs and activities are provided to build outdoor recreation skills, enhance stewardship of the environment, and support enjoyable outdoor recreation opportunities. The use of technology is becoming increasingly important in supporting the delivery of these services – enhanced websites with downloadable GPS waypoints, geocaching, touch screens for interactive information and education, and WiFi accessibility at Itasca State Park are examples of how the Division is striving to meet these new needs. There is also an increased focus on the recruitment of youth and non-traditional users of the state park system. Focus group, visitor and household survey results are guiding efforts to meet the changing expectations of user groups, such as providing more outdoor amenities, rental equipment, virtual tours, and gathering places.
- ⇒ **Growing Demands Related to Renewable Energy and Climate Change:** Climate change may impact the department's ability to restore native plant and animal communities and to protect rare, threatened and endangered species. Shorter winters and less reliable snowfall may mean reduced opportunities for winter activities like skiing and snowmobiling, but also possibly longer seasons for camping and other warm weather activities. State parks offer close to home recreation for all Minnesotans – state parks are distributed across the state such that there is a state park located within 50 miles of almost every Minnesotan. Park facilities are being made more energy efficient as well, from small things like replacing incandescent light bulbs with compact fluorescents to efforts such as providing electric vehicles for use by state park maintenance staff and the addition of a wind turbine and geothermal energy at Camden State Park's remodeled office.
- ⇒ **Landscape Changes and Loss of Open Space:** State parks provide for the protection and restoration of original landscapes throughout the state. Resource management efforts continue to protect and manage species in greatest need for conservation. State parks also demonstrate to the public best management practices for shorelines and landscapes, control of invasive species, and contribute to Clean Water Legacy efforts. State parks will be increasingly valued in the future because of the natural landscape that people seek for physical, mental, and spiritual renewal.

Key Activity Goals

Key activity goals can be found in the *Minnesota State Parks Strategic Plan 2006-2011* (mndnr.gov/parks_recreation/sp_strategic_plan.pdf) and include the following:

- ◆ protect and restore the natural and cultural resources of the state;
- ◆ increase participation and engagement in the state park system and maintain high visitor satisfaction among visitors to the system; and
- ◆ provide interpretive programs that enhance park visitor experiences and encourage stewardship of natural resources.

This activity also addresses the leading habitat protection recommendation contained in the LCCMR's *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net), which is to "Protect Priority Land Habitat." The plan specifically recommends continued support for ongoing programs such as acquisition of 54,000 acres of private land within the statutory boundaries of state parks. Acquisition of these lands should remain a high priority because they reduce fragmentation and add to the concept of maintaining large ecosystems in the state.

The Parks Management activity also supports Minnesota's outdoor recreation policy plan, *Adapting to Change: Minnesota's 2008-2012 State Comprehensive Outdoor Recreation Plan*

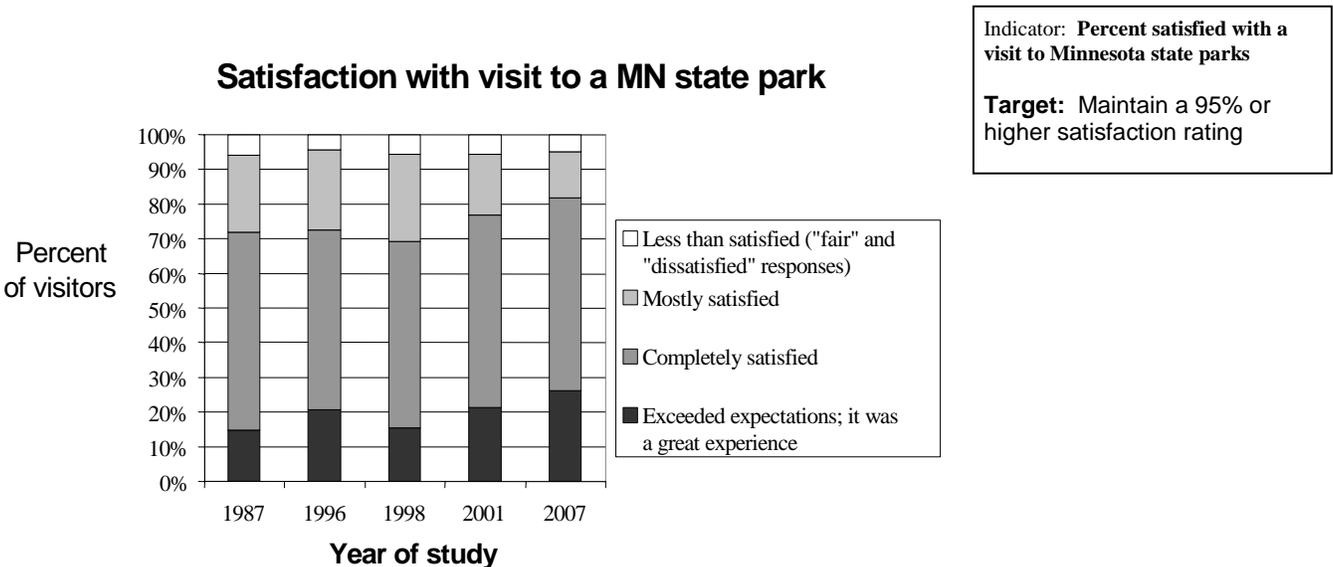
(mndnr.gov/aboutdnr/reports/scorp/index.html), which establishes a goal of increasing participation in outdoor recreation by all Minnesotans and visitors. This program supports the following four strategies of the plan:

- ◆ acquire, protect, and restore Minnesota’s natural resource base, on which outdoor recreation depends;
- ◆ develop and maintain a sustainable and resilient outdoor recreation infrastructure;
- ◆ promote increased outdoor recreation participation through targeted programming and outreach; and
- ◆ evaluate and understand the outdoor recreation needs of Minnesotans and the ability of Minnesota’s natural resources to support those needs.

Key Activity Measures

The DNR’s *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html) includes several management principles that are intended to guide the work of the department and describes program efforts to achieve customer service, resource management, cultural and historic preservation, and interpretive service goals within the state park system. State park staff use a range of performance measures to assess its progress in managing parklands and facilities to achieve sustainable management objectives and to provide safe, high-quality recreation services for all citizens.

⇒ **Visitor Satisfaction:** State parks are an integral part of Minnesota’s high quality of life. In 2007, the DNR and the University of Minnesota conducted a joint visitor satisfaction survey. Last year, customer satisfaction was at its highest level since the measure was first recorded.



⇒ **Resource Management:** State park staff protects, manage, and restore pre-settlement natural features, plants, and animals. Over 280 federal or state endangered or threatened or species of special concern occur in old growth forest, and they also support more than 80 types of important native plant communities. Prescribed fire, control of invasive plant species, reconstruction of native plant communities, repair of visitor impacts and other types of active management are required to insure that important natural features on state park lands are maintained.

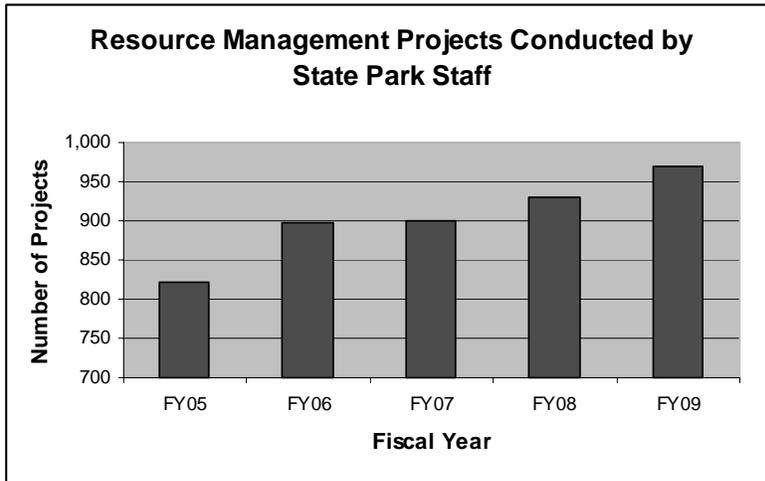
- ◆ **Resource management projects conducted by state park staff:** State park staff has committed approximately 34,000 to 42,000 hours annually to accomplish these resource management projects.

NATURAL RESOURCES DEPT

Program: PARKS AND TRAILS PROGRAM

Activity: Parks Management

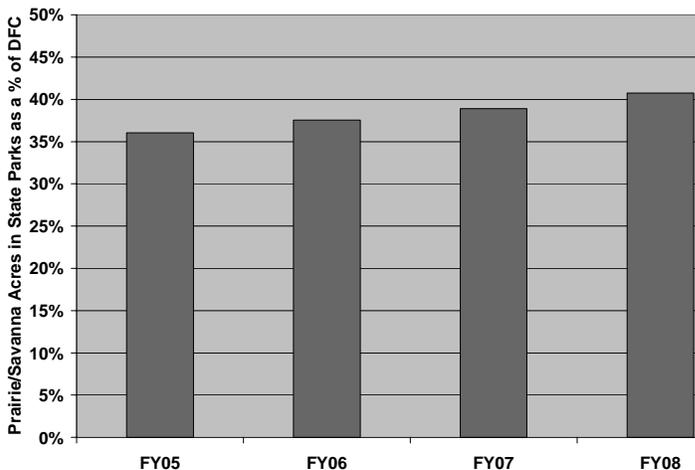
Narrative



Indicator: Number of resource management projects conducted annually by park staff.

Target: Conduct 970 resource management projects in state parks – an average of over 12 projects per park for FY 2009.

- ◆ **Prairie/savanna restoration in state parks:** State parks currently contain 11,478 acres of remnant or restored prairie or savanna. A unit-by-unit analysis by state parks resource specialists showed that there is approximately 16,706 acres yet to be restored. Based on this evaluation, the desired future condition for prairie and savanna in state parks is a total of 28,184 acres in 43 state park units.



Indicator: Acres of prairie or savanna (remnant & restored) as percent of the desired future condition (DFC) for prairie/savanna in state parks.

Target: Plant an additional 460 acres of prairie or savanna in FY 2009, bringing the total in state parks to 11,938 acres.

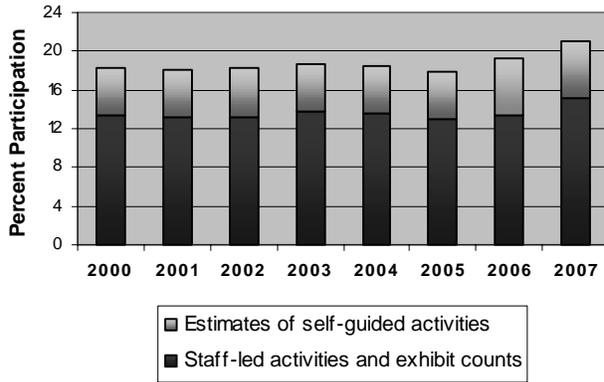
- ⇒ **State Parks Historic Features:** DNR has the statutory responsibility to protect historic properties listed on the National and State Registers. Of the 1,600 total buildings in the state parks system, 369 (23%) are historic buildings or buildings located within the 34 National Register Historic Districts. In addition, the state parks system contains 251 historic structures and objects and five National Historic Landmarks.

Indicator: Maintenance and restoration of historic buildings, structures, and districts within state parks.

Target: Direct 10% of the capital investment for state parks in each biennium to National Register buildings, structures, and districts within state parks and state recreation areas.

- ⇒ **Outdoor Education:** Education services in state parks reach 1.5 million visitors annually. State park staffs provide educational programs interpreting Minnesota’s natural and cultural resources for the public. One in five park visitors participate in an educational or interpretive activity. Outdoor education promotes stewardship of Minnesota’s resources, offers a low-key enforcement tool, and promotes understanding of and support for DNR’s programs, key messages, and management decisions. For more than 60 years, state parks have offered interpretive facilities and hands on educational experiences.

Percent Participation in Parks Education and Interpretive Activities



Indicator: Percent participation in parks education and interpretive activities.

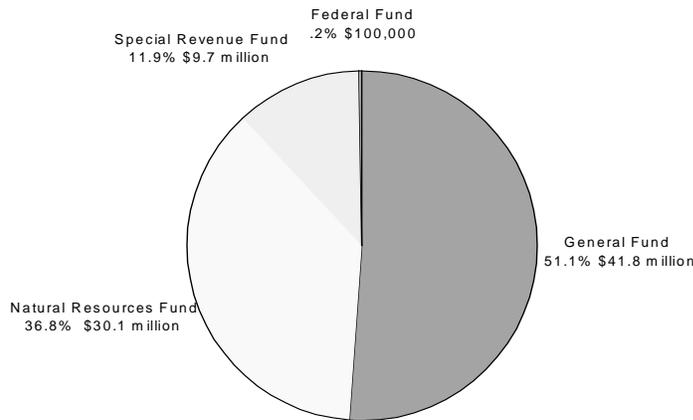
Target: Maintain at least 18 percent participation level of park visitors in outdoor education and interpretive opportunities.

It is anticipated that total education program attendance will increase in calendar year 2008 by 5-10% due to new conservation education funding for interpretive interns and seasonal naturalists and the addition of Sesquicentennial of Statehood events.

Activity Funding

Parks management generated a total of \$15.68 million in FY 2008. General Fund revenue totaled \$1.07 million in FY 2008. The dedicated account collected \$9.7 million of the revenue total in FY 2008. This was a slight decrease from FY 2007 due to the closing of revenue operating facilities at Whitewater State Park due to the flood in August 2007.

FY 2008-09 Parks Management Budgeted Expenditures \$81.7 Million



NATURAL RESOURCES DEPT

Program: PARKS AND TRAILS PROGRAM

Activity: Parks Management

Narrative

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NATURAL RESOURCES DEPT
Program: PARKS & TRAILS PROGRAM
Activity: PARKS MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	20,733	21,063	21,063	21,063	42,126
Technical Adjustments					
Pt Contract Base Reduction			(1)	(1)	(2)
Subtotal - Forecast Base	20,733	21,063	21,062	21,062	42,124
Total	20,733	21,063	21,062	21,062	42,124
Natural Resources					
Current Appropriation	14,631	15,256	15,256	15,256	30,512
Subtotal - Forecast Base	14,631	15,256	15,256	15,256	30,512
Governor's Recommendations					
Outdoors Minnesota		0	235	235	470
Total	14,631	15,256	15,491	15,491	30,982
Parks And Trails Fund					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
Parks and Trails Grants		0	4,128	8,616	12,744
State Parks and Trails Legacy		0	3,268	6,821	10,089
Total	0	0	7,396	15,437	22,833
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	7	0	0	0	0
General	20,321	21,441	21,062	21,062	42,124
Natural Resources	14,484	15,636	15,491	15,491	30,982
Parks And Trails Fund	0	0	7,396	15,437	22,833
Open Appropriations					
Natural Resources	73	110	110	110	220
Statutory Appropriations					
Natural Resources	0	2	2	2	4
Miscellaneous Special Revenue	5,626	6,061	5,741	5,741	11,482
Federal	166	106	102	102	204
Gift	149	338	120	120	240
Total	40,826	43,694	50,024	58,065	108,089
<u>Expenditures by Category</u>					
Total Compensation	25,207	26,799	28,611	30,039	58,650
Other Operating Expenses	14,901	16,451	17,285	19,410	36,695
Capital Outlay & Real Property	698	394	0	0	0
Local Assistance	10	50	4,128	8,616	12,744
Other Financial Transactions	10	0	0	0	0
Total	40,826	43,694	50,024	58,065	108,089
Full-Time Equivalent (FTE)	434.3	432.9	439.7	465.4	

Activity Description

This activity provides non-motorized and motorized trail recreation, and water-based recreational boating and fishing opportunities and services. This activity is the responsibility of the Department of Natural Resources (DNR) Parks and Trails Program.

It supports the DNR's non-motorized trail-related activities, primarily on state trails and within state forests. It is also provides motorized trail users opportunities to access and enjoy the outdoors in a safe, responsible manner while protecting sensitive resources and fostering local economic development.

Water recreation activities provide the public with access (M.S. 97A.141) to lakes, streams, river corridors, and designated canoe and boating routes (M.S. 85.32) for boaters, anglers, paddlers, and other users. Small craft harbors (M.S. 86A20-24) on Lake Superior provide access for trailered boats and a protected harbor, which provides small craft refuge from sudden storms.

Population Served

The users served by this activity include: Bicyclists and mountain bicyclists; Hikers, walkers and joggers; In-line skaters; Horseback riders; Cross-country skiers; Hunters and anglers; Bird-watchers and other wildlife watchers; Snowmobile riders; All-Terrain Vehicles (ATV) riders; Off-Highway Motorcycles (OHM) riders; Off-Road Vehicles (ORV) riders; Boaters; Canoeists; Kayakers; and those who fish or wish to access Minnesota's lakes and rivers.

Services Provided

The DNR's three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection, requires a fully integrated approach to conservation. Integrated resource management is the DNR's strategy to share stewardship responsibility with citizens and partners as we manage for multiple interests. This activity serves the DNR mission by providing safe, healthy outdoor recreation opportunities. The services provided by this activity include:

- ◆ operation and maintenance of state trails and state forest trails;
- ◆ acquisition and development of state trails;
- ◆ trail planning and user surveys;
- ◆ evaluation and designation of motorized and non-motorized trails in state forests
- ◆ maintenance and monitoring of trails in state forests;
- ◆ operation of Iron Range OHV recreation areas;
- ◆ volunteer river cleanup opportunities through the Adopt-a-River program;
- ◆ development and distribution of public information materials (e.g., maps, brochures, interpretive information, GIS information, etc.);
- ◆ distribution of grants to local units of government and financial assistance through the Cooperative Trails Grant Program (local trail connections, regional trails, and national recreation trail grants [SAFETEA-LU]);
- ◆ boat access and fishing sites, conducted in partnership with local units of government;
- ◆ development, operation and maintenance of water trails on Minnesota rivers and Lake Superior; and
- ◆ Lake Superior small craft harbors.

Activity at a Glance

- ◆ 1,250 miles of State Trails, including 554 miles of paved State Trails
- ◆ 98 additional miles of state trails are projected to be paved by the end of FY 2011
- ◆ 1,085 miles of trails in State Forests:
 - 390 miles for hiking
 - 275 miles for equestrian use
 - 250 miles for mountain biking
 - 170 miles for cross-country skiing
- ◆ 4,350 miles of Water Trails on 30 rivers and the North Shore of Lake Superior
- ◆ 1,585 Public Water Accesses
- ◆ 340 fishing piers and shore fishing sites.
- ◆ Over 500 miles of shoreline cleaned annually through the Adopt-A-River Program
- ◆ 287 grants to local units of government
- ◆ 251,000 registered snowmobiles
- ◆ 264,000 registered All-Terrain Vehicles (ATVs)
- ◆ Minnesota ranks first in the nation for number of boats per capita (one boat for every six people)
- ◆ Minnesota ranks third in the nation for total boats registered (866,000)

Historical Perspective

This activity addresses major trends facing the DNR, including:

- ⇒ **Changes in outdoor recreation participation:** While Minnesotans tend to be relatively active outdoors, our outdoor recreation participation rates have generally decreased in recent years, which corresponds to national trends. Two noted exceptions are increased participation in all-terrain vehicle (ATV) use and kayaking. Canoe and kayak registrations combined increased 5.5% from 2003-2007. Kayak registrations have shot up 68% and four new water trails (for a total of 530 river miles) have been designated during that same time period. Canoe and kayak user groups have expressed a need for more technologically advanced maps and increased real-time river level gage interpretation in order to more safely plan their paddling trips. ATV use has been steadily increasing in recent years. A recent DNR study, "Ten year forecast of Minnesota adult outdoor recreation participation 2004-2014" predicts a 252% increase in ATV riding during that time period. This trend of increase demand has led to a forest road and trail classification effort from 2003-2008. The resulting designation plans in conjunction with on-going maintenance and monitoring efforts will help meet the needs of the future. Some areas of the state the DNR is pursuing permanent easements, especially in landscapes facing development pressures. These efforts will help meet increasing ATV use demands, while continuing to provide a variety of non-motorized recreational opportunities in state forests, such as hiking, cross-country skiing, horseback riding, and mountain biking. Another good example of the balance between motorized and non-motorized trail uses are snowmobile trails that serve as hiking trails in the summer.

The DNR's state trails and waterways are important "gateways" for the public to connect with natural resources. State trails are located in, or connect to, the majority of larger cities within Minnesota, providing close-to-home recreational opportunities to a diverse, and increasingly urban, population. In addition, outdoor recreation studies are being conducted to determine the type and quantity of recreation activities on public forestlands as well as the characteristics, experiences, and opinions of visitors to the Foot Hills, Land O'Lakes, and Finland forest areas.

Minnesota ranks third in the nation for total boats registered (866,000) and first in the nation in the number of boats per capita (one boat for every six people). Overall boat registrations have increased about 30% over the last 20 years. The amount or quantity of boating use has been relatively stable over time despite this increase in boat registrations. Public access is becoming a greater asset that serves all lake interests, including lakeshore owners and commercial boating-related interests. Minnesota boating studies indicate that public access is serving a broader boating-activity market and is no longer aligned with the single activity of fishing. Boating equipment is also trending to larger, more powerful, and more substantial watercraft, causing many small, private accesses to be inadequate or unusable. The DNR continues to deliver additional facilities, programs and services to meet the changing demands and needs of the public

- ⇒ **Growing demands related to renewable energy and climate change:** DNR is implementing energy efficiency measures and demonstrating renewable energy technologies in its facilities, such as the use of solar panels in facility development. Trails and Waterways activities will encourage opportunities to help address the need to reduce transportation petroleum consumption. By working with communities through the local and regional grant program, trails can provide a connection between residential areas and schools, shopping areas, and other areas of community interest, offering alternative transportation opportunities.
- ⇒ **Landscape changes from population growth and development:** State trails provide natural corridors within changing and developing landscapes, aiding in the conservation of natural areas and promoting nature landscape connections between neighborhoods, communities, and cities. The use of best management practices on trails, such as through restoration of native plant communities, water retention, or control of invasive species, demonstrates the importance of protecting and managing natural areas within an extensive trail system for the use and enjoyment of all Minnesotans. Public water accesses throughout the state are ideal locations for the DNR to demonstrate quality shoreline management and stormwater management practices, and to educate the public on these issues through informational kiosks.

NATURAL RESOURCES DEPT

Program: **PARKS & TRAILS**

Activity: **Trails and Waterways Management**

Narrative

Key Activity Goals

Minnesotans and out-of-state visitors have access to the outdoors through a network of trails that accommodate outdoor recreational activities such as biking, hiking, walking, skiing, in-line skating, horseback riding, snowmobiling, ATV and OHM, and ORV riding; and through a network of access to lakes and rivers that accommodate outdoor recreational activities such as boating, canoeing, kayaking, and fishing. Year-around recreation opportunities help support Minnesota's quality of life and its regional economies. Developing and sustaining a diverse trail system helps the DNR meet the needs of a variety of trail user populations. Monitoring and maintaining the newly implemented trail systems in state forests will be important in assessing the sustainability of the trails, while also balancing the needs of trail users (forest recreation) and resource management.

DNR will continue to acquire and develop authorized state trails as directed by available funding and continue to maintain or restore native vegetation along state trail rights-of-ways through native plantings, prescribed burns, and actively controlling invasive species. This program supports the recommendations of the Minnesota Climate Change Advisory Group to expand transit, bicycle, and pedestrian infrastructure (<http://www.mnclimatechange.us/index.cfm>).

This activity also helps address several of the habitat protection recommendations contained in the Legislative-Citizen Commission on Minnesota Resources (LCCMR's) *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net) including:

- ◆ Protect critical shorelands of streams and lakes; and
- ◆ Improve access to outdoor recreation.

Key Activity Measures

Currently, there are 1,250 miles of state trails providing recreation opportunities for hikers, bicyclists, in-line skaters, horseback riders, and cross-country skiers, as authorized by M.S. 84.029, M.S. 85.015 and M.S. 86A.04. In 2001, management responsibility of state forest trails was transferred from the DNR Division of Forestry to the Division of Trails and Waterways, which is now part of the Division of Parks and Trails. Trails that were developed early in the history of the state trail program are in need of rehabilitation. Trail rehabilitation generally has been funded through the capital budget.

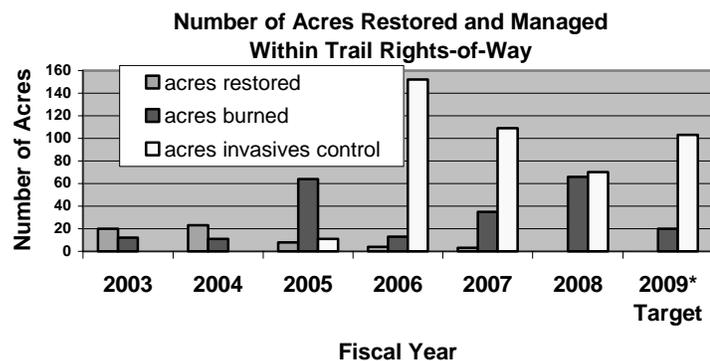
DNR works with local trail associations, trail user groups, and communities to plan, acquire, develop, and manage the entire state trail system. Not all trails accommodate every use; 554 miles are paved to accommodate bicycle use, of which 475 miles are asphalt and 79 miles are surfaced with crushed aggregate... For detailed descriptions of the following measures, see the DNR's *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html).

NATURAL RESOURCES MANAGEMENT

Indicator: Number of acres of natural vegetation restored and managed within trail rights-of-way.

Target: Restoration work projected for FY 2009:

- ◆ 3 acres prairie restoration
- ◆ 103 acres invasive species control
- ◆ 20 acre prescribed burn



NATURAL RESOURCES DEPT

Program: PARKS & TRAILS

Activity: Trails and Waterways Management

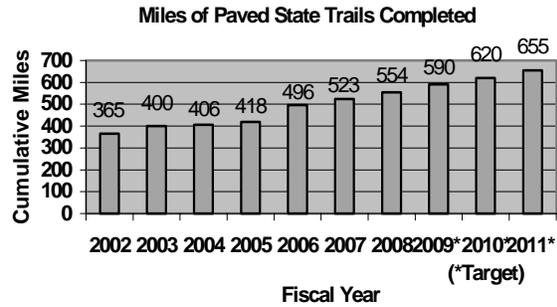
Narrative

BIKE TRAIL DEVELOPMENT

Indicator: Miles of paved trail completed and open to the public for bicycle use.

Target: Develop 98 miles of new paved trail by the end of FY 2011:

- ◆ 30 miles of Paul Bunyan State Trail
- ◆ 9 miles of Cuyuna Lakes State Trail
- ◆ 15 miles of Gitchi Gami State Trail
- ◆ 11 miles of Root River State Trail
- ◆ 5 miles of Blufflands State Trail
- ◆ 4 miles of the Goodhue Pioneer State Trail
- ◆ 3 miles of the Mill Towns State Trail
- ◆ 10 miles of the Great River Ridge State Trail
- ◆ 4 miles of the Shooting Star State Trail
- ◆ 5 miles of Casey Jones State Trail
- ◆ 2 miles of the Blazing Star State Trail



CROSS COUNTY SKI TRAIL DEVELOPMENT AND MAINTENANCE

Indicator: Miles of Grant-In-Aid (GIA) Cross-Country Ski Trails.

Target: Administer the Grant-In-Aid program consisting of 700 miles of ski trails statewide so as to sustain its integrity. The program is made up of 40 trail systems maintained and groomed by local clubs and communities.

MOTORIZED TRAIL DEVELOPMENT AND MAINTENANCE

Indicator: Total Miles of Department of Natural Resources Trails.

Target: DNR develops and maintains trails to meet the growing demand for motorized recreational trails.

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Bicycle (St.Tr /St. Forest)	400 / 0	411 / 0	420 / 0	498 / 0	520 / 0	570 / 0
Mountain Bike	400 / 1467	411/1447	420/1447	498 / 1369	566 / 1124	566 / 1128
Hike	400 / 1457	411/1447	420/1447	498/1369	566/1124	566/1128
Equestrian	69 / 942	250 / 542	449 / 542	469 / 542	469 / 542	469 / 542
Ski	87 / 789	87 / 702	87 / 702	87 / 702	87 / 702	87 / 743
DNR-Snowmobile	1,015/ 1,120	1,015/ 1,120	1,015/ 1,120	1,015/ 1,120	1,015/ 1,120	1,015/ 1,120
DNR-ATV/OHM only		0/134	0/140	0/362	0/687	0/715
DNR-Trail-ATV only	0/263	6/155	6/160	6/250	6/180	6/180
DNR-Trail-Off-Hwy Motorcycle only	0/192	0/161	0/161	0/81	0/116	0/140
DNR-Trail-Off Road Vehicle	0/11	0/11	0/11	0/22	0/11	0/27

NATURAL RESOURCES DEPT

Program: PARKS & TRAILS

Activity: Trails and Waterways Management

Narrative

Indicator: Total Miles of Grant-In-Aid (GIA) Trails.

Target: DNR administers a trail system that anticipates and responds to changing public demand through local trail grants.

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
GIA-Ski	1792	1090	1090	1003	700	700
GIA-Snowmobile	18,200	18,250	18,300	19,500	19,550	19,550
GIA-All Terrain Vehicle	525	601	631	821	925	1,000
GIA-Off-Hwy Motorcycle	113	119	125	127	130	160
GIA-Off Road Vehicle	0	0	0	8	8	8

SUSTAINABLE FOREST TRAIL MANAGEMENT

Indicator: Managed motorized use in state forests.

Target: Continue with maintenance and monitoring of the implemented trail systems. Reassess the recreational trail demand in each state forest. DNR provides a sustainable system of trails and a quality experience for all users of the forest.



ACQUISITION, DEVELOPMENT, RENEWAL OF BOAT ACCESS SITES

Indicator: Number of Boat Access Sites.

Target: DNR anticipates constructing 8 new water access sites and renewing 15 boat access sites, including shore land restoration in FY 2010-11.

Fiscal Years	Number of DNR Sites
2002-03	1,560
2004-05	1,570
2006-07	1,585
2008-09	1,595
2010-11	1,603 (Target)

NATURAL RESOURCES DEPT

Program: PARKS & TRAILS

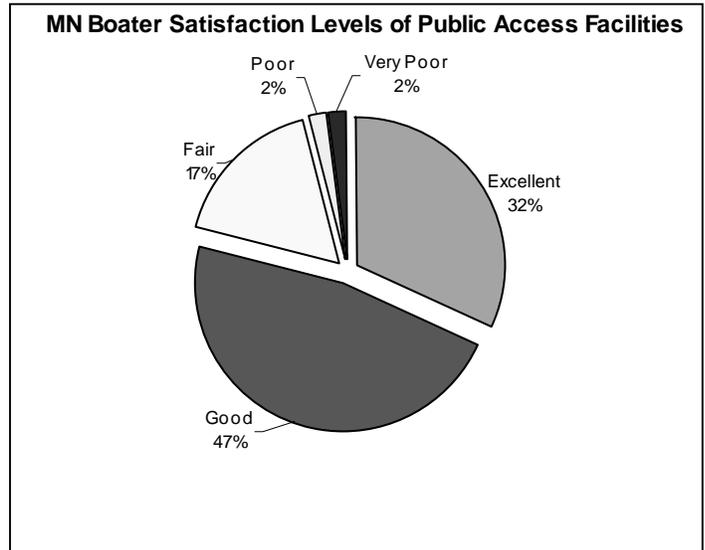
Activity: Trails and Waterways Management

Narrative

BOATER SATISFACTION

Indicator: Minnesota boater satisfaction levels with public access facilities. DNR uses periodic surveys to measure satisfaction levels with facilities and services. The survey ratings below are from a 2001 survey and represent a small improvement over a 1987 survey.

Target: Maintain at least a 75% satisfaction level of "excellent" and "good".



SHORELINE CLEAN-UP

Indicator: Adopt-a-River Program, number of clean-ups reported and miles of shoreline cleaned.

Target: 180 cleanups reported and 525 miles of shoreline cleaned annually by the end of FY 2009.

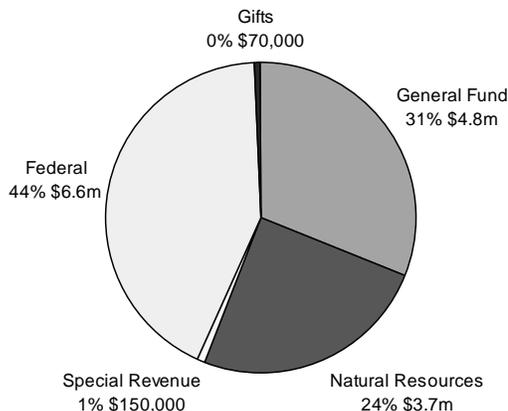
	FY2004	FY2005	FY2006	FY 2007	FY 2008*	FY 2009*
Clean-ups Reported	148	147	171	160	170	170
Miles Cleaned	484	446	517	505	510	525
Tons of garbage	125	70	82	62	82	N/A
Volunteer Hours	4,519	2,744	4,807	3,467	3,200	3,300

*Projected figures

Activity Funding

The non-motorized activity is funded primarily through Federal Funds, General Fund appropriations, and the Natural Resources Fund (Cross-Country Ski Account, Horse Trail Account (Horse passes), and Lottery-in Lieu of sales tax), with additional funding from the Environment and Natural Resources Trust Fund, and Capital Bonding.

FY 2008-09 Non-Motorized Recreation Budgeted Expenditures \$15.3 million



NATURAL RESOURCES DEPT

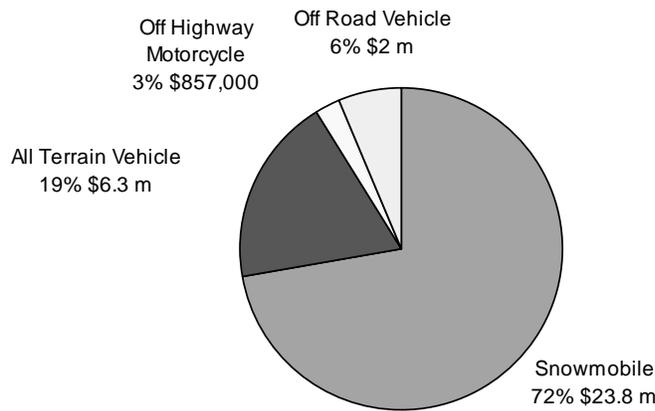
Program: PARKS & TRAILS

Activity: Trails and Waterways Management

Narrative

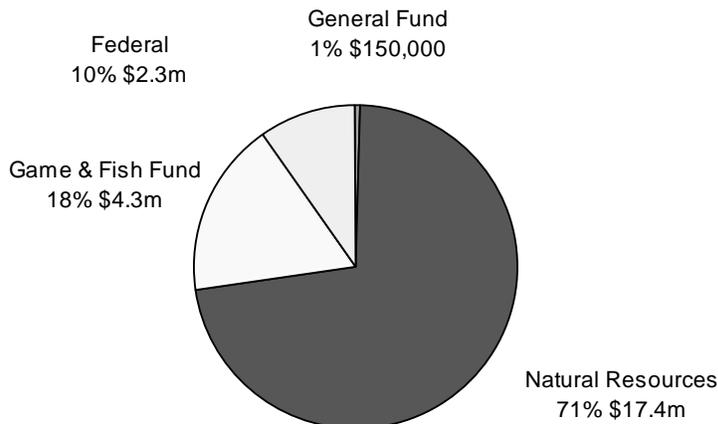
The motorized activity is funded primarily through dedicated revenues from the Natural Resources Fund. Revenues generated for the Off-Highway Motorcycle, Off-Road Vehicle, All-Terrain Vehicle, and Snowmobile Safety and Enforcement Funds come from vehicle registrations, permits, and unrefunded gas tax. Unrefunded gas taxes are those tax dollars attributed to fuel consumed while operating off public roads, including use on public land and trails. Capital bonding is also used for facility development.

**FY 2008-2009 Motorized Recreation
Budgeted Expenditures
\$33 million**



Funding for the water recreation activity is from multiple sources, including appropriations from the Water Recreation Fund account of the Natural Resources Fund, which has two revenue sources: unrefunded highway gas tax attributed to motorboat use and watercraft registration fees. The Parks and Trails Division also receives federal Wallop/Breaux funds for boat access from the following two sources: 1) the Game and Fish Fund, based on a federal law requiring 15% of federal receipts from the Sport Fish Restoration Program be spent on public access facilities (75% reimbursement); and 2) the Boat Safety Account administered by the United States Coast Guard (50% match). State Bond funds and Federal Water Recreation Development Act funds have also been appropriated for acquisition and development.

**FY 2008-09 Water Recreation
Budgeted Expenditures
\$24.2 million**



NATURAL RESOURCES DEPT

Program: **PARKS & TRAILS**

Activity: Trails and Waterways Management

Narrative

Contact

For additional information, please contact:

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Additional information can be obtained on the DNR website at mndnr.gov/trails_waterways

NATURAL RESOURCES DEPT
Program: PARKS & TRAILS PROGRAM
Activity: TRAILS & WATERWAYS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	2,538	2,518	2,518	2,518	5,036
Technical Adjustments					
Approved Transfer Between Appr			(23)	(23)	(46)
One-time Appropriations			(350)	(350)	(700)
Subtotal - Forecast Base	2,538	2,518	2,145	2,145	4,290
	mndnr.gov/ trails_waterways				
Total		18	2,145	2,145	4,290
Natural Resources					
Current Appropriation		35	26,865	26,865	53,730
Technical Adjustments					
One-time Appropriations			(800)	(800)	(1,600)
Subtotal - Forecast Base		35	26,065	26,065	52,130
Governor's Recommendations					
Outdoors Minnesota		0	235	235	470
Water Recreation Program		0	1,400	1,400	2,800
Total	25,600	26,865	27,700	27,700	55,400
Game And Fish (operations)					
Current Appropriation	2,119	2,194	2,194	2,194	4,388
Subtotal - Forecast Base	2,119	2,194	2,194	2,194	4,388
Total	2,119	2,194	2,194	2,194	4,388
Parks And Trails Fund					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
State Parks and Trails Legacy		0	3,268	6,821	10,089
Total	0	0	3,268	6,821	10,089
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	915	1,869	0	0	0
General	2,103	2,833	2,145	2,145	4,290
Minnesota Resources	104	113	0	0	0
Natural Resources	24,780	30,116	27,700	27,700	55,400
Game And Fish (Operations)	1,262	3,051	2,194	2,194	4,388
Parks And Trails Fund	0	0	3,268	6,821	10,089
Open Appropriations					
Natural Resources	311	611	360	360	720
Statutory Appropriations					
Natural Resources	245	718	438	438	876
Miscellaneous Special Revenue	61	156	70	70	140
Federal	2,882	4,290	4,308	4,276	8,584
Gift	34	96	40	40	80
Total	32,697	43,853	40,523	44,044	84,567

NATURAL RESOURCES DEPT
Program: PARKS & TRAILS PROGRAM
Activity: TRAILS & WATERWAYS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<i>Expenditures by Category</i>					
Total Compensation	10,230	10,856	12,661	14,089	26,750
Other Operating Expenses	7,582	9,845	11,051	13,176	24,227
Capital Outlay & Real Property	2,861	6,896	3,219	3,219	6,438
Local Assistance	12,024	16,246	13,583	13,551	27,134
Transfers	0	10	9	9	18
Total	32,697	43,853	40,523	44,044	84,567
<i>Full-Time Equivalent (FTE)</i>	146.9	156.0	184.8	211.7	

Program Description

The purpose of the Fish and Wildlife Management Program is to manage fish and wildlife, their habitats, and public use of fish and wildlife, including fishing, hunting, and trapping. This program is the responsibility of the Department of Natural Resources (DNR's) Division of Fish and Wildlife.

It is the policy of the state that fish and wildlife are renewable natural resources to be conserved and enhanced through scientific management, protection, and use (M.S. 84.941). Hunting and fishing were recognized as a valued part of Minnesota's heritage to be managed by law and regulation for the public good when approved in 1998 as Constitutional Amendment 13, Section 12 by more than 77 percent of voters in the general election.

Program at a Glance

- ◆ Serves 1.4 million licensed anglers (plus 600,000 anglers not required to be licensed), 578,000 licensed hunters and trappers, and 2.1 million wildlife watchers
- ◆ Generates \$3.5 billion in annual expenditures in Minnesota from fishing, hunting, wildlife watching, and trapping
- ◆ Manages fisheries in 5,400 fishing lakes and 16,000 miles of fishable streams and rivers in Minnesota
- ◆ Manages over 50 wildlife game species in Minnesota

Central management of the Fish and Wildlife Division is coordinated through four sections: 1) Fisheries management; 2) Wildlife management; 3) Outreach; and 4) Licensing, volunteer programs, and financial management. Field programs are delivered through Fisheries Management and Wildlife Management activities in regional offices, area offices, and hatcheries. (See activity narratives for additional information).

- ◆ **Fisheries Management:** This section develops, directs, and manages statewide fisheries population and habitat programs; monitors progress so that programs are continuously adapted and improved to meet changing resource conditions and societal needs; implements department and division programs and policies in the field; provides financial, human resource, administrative, and policy support to division field staff; and directs hatchery operations and acquisition and management of aquatic management areas (AMAs).
- ◆ **Wildlife Management:** This section develops, directs, and manages statewide wildlife population and habitat programs; monitors progress so that programs are continuously adapted and improved to meet changing resource conditions and societal needs; implements department and division programs and policies in the field; provides financial, human resources, administrative, and policy support to division field staff; and directs the acquisition and management of wildlife management areas (WMAs).
- ◆ **Outreach:** This section oversees education, communications, and hunting and angling recruitment and retention programs. The section includes MinnAqua (aquatic education), hunter recruitment and retention, Southeast Asian outreach and other minority outreach efforts, mentoring programs, the Becoming an Outdoors Woman program, and coordinates communications (e.g. hunting and fishing regulation booklets, press releases, and media relations).
- ◆ **Licensing, Volunteer Programs, and Financial Management:** This section manages the License Center, volunteer programs, division budgets, revenues, business functions, grants, fleet and facilities.

Population Served

Outdoor recreation opportunities promote personal health and benefit Minnesota's economy through expenditures made to participate in these opportunities. Primary stakeholders of the Fish and Wildlife Management Program include anglers and fishing-related businesses, hunters, trappers, and wildlife viewers and photographers.

Services Provided

DNR's three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection, requires a fully integrated approach to conservation. Integrated resource management is DNR's strategy to share stewardship responsibility with citizens and partners as we manage for multiple interests. Fish and wildlife habitats are valued for their natural quality, the recreational opportunities they provide, and the economic benefits derived from the use and development of these opportunities. This program serves the DNR mission by managing fish and wildlife populations, conserving fish and wildlife habitats,

responding to fish and wildlife disease and habitat challenges, and providing economic benefits at local and statewide levels.

Historical Perspective

Societal trends have the ability to either enhance or threaten fish and wildlife habitat and populations, as well as recreational access to the outdoors.

- ◆ **Changes in outdoor recreation participation:** As the population becomes increasingly urban, more diverse, and older, the department is seeking new ways to encourage participation in traditional forms of natural resource-based recreation such as hunting, fishing, trapping, and other wildlife-related forms of recreation. Through increased outreach, mentoring, and marketing efforts, such as National Archery in the Schools, Becoming an Outdoors Woman, Fishing in the Neighborhood, and youth mentoring programs, the DNR is addressing the trend of declining participation in outdoor recreation by working to retain existing and recruit new anglers, hunters, and other outdoor enthusiasts.
- ◆ **Growing demands related to renewable energy and climate change:** There is growing social and economic interest in increasing the energy efficiency of operations and promoting the use of conservation-based energy sources and renewable energy technologies, as well as increasing efforts to mitigate and adapt to climate change and its effects. The DNR is taking innovative approaches to manage important fish and wildlife habitat on both public and private lands needed to support healthy populations, while simultaneously providing opportunities for development of alternative energy sources. For example, implementation of a pilot project to harvest biomass on WMAs serves to meet multiple departmental objectives, including improved resource management, enhanced recreational opportunities, and economic development. One of the primary purposes of this program is to manage fish and wildlife populations and their habitat for the long-term health and resilience of these populations and the systems that support them. Fish and Wildlife Management staff are modifying their research, monitoring, and planning efforts in order to improve the resiliency of fish and wildlife populations and their associated habitats to adapt to climate change and its effects.
- ◆ **Landscape changes from growth and development:** As the state's population increases, and development associated with this population growth spreads, Minnesota's natural landscape changes, with increasing demands on the state's more limited and fragile natural resources. Sustainable use of natural resources requires a balance between resource protection, recreation, and economic development. Resource managers and citizens are challenged to craft innovative approaches that support the sustainable use and enjoyment of Minnesota's natural resources. Fish and Wildlife Management staff are developing programs that work to achieve this balance, through such efforts as the Shoreland Restoration Program, fish culture and stocking, fish species workshops, the Working Lands Initiative, private lands technical guidance, and the Shallow Lakes Program, which form collaborative partnerships to balance restoration and protection of natural resources while fostering economic development.

Key Program Goals

The mission and goal of the Fish and Wildlife Management Program is to *"work with the people of Minnesota to conserve aquatic and terrestrial habitat, to manage fish and wildlife populations and habitat, to provide fisheries and wildlife related recreation, and to preserve Minnesota's outdoor heritage."* Supporting the overall DNR mission, this program focuses on the management and conservation of fish and wildlife habitats and populations. These efforts generate a wide variety of ecological and economic benefits as well as providing extensive public opportunities to hunt, fish, trap, and appreciate these fish and wildlife resources throughout the state.

The Fish and Wildlife Management Program is a critical component of statewide efforts to support Minnesota's fish and wildlife. The DNR's *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html) has illustrated several high profile fish and wildlife activities supported by the program. Also, the Legislative-Citizen Commission on Minnesota Resources (LCCMR's) *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net) identifies critically important fish and wildlife habitat protection and restoration focus areas that are either being currently supported through existing activities or is interested in building or developing new capacities. The Fish and Wildlife

Management Program supports and will continue to be the primary provider of comprehensive habitat and population management services throughout the state. This program also supports the recommendations of the Minnesota Climate Change Advisory Group to protect and enhance the carbon sequestration benefits of public and private lands by protecting and managing state lands and providing technical assistance, cost-share, and other incentives to private landowners, promoting conservation-based energy sources, and investing in climate data and analysis (<http://www.mnclimatechange.us/index.cfm>).

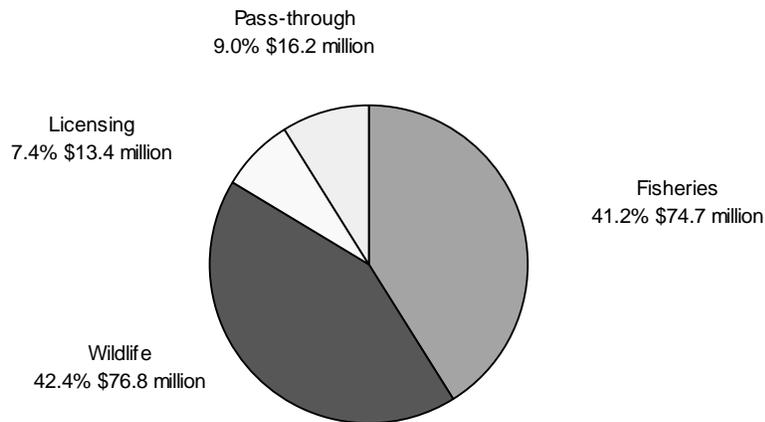
Key Program Measures

The Division of Fish and Wildlife uses a range of performance measures to assess its progress towards the management, protection, use, understanding, and enjoyment of Minnesota’s fish and wildlife resources. See activity sections for specific examples of fish, wildlife, and licensing measures. For a comprehensive set of performance measures and more detailed descriptions of each measure, please see the DNR’s *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html).

Program Funding

The program funding for the Division of Fish and Wildlife is split into four distinct activities: Fisheries, Wildlife Licensing, and pass- through treaty payments (see chart below).

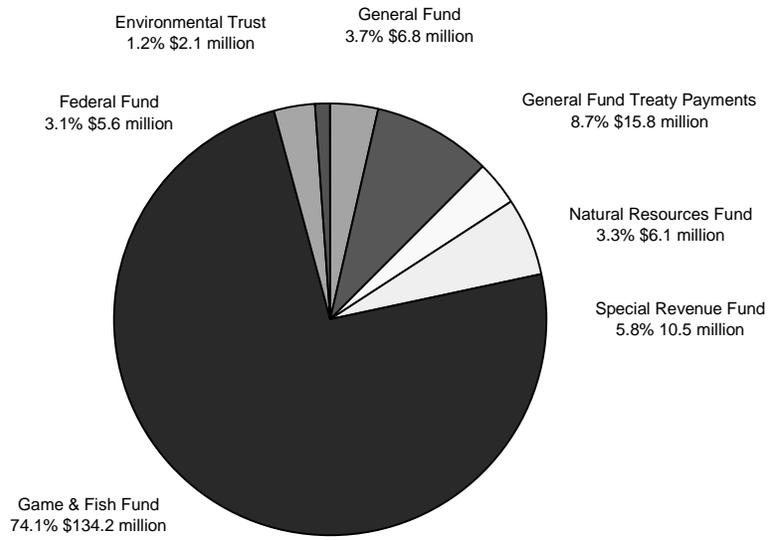
**FY 2008-09 Fish and Wildlife Budget
\$181.1 million**



Approximately 74% of the overall operating funding for the division is from the Game and Fish Fund. The Budget Oversight Committee (BOC), a group of 45 citizens, may change the current and future management of the Game and Fish Fund. The BOC found that fishing-related revenue does not fully support fishing-related activity. Counter to this, hunting-related revenues are outpacing hunting-related activity. The DNR intends to manage this issue through biennial budgeting, fee modifications, funding portfolio management, policy initiatives and long term monitoring.

The remainder of funding comes from a variety of funding sources including the environmental trust fund, general fund, natural resources fund (Water Recreation, All-Terrain Vehicle, Off Highway Vehicle, and Snowmobile), federal funds, gifts, and RIM Critical Habitat Match. A pie chart showing the distribution by funding source is below.

**FY 2008-09 Fish & Wildlife Budgeted Expenditures
\$181.1 Million**



Contact

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General information on the Division of Fish and Wildlife can be found on the Department of Natural Resources web site at mndnr.gov/fishwildlife/index.html. A wide variety of general and technical publications are also available.

NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<i>Direct Appropriations by Fund</i>					
Environment & Natural Resource					
Current Appropriation	0	984	984	984	1,968
Technical Adjustments					
One-time Appropriations			(984)	(984)	(1,968)
Subtotal - Forecast Base	0	984	0	0	0
Total	0	984	0	0	0
General					
Current Appropriation	3,459	3,052	3,052	3,052	6,104
Technical Adjustments					
Approved Transfer Between Appr			(35)	(35)	(70)
Current Law Base Change			(71)	(71)	(142)
One-time Appropriations			(175)	(175)	(350)
Pt Contract Base Reduction			(1)	(1)	(2)
Subtotal - Forecast Base	3,459	3,052	2,770	2,770	5,540
Governor's Recommendations					
General Fund Reduction		0	(2,770)	(2,770)	(5,540)
Bovine Tuberculosis Monitoring and Mgmt		0	600	600	1,200
Total	3,459	3,052	600	600	1,200
Natural Resources					
Current Appropriation	1,876	1,876	1,876	1,876	3,752
Subtotal - Forecast Base	1,876	1,876	1,876	1,876	3,752
Governor's Recommendations					
Gray Wolf Management & Research		0	220	220	440
Total	1,876	1,876	2,096	2,096	4,192
Game And Fish (operations)					
Current Appropriation	61,979	63,964	63,964	63,964	127,928
Technical Adjustments					
Current Law Base Change			48	(102)	(54)
One-time Appropriations			(674)	(674)	(1,348)
Subtotal - Forecast Base	61,979	63,964	63,338	63,188	126,526
Governor's Recommendations					
Walleye Stamp Appropriation		0	285	285	570
Total	61,979	63,964	63,623	63,473	127,096
Clean Water Fund					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
CWF/Clean Water Legacy		0	0	950	950
Total	0	0	0	950	950

NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	593	1,844	0	0	0
General	3,283	3,080	600	600	1,200
Natural Resources	1,608	2,144	2,096	2,096	4,192
Game And Fish (Operations)	58,235	67,680	63,623	63,473	127,096
Clean Water Fund	0	0	0	950	950
Open Appropriations					
General	8,143	7,903	7,664	7,510	15,174
Game And Fish (Operations)	831	1,033	1,030	1,030	2,060
Statutory Appropriations					
General	270	0	0	0	0
Natural Resources	1,151	2,071	1,202	1,202	2,404
Miscellaneous Special Revenue	1,006	2,058	1,483	1,483	2,966
Game And Fish (Operations)	3,711	4,212	3,256	3,256	6,512
Federal	1,034	3,853	4,086	4,161	8,247
Reinvest In Minnesota	2,129	3,437	2,301	2,301	4,602
Gift	240	416	269	269	538
Total	82,234	99,731	87,610	88,331	175,941
<u>Expenditures by Category</u>					
Total Compensation	42,582	45,216	43,607	44,307	87,914
Other Operating Expenses	31,762	42,331	34,601	34,622	69,223
Capital Outlay & Real Property	3,879	6,997	4,859	4,859	9,718
Local Assistance	4,011	5,184	4,543	4,543	9,086
Transfers	0	3	0	0	0
Total	82,234	99,731	87,610	88,331	175,941
<u>Expenditures by Activity</u>					
Fish Management	42,948	47,655	43,653	44,374	88,027
Wildlife Management	33,019	43,744	37,199	37,199	74,398
Licensing	6,267	8,332	6,758	6,758	13,516
Total	82,234	99,731	87,610	88,331	175,941
Full-Time Equivalents (FTE)	636.3	622.3	595.8	596.5	

Activity Description

The Fisheries Management Activity protects, maintains, and enhances Minnesota’s fishery resources and aquatic communities for recreational, ecological, and economic benefits to the state. The Department of Natural Resources (DNR) is the sole entity responsible for managing the state’s public fisheries resources. In addition, state agencies, such as Agriculture, Health, Pollution Control, and the Board of Water and Soil Resources have responsibility for environmental regulation and management of resources that impact water quality and aquatic habitat. Local units of government also have regulatory authority that impacts aquatic resources.

Population Served

Primary stakeholders include anglers and fishing-related businesses. However, because fishing and the health of the aquatic environment are so important to the state’s economy and overall well being, virtually all Minnesotans have a stake in the management of our fisheries and aquatic resources.

Services Provided

Fisheries Management supports the DNR’s three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection. This activity serves the DNR mission by managing fish populations, conserving fish habitats, responding to fish disease and habitat challenges, and providing economic benefits at local and statewide levels.

Activity at a Glance

- ◆ influences recreational and commercial fisheries and aquatic habitat on approximately 5,400 lakes and 16,000 miles of fishable streams and rivers
- ◆ manages and supports the harvest of about 30 million pounds of fish annually
- ◆ serves 1.4 million licensed anglers and 600,000 non-licensed anglers, 1,700 commercial fisheries operators, and over 2,000 resort and ancillary tourist businesses (Minnesota was ranked 4th in the nation for both total number of anglers and angling days in 2006)
- ◆ generates about \$2.7 billion each year in direct expenditures to the state’s economy (Minnesota was ranked 1st in the nation for economic retail contributions from freshwater anglers, and 3rd nationally for overall angler expenditures in 2006)
- ◆ supports Minnesota as an angling destination for nonresidents (Minnesota was ranked 4th nationally in 2006 for nonresident angler expenditures and 3rd in the nation for number of nonresident anglers)

- ◆ **Fish Population and Aquatic Habitat Monitoring:** Primary goals or outcomes for population and habitat monitoring include: 1) collecting and distributing knowledge about fish populations, aquatic ecosystems and management techniques; 2) improving information about individual lake and stream management; and 3) expanding knowledge about angler attitudes, actions, and satisfaction levels.
- ◆ **Fish Population and Aquatic Habitat Management:** Healthy aquatic habitats support sustainable fish populations for recreational and commercial users. Management of healthy aquatic habitats and fish populations require the protection, restoration, and improvement of those habitats. Other goals or outcomes include expanded access to aquatic resources, improved numbers and sizes of fish through special and experimental regulations, and expansion of the quality and diversity of angling opportunities.
- ◆ **Fish Propagation and Stocking:** Fish propagation includes the production of appropriate genetic fish strains and healthy fish stocks that can be used to meet management goals. Certain fish communities are restored, enhanced, and maintained through stocking to meet angler interests.
- ◆ **Public Information and Aquatic Education:** Fisheries staff collaborates with the public, commercial, and governmental organizations on fish and aquatic habitat management efforts. With the strong interest in fishing in Minnesota, it is critically important that the public is aware of natural and altered aquatic systems and how these systems need to be managed for the public good to fully appreciate and enjoy fish and wildlife resources. Aquatic education to stakeholders through the school systems, events, and training are provided through the MinnAqua aquatic education program. Fisheries staff also supports angling recruitment and retention and marketing efforts. The Fishing in the Neighborhood program, the Southeast Asian outreach program, the Becoming an Outdoors Woman initiative, and mentoring programs are all efforts aimed at increasing angling participation.

Historical Perspective

In general, fisheries for many of Minnesota's important game fish species are in good condition, including largemouth and smallmouth bass, muskellunge, brook and brown trout, lake trout, and catfish. Walleye numbers in lakes with natural reproduction are generally good to excellent. The state has worked with stakeholders to develop and implement an aggressive walleye stocking program to provide the best possible fishing in lakes where natural reproduction is not adequate to sustain a healthy fish population. Bluegill and black crappie numbers remain high, but decreasing average size is a major concern. The same is true of northern pike and yellow perch. The department has taken steps to address these species of concern through statewide and lake/stream specific fishing regulation changes.

Angling participation rates on a national level have been declining. Minnesota angling rates have declined as well, but at a slower rate than the national rate. This trend has significant implications for Minnesota's economy. According to the *2006 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation* (USFWS 2006), angler-related expenditures in Minnesota amount to \$2.7 billion each year. The DNR manages natural resources and initiates programs to retain existing and recruit new anglers. Maintaining Minnesota's reputation for providing excellent fishing opportunities and an outstanding quality of life is a critical focus of this activity.

Key Activity Goals

Supporting the overall DNR mission, this activity focuses on the management and conservation of fish habitats and populations. These efforts generate a wide variety of ecological and economic benefits as well as extensive public opportunities to fish and appreciate aquatic resources throughout the state. Broad goals for the Fisheries Management Activity include:

- ◆ To make recreational fishing as good as it can be in the state of Minnesota for the present and future.
- ◆ To conserve, maintain, enhance, or rehabilitate Minnesota's aquatic resources to serve environmental, recreational, and economic purposes.
- ◆ To foster an ethic of natural resource stewardship.

The Fish Management Activity is a critical component of the DNR's *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (<http://www.dnr.state.mn.us/conservationagenda/index.html>) as illustrated by several high profile fish and aquatic resource activities. The Legislative-Citizen Commission on Minnesota Resources (LCCMR) *Minnesota Statewide Conservation and Preservation Plan* (<http://environment.umn.edu/scpp/>) identifies critically important fish and aquatic habitat protection and restoration focus areas for which the Fish Management Activity has existing efforts or desires expanded or new capacities. The Fish Management Activity supports and will continue to be the primary provider of comprehensive aquatic habitat and fish population management services throughout the state. This activity also supports Minnesota Climate Change Advisory Group priority AFW-2: Land Use Management Approaches for Protection and Enrichment of Soil Carbon (<http://www.mnclimatechange.us/index.cfm>).

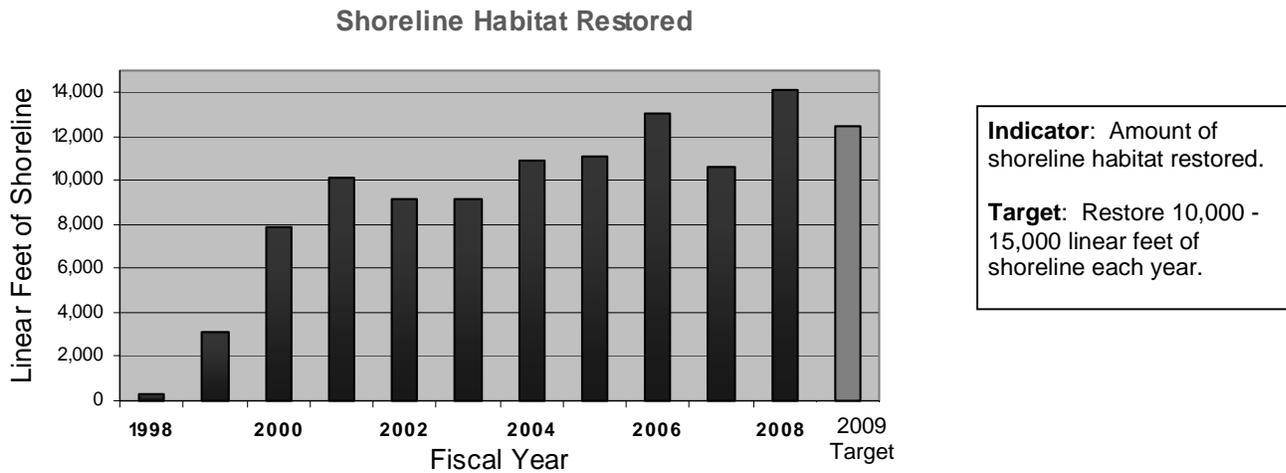
Key Activity Measures

In reference to mission, the primary measures for the Fisheries Management Activity are:

- ◆ game fish abundance and average size as measured by net catches and other sampling from the survey and assessment program;
- ◆ angler catch rates and average size of various fish species as measured by creel surveys;
- ◆ angler satisfaction as measured by attitude surveys;
- ◆ fisheries management plans developed with constituent input for each managed water;
- ◆ regulations that protect the fisheries resource and provide sustainable quality angling opportunities;
- ◆ aquatic habitat capable of sustaining recreational and commercial fisheries;
- ◆ public knowledgeable of the fisheries resource and the ecology, conservation, and ethics of fishing; and
- ◆ numbers of returning and newly recruited anglers as measured by license sales.

The following measures illustrate several program activities and their conservation results. For a more complete set of performance measures and more detailed descriptions of each measure, please see the DNR's *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html).

- ◆ **Shoreline Habitat Conservation:** Healthy shorelines have long been recognized as critical for water quality, aquatic plants and essential habitat for fish and wildlife that live in or near Minnesota’s lakes and streams. The DNR works with partners to manage and restore shoreline habitat.



- ◆ **Walleye Stocking:** Walleye fishing is an integral part of Minnesota’s outdoor fishing heritage. (Minnesota has a 29% participation rate in fishing—the second highest in the nation behind the state of Alaska.) The DNR protects and improves walleye habitat, regulates catch, and stocks walleye in approximately 900 lakes where natural reproduction is lacking. Each lake has its own fisheries management objectives, such as stocking targets. To achieve individual lake stocking targets, the DNR stocks mosquito size fry and produces fingerlings (four to six inch walleyes) in natural rearing ponds.
- ◆ **Twin Cities Metropolitan Area Fishing:** With more than two million anglers in Minnesota, it's clear that fishing is one of our state's most popular pastimes. As the state's population has grown, people have become concentrated in the greater metro region. The metro region has over 900 small lakes, but many area residents don't have access to them. One in six Minnesotans owns a boat, and many water bodies lack shorefishing facilities. There is a need to provide adequate fishing locations and management in the metro region to assure future generations will have opportunities to experience our outdoor fishing heritage.

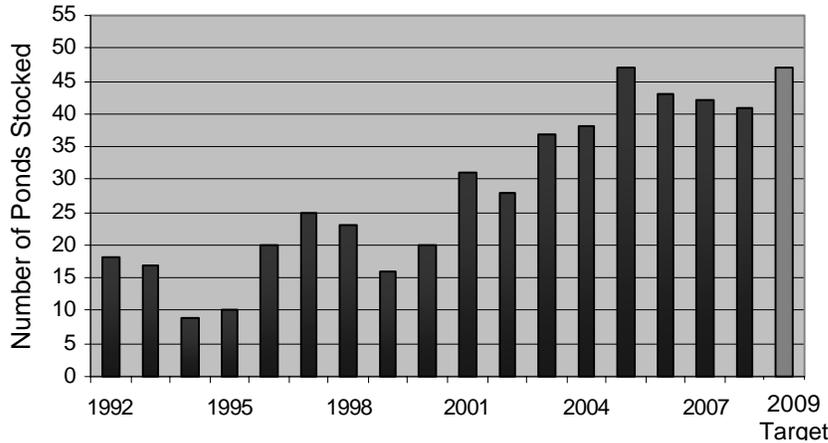
NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Activity: FISH MANAGEMENT

Narrative

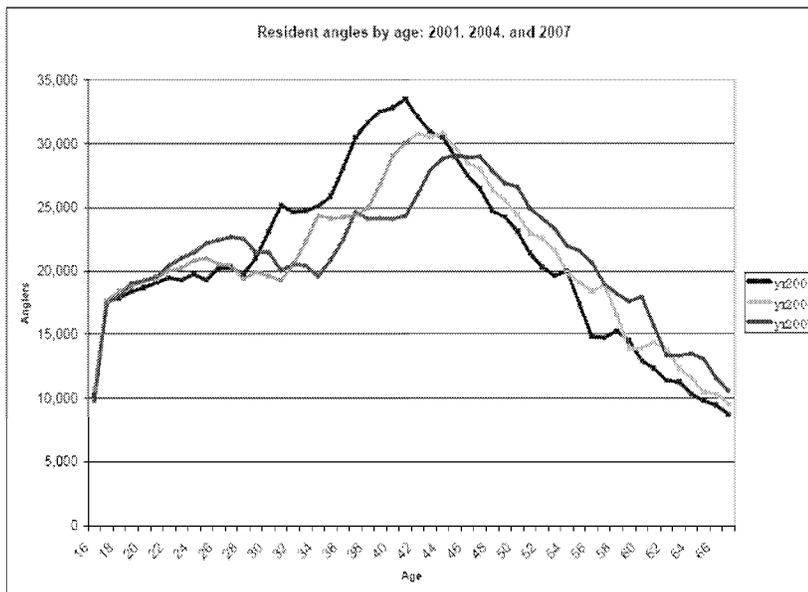
Number of Metro Area Ponds Stocked for Fishing and Education



Indicator: Number of metro region ponds stocked for fishing and education

Target: Stock 45 to 50 ponds, primarily with bluegill and crappie each year

- ◆ **Number of Anglers:** This graph depicts total number of resident anglers by age over a six-year time period.



Activity Funding

The Fish Management Activity generates revenue from the sale of fishing licenses and from federal reimbursement under the Sport Fishing Restoration Act. The United States Fish and Wildlife Service Federal Aid program, commonly referred to as the Dingle-Johnson Act, manages the distribution of revenues derived from federal excise taxes on fishing equipment to state fish and wildlife agencies through grants. In FY 2008-09, the grants under this program will generate over \$18 million in reimbursement. These revenues are deposited in the dedicated Game and Fish fund to support the Fish Management Activity. In addition, the division generates dedicated revenue from cooperative agreements, natural resources sales, sales of publications, and gifts.

NATURAL RESOURCES DEPT

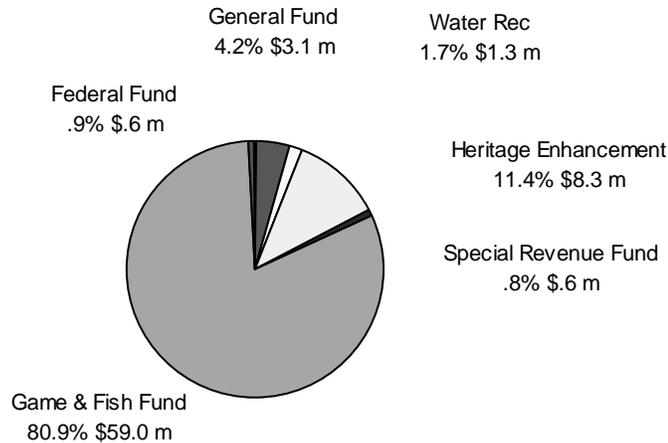
Program: FISH & WILDLIFE MANAGEMENT

Activity: FISH MANAGEMENT

Narrative

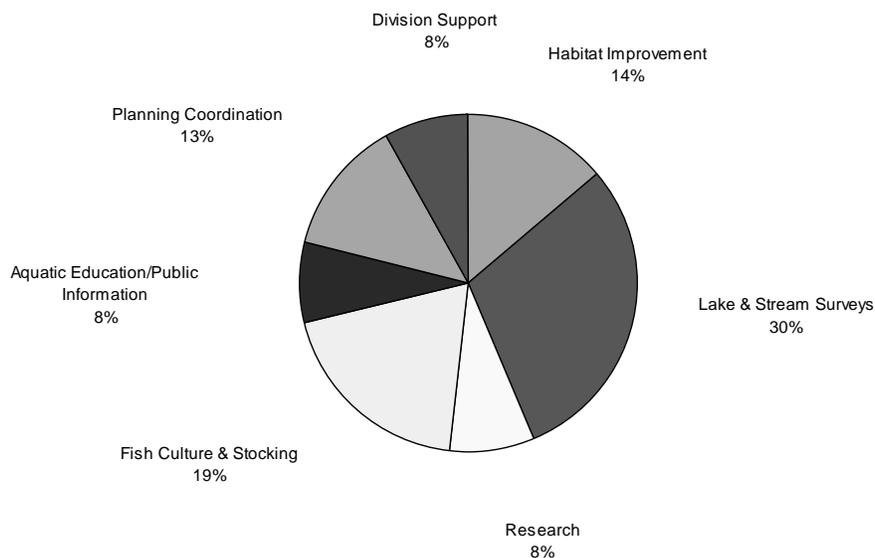
The direct operating budget for FY 2008-09 includes the following sources of funds: Game and Fish 80.9%; Heritage Enhancement 11.4%; General 4.2%; Water Recreation 1.7%; and 1.7% Federal and Special Revenue.

FY 2008-2009 Fisheries Operating Budget
\$72.9 million
 (Does not include Environmental Trust Funding)



Fisheries expenditures are divided into seven activities; Planning, Division Support, Habitat Improvement, Lake and Stream Surveys, Fish Culture and Stocking, and Information/Education. A breakdown of FY 2007 activity expenditures are shown below:

FY 2007 Fish Management Activity



NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Activity: FISH MANAGEMENT

Narrative

The following websites offer additional information on the fish management activity.

- ◆ The DNR Fishing information page provides selected game fish information, news releases, and reports (mndnr.gov/fishing/index.html).
- ◆ The "Lake Finder" provides management information about specific lakes. It also provides information about stocking, fish consumption advice, and water quality (mndnr.gov/lakefind/index.html).
- ◆ General information about the Fish Management Activity and local area fisheries office news is also provided through the DNR website (mndnr.gov/fisheries/index.html).

Contact

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NATURAL RESOURCES DEPT
Program: FISH & WILDLIFE MANAGEMENT
Activity: FISH MANAGEMENT

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	0	850	850	850	1,700
Technical Adjustments					
One-time Appropriations			(850)	(850)	(1,700)
Subtotal - Forecast Base	0	850	0	0	0
Total	0	850	0	0	0
General					
Current Appropriation	1,721	1,412	1,412	1,412	2,824
Technical Adjustments					
Approved Transfer Between Appr			(19)	(19)	(38)
One-time Appropriations			(175)	(175)	(350)
Subtotal - Forecast Base	1,721	1,412	1,218	1,218	2,436
Governor's Recommendations					
General Fund Reduction		0	(1,218)	(1,218)	(2,436)
Total	1,721	1,412	0	0	0
Natural Resources					
Current Appropriation	626	626	626	626	1,252
Subtotal - Forecast Base	626	626	626	626	1,252
Total	626	626	626	626	1,252
Game And Fish (operations)					
Current Appropriation	32,113	33,293	33,293	33,293	66,586
Technical Adjustments					
Current Law Base Change			48	(102)	(54)
One-time Appropriations			(374)	(374)	(748)
Subtotal - Forecast Base	32,113	33,293	32,967	32,817	65,784
Governor's Recommendations					
Walleye Stamp Appropriation		0	285	285	570
Total	32,113	33,293	33,252	33,102	66,354
Clean Water Fund					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
CWF/Clean Water Legacy		0	0	950	950
Total	0	0	0	950	950
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	353	1,449	0	0	0
General	1,717	1,337	0	0	0
Natural Resources	587	665	626	626	1,252

NATURAL RESOURCES DEPT
Program: FISH & WILDLIFE MANAGEMENT
Activity: FISH MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Game And Fish (Operations)	31,088	34,358	33,252	33,102	66,354
Clean Water Fund	0	0	0	950	950
Open Appropriations					
General	7,953	7,700	7,461	7,307	14,768
Game And Fish (Operations)	831	1,033	1,030	1,030	2,060
Statutory Appropriations					
Natural Resources	1	29	0	0	0
Miscellaneous Special Revenue	234	474	276	276	552
Federal	104	355	900	975	1,875
Reinvest In Minnesota	1	0	0	0	0
Gift	79	255	108	108	216
Total	42,948	47,655	43,653	44,374	88,027
<u>Expenditures by Category</u>					
Total Compensation	23,815	25,148	24,252	24,952	49,204
Other Operating Expenses	18,280	21,552	18,562	18,583	37,145
Capital Outlay & Real Property	297	283	15	15	30
Local Assistance	556	669	824	824	1,648
Transfers	0	3	0	0	0
Total	42,948	47,655	43,653	44,374	88,027
Full-Time Equivalents (FTE)	359.3	349.9	344.2	345.2	

Activity Description

The Wildlife Management Activity provides management, protection, use, understanding, and enjoyment of the state's wildlife. The Department of Natural Resources (DNR) is the primary authority responsible for wildlife population management and harvest regulation, providing healthy wildlife populations for hunting and viewing activities, and resolving conflicts between humans and wildlife.

Because of the critical role of habitat in maintaining healthy and diverse wildlife populations, this program is also the primary lead for other programs that deal with acquiring, managing, and restoring wildlife habitats on public and private lands, and some public waters. This program partners with public and private landowners, state, federal, and local government, nonprofit organizations, and citizens.

Activity at a Glance

- ◆ Serves 578,000 hunters and trappers and 2.1 million wildlife watchers (Minnesota ranked 7th in the nation for the number of hunters and trappers, and 14th in the nation for the number of wildlife viewers and photographers in 2006)
- ◆ Manages 1,429 wildlife management areas (WMAs) for optimal wildlife habitat, encompassing over 1.277 million acres
- ◆ Manages over 50 big game, small game, waterfowl, migratory bird, and furbearer species through regulated harvest

Population Served

The Wildlife Management Activity touches a broad section of the public. With nearly 600,000 hunters and trappers, and 2.1 million wildlife watchers, this activity has a large client-base and serves to meet the needs of the public through the services provided by this activity.

Services Provided

DNR's three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection, requires a fully integrated approach to conservation. Wildlife habitats are valued for their natural qualities, the recreational opportunities they provide, and the economic benefits derived from the use of these opportunities. According to the *2006 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation*, hunting and trapping generates \$494 million and wildlife watching generates \$698 million for Minnesota's economy. Minnesota was ranked 12th nationally for retail sales related to hunting in 2006.

This program serves the DNR mission by managing wildlife populations, conserving wildlife habitats, responding to wildlife disease and habitat challenges, and providing economic benefits at both local and statewide levels. This program serves the DNR mission through:

- ◆ **Wildlife habitat acquisition and development:** This program acquires and manages an extensive system of 1,429 Wildlife Management Areas (WMA) totaling more than 1.277 million acres. A citizen's advisory committee recommended an accelerated goal of acquiring 210,500 acres of new WMA lands within the next 10 years, based on an analysis of current and future needs for wildlife habitat, wildlife population management, and hunter access ("Report on the Wildlife Management Area Land Acquisition Program, December 2002"). Wildlife managers and private lands specialists provide technical assistance to land owners and land managers to improve wildlife habitat on private lands.
- ◆ **Inventorying, monitoring, and conducting applied research on the state's wildlife populations and habitats:** Basic population inventory, monitoring, and research is essential to responsible management of populations. This includes the management of quota systems, setting hunting seasons, and investigating applied population and habitat management needs. Natural resource and habitat assessments using geographical information system technology provide historical and current data on wildlife habitat and land use patterns critical for evaluating, recommending and planning habitat protection and enhancement efforts.
- ◆ **Wildlife population management:** The department provides for wildlife resource-related recreation and manages hunting and trapping seasons for over 50 game species, which provide over 8.4 million days of recreation annually. Goals and outcomes for population management include: 1) establishing and maintaining sustainable regulated wildlife harvest seasons; 2) providing technical assistance and cost sharing to resolve

wildlife-human conflicts; and 3) restoring and enhancing certain wildlife populations through trapping and relocation.

- ◆ **Shallow lake management:** Permanent wetlands and shallow lakes provide critical spring and fall migration habitat for waterfowl. The quality of this habitat has declined markedly due to shoreline development, drainage, excessive runoff, sedimentation and invasive plant and fish species. Active shallow wildlife and wild rice lake management is an important component of department's Long Range Duck Recovery Plan. (See <http://www.dnr.state.mn.us/input/mgmtplans/mnduck/index.html>).
- ◆ **Monitoring and managing wildlife health:** Wildlife populations are faced with a number of animal health issues including Chronic Wasting Disease, Bovine TB, and avian influenza. Monitoring animal health will allow the department to appropriately respond should disease threaten animal populations or human health.
- ◆ **Providing for public information and hunter and trapper retention:** DNR provides public information and education about wildlife and their habitats through publications, mass media, the department web site, and personal presentations by wildlife managers. The long-term retention and recruitment of hunters and trappers is vital for future support of wildlife management programs.

Historical Perspective

Populations of many species are at or near all-time highs including: deer, wild turkeys, black bears, and locally breeding Canada geese. Minnesota also has some of the best ruffed grouse populations in the country and is a major waterfowl production state. Abundant populations of wildlife species provide for increased hunting, trapping, and wildlife-related recreational opportunities. However, abundant populations of wildlife such as deer, bears, and geese can cause conflicts with humans so the DNR also maintains programs to manage populations and address wildlife damage and nuisance problems.

Key Activity Goals

Goals for the Wildlife Management Activity include:

- ◆ high quality and abundant hunting, trapping, and wildlife recreation opportunities
- ◆ healthy and productive wildlife populations and habitats managed on a sustainable basis
- ◆ leadership in resource stewardship
- ◆ effective partnerships with citizens to manage wildlife resources.

Supporting the overall DNR mission, this program focuses on the management and conservation of wildlife habitats and populations. These efforts generate a wide variety of ecological and economic benefits as well as extensive public opportunities to hunt, trap, and appreciate these wildlife resources throughout the state.

The Wildlife Management Activity is a critical component of the DNR's *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html) as illustrated by several high profile wildlife activities. The Legislative-Citizen Commission on Minnesota Resources (LCCMR's) *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net) identifies critically important wildlife habitat protection and restoration focus areas for which the Wildlife Management Activity has existing activities or desires expanded or new capacities. The Wildlife Management Activity supports and will continue to be the primary provider of comprehensive habitat and population management services throughout the state. This activity also supports the Minnesota Climate Change Advisory Group priority on Land Use Management Approaches for Protection and Enrichment of Soil Carbon (<http://www.mnclimatechange.us/index.cfm>).

Key Activity Measures

In reference to the mission, the primary measures for the Wildlife Management Activity are:

- ◆ wildlife habitat capable of supporting wildlife populations and hunting and trapping recreation as measured by the acres of WMAs protected;
- ◆ wildlife population abundance and health measured by population surveys and assessment programs;

NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Activity: WILDLIFE MANAGEMENT

Narrative

- ◆ sustainable hunter and trapper harvest to meet demand as measured by harvest and hunter satisfaction surveys; and
- ◆ quality shallow lake habitat as measured by fall migratory waterfowl surveys.

For a more complete set of performance measures and detailed descriptions, please see the DNR's *A Strategic Conservation Agenda, 2003–2007: Measuring Progress toward Mission*.

- ◆ **Prairie Wetland Complexes:** Prairie wetland complexes – restored or native grasslands mixed with a range of wetland types and sizes – are important for many species, including waterfowl, shorebirds, amphibians, pheasants, and deer. DNR will need to restore and protect an additional 2 million acres of prairie wetlands and grasslands while maintaining the existing habitat base to meet long-term sustainability goals.

Indicator: Number of acres of prairie wetlands and grasslands protected annually.

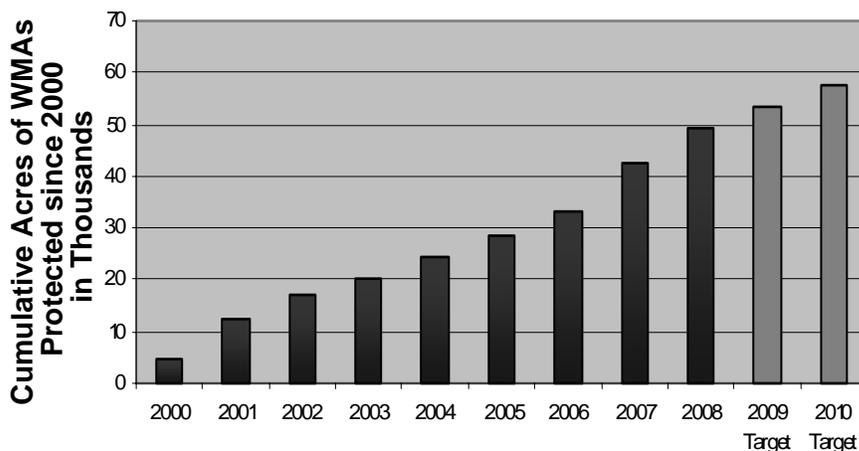
Target: Increase the number of high-quality prairie wetland complexes through the restoration and protection of a total of 40,000 wetland and grassland acres by all partners each year.



The map shading represents areas with the best opportunities for restoring and protection prairie wetland grassland complexes based on existing habitat.

- ◆ **Wildlife Management Areas:** The DNR manages 1,429 public wildlife areas covering over 1.277 million acres of high-quality habitat in 86 of the state's 87 counties. These areas provide recreation for hundreds of thousands of hunters and wildlife watchers each year, who contribute significantly to the state's economy. After FY 2005, stakeholders recommended the DNR acquire 21,000 acres per year for the next 10 years, and then acquire 12,250 acres per year for the following 40 years. Long-range planning will help Minnesota achieve a high-quality network of WMAs totaling an additional 700,000 acres over the next 50 years.

Acres Protected in Wildlife Management Areas

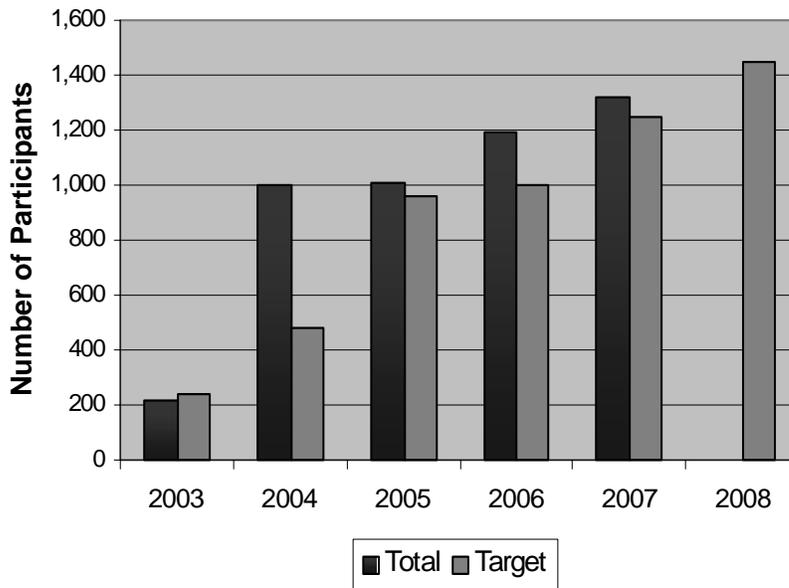


Indicator: Number of acres protected in Wildlife Management Areas

Target: Acquire 4,000 WMA acres per year in FY2009–2010. After FY 2005, stakeholders recommended DNR acquire 21,000 acres/year for the next 10 years

- ◆ **Hunter Recruitment:** The DNR has initiated a special effort to promote and sustain hunting by identifying barriers to participation and enacting programs and policies that reduce or remove them. The DNR has reduced youth hunting license fees; initiated special youth hunts; and is working with hunting organizations to provide educational and introductory experiences.

DNR Special Youth Hunt Participation

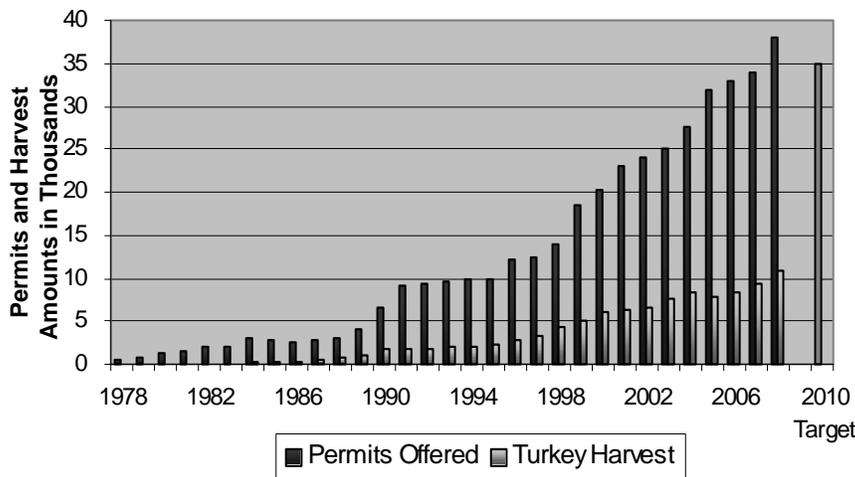


Indicator: Youth hunter participation and hunter satisfaction as measured by surveys

Target: Maintain youth hunter participation as measured by license sales and increase special youth hunts in the future.

- ◆ **Wild turkey hunting opportunities:** As wild turkeys increase their numbers and range, so do hunting opportunities. The DNR sets permits to ensure healthy turkey populations and quality hunting experiences.

Wild Turkey Hunting Opportunities



Indicators: Number of wild turkey hunting permits offered and harvest levels

Target: Offer 35,000 permits in 2010. The DNR offered 37,992 permits in 2008 and exceeded this target.

NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Activity: WILDLIFE MANAGEMENT

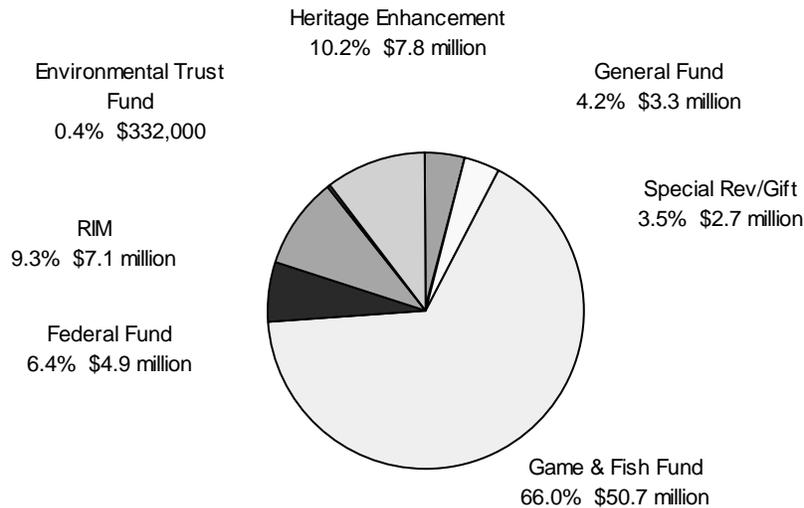
Narrative

Activity Funding

The Wildlife Management activity generates revenue from the sale of hunting licenses and from reimbursement under the Federal Aid in Wildlife Restoration Act. This United States Fish and Wildlife Service Federal Aid program, commonly referred to as the Pittman-Robertson (PR) Act, manages the distribution of revenues derived from federal excise taxes on hunting equipment to state fish and wildlife agencies through grants. In FY 2008-09, these federal grants will generate almost \$30 million in reimbursement. These revenues are deposited in the dedicated Game and Fish Fund to support the Wildlife Management Activity. In addition, the division generates dedicated revenue from cooperative agreements, natural resource sales, sales of publications, and gifts.

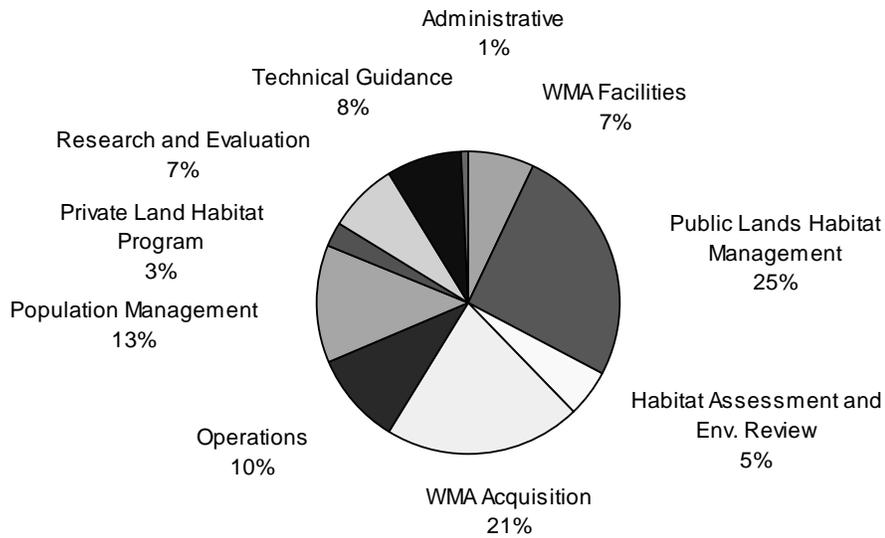
The Wildlife Management Activity receives funding from many sources: the Game and Fish Fund (66%); Heritage Enhancement funds (10.2%); RIM Match accounts (9.3%); Special Revenue (3.5%); General Fund (4.2%); and Federal (6.4%).

**FY 2008-09 Wildlife Operating Budget
\$76.8 million**



Wildlife expenditures are divided into 10 activities. A breakdown of FY 2007 activity expenditures are shown below:

FY 2007 Wildlife Management Activity Expenditures



Contact

For additional information, please contact:

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General information on Wildlife programs can be found on the Department of Natural Resources website mndnr.gov. A wide variety of general and technical publications are also available.

NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Activity: WILDLIFE MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	0	134	134	134	268
Technical Adjustments					
One-time Appropriations			(134)	(134)	(268)
Subtotal - Forecast Base	0	134	0	0	0
Total	0	134	0	0	0
General					
Current Appropriation	1,689	1,640	1,640	1,640	3,280
Technical Adjustments					
Approved Transfer Between Appr			(16)	(16)	(32)
Current Law Base Change			(71)	(71)	(142)
Pt Contract Base Reduction			(1)	(1)	(2)
Subtotal - Forecast Base	1,689	1,640	1,552	1,552	3,104
Governor's Recommendations					
General Fund Reduction		0	(1,552)	(1,552)	(3,104)
Bovine Tuberculosis Monitoring and Mgmt		0	600	600	1,200
Total	1,689	1,640	600	600	1,200
Natural Resources					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
Gray Wolf Management & Research		0	220	220	440
Total	0	0	220	220	440
Game And Fish (operations)					
Current Appropriation	28,528	29,482	29,482	29,482	58,964
Technical Adjustments					
One-time Appropriations			(300)	(300)	(600)
Subtotal - Forecast Base	28,528	29,482	29,182	29,182	58,364
Total	28,528	29,482	29,182	29,182	58,364
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	240	395	0	0	0
General	1,517	1,743	600	600	1,200
Natural Resources	0	0	220	220	440
Game And Fish (Operations)	26,390	31,812	29,182	29,182	58,364
Open Appropriations					
General	190	203	203	203	406
Statutory Appropriations					
General	270	0	0	0	0
Natural Resources	252	87	1	1	2
Miscellaneous Special Revenue	401	1,174	1,067	1,067	2,134
Game And Fish (Operations)	550	1,310	354	354	708

NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

Activity: WILDLIFE MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Federal	920	3,422	3,110	3,110	6,220
Reinvest In Minnesota	2,128	3,437	2,301	2,301	4,602
Gift	161	161	161	161	322
Total	33,019	43,744	37,199	37,199	74,398
<u>Expenditures by Category</u>					
Total Compensation	17,416	18,413	17,700	17,700	35,400
Other Operating Expenses	8,566	14,102	10,936	10,936	21,872
Capital Outlay & Real Property	3,582	6,714	4,844	4,844	9,688
Local Assistance	3,455	4,515	3,719	3,719	7,438
Total	33,019	43,744	37,199	37,199	74,398
Full-Time Equivalent (FTE)	253.0	247.4	230.7	230.6	

Activity Description

The License Center manages the issuance of game, fish and commercial licenses, registration and titling of watercraft, and registrations of All-Terrain Vehicles (ATVs), Off-Highway Vehicles (OHVs), and Off-Highway Motorcycles (OHMs), and snowmobiles through an electronic licensing system developed specifically for the state of Minnesota.

Population Served

Licensing serves the general public, licensing agents, deputy registrars and management within the Department of Natural Resources (DNR). Other governmental organizations benefit as well from the services outlined below.

Services Provided

Licensing supports the DNR's three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection. Easy access to licenses is provided to outdoors enthusiasts. Most agent sites have retail sales of outdoor sporting equipment at a given location, which is often near the activity or resource base, whether that activity is hunting, hiking, or fishing.

The DNR License Center is responsible for the development, implementation, and maintenance of the statewide Electronic Licensing System (ELS). Hunting and fishing licenses can be purchased at any of the 1,700 ELS agent locations, by phone, or online. The License Center responsibilities also include commercial licenses (i.e. minnow dealers, game farms, shooting preserves) and the lottery system for issuing controlled hunt permits (i.e. turkey, antlerless deer, bear, moose, and elk).

The License Center issues all watercraft registration and titles and the registration of snowmobiles, ATVs, OHMs, and Off-Road Vehicles (ORVs) through web-based ELS.

A walk-in service counter provides service to customers for all types of license, registration and titling transactions. Other services include the statewide distribution of a variety of DNR-related materials (e.g. hunting regulations, fishing regulations, waterfowl supplements, boating guides, snowmobile regulations and OHV regulations).

Historical Perspective

The License Center's duties have changed dramatically over the past decade, converting from a manual system to a completely automated system. ELS has enabled the department to provide accurate and timely information pertaining to license holders, license and recreation activities, revenue collected, and numbers of licenses, registrations, and titles issued for use. The department, other state agencies, the legislature, and the general public utilize this information. In addition, the ELS system accelerates the collection of revenues from license, registration, and title sales.

Purchase of licenses can be made from a local agent, by phone, or online. Hunting and fishing licenses can be purchased electronically any time of the day, any day of the week. ELS has also streamlined business practices and cut administrative costs. Currently 135 different transactions are available online, ranging from hunting and fishing licenses to cross-country ski passes, snowmobile trail stickers, and boat and recreational vehicle registration renewals.

The ongoing development and availability of electronic tools will result in continued improved service and efficiency for licensing activities. The DNR is currently in the design phase of enhanced technology that will benefit customer services, create operational efficiencies, and utilize new technologies.

Activity at a Glance

- ◆ manage transactions and collect revenues from 2.9 million DNR game and fish licenses as well as 1.4 million boat/vehicle registrations and watercraft titles
- ◆ manage 1,700 point-of-sale hunting and fishing license agents and 173 registration and titling agents
- ◆ collect \$63 million in receipts annually
- ◆ answer over 100,000 questions via telephone each year

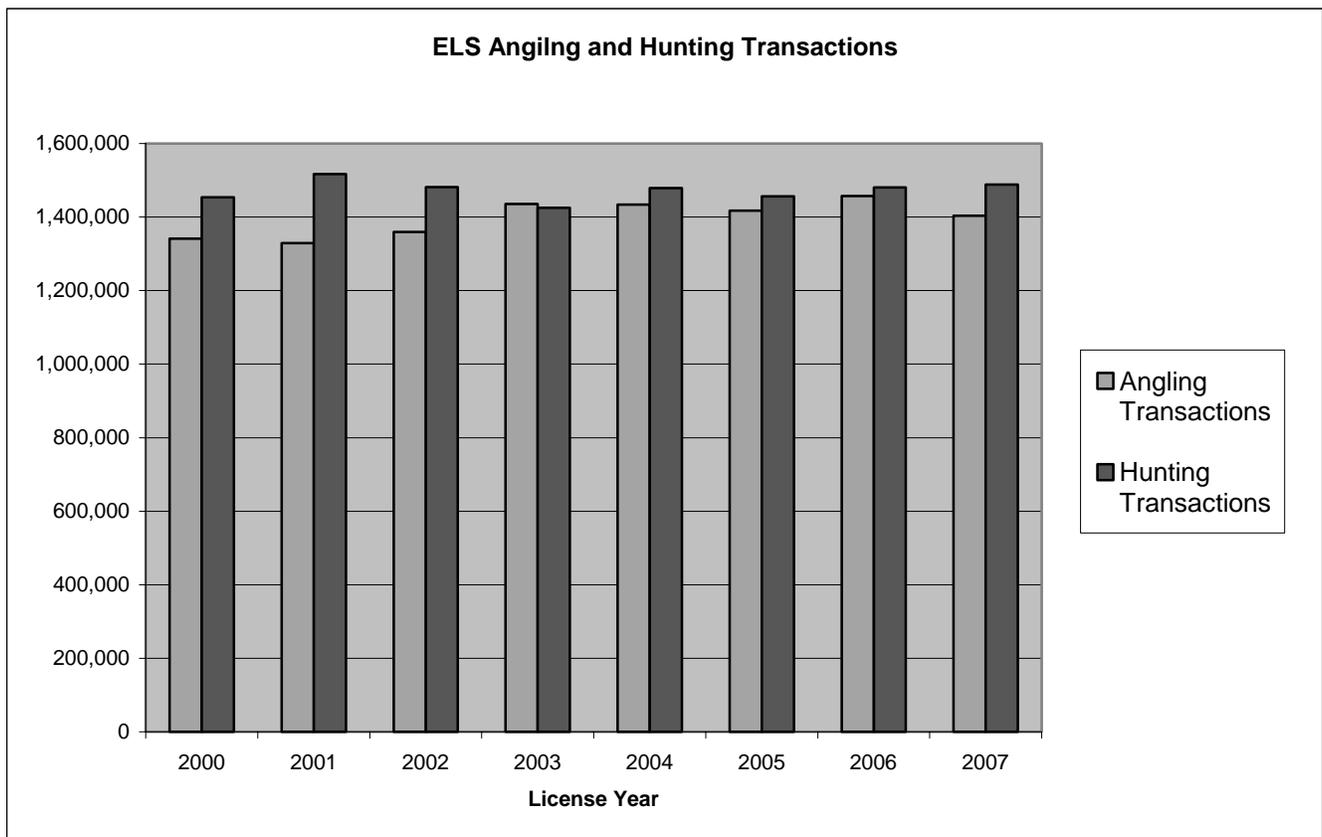
Key Activity Goals

Supporting the overall DNR mission, this Licensing Activity focuses on providing outdoor recreation opportunities. Licensing Activity goals include:

- ◆ providing license services to license vendors and the public in an efficient and cost effective manner. License vendors will provide accurate regulation information to customers purchasing licenses.
- ◆ using ELS data as appropriate for analysis of resource management, existing programs, and recreational trends.

Key Activity Measures

- ◆ **Hunter and angler satisfaction with licensing procedures:** As part of its mission, the DNR provides high-quality services to Minnesota's hunters and anglers. This includes not only managing and sustaining resources, but also providing customers with licenses and useful information. Customer satisfaction is part of the goal of providing high-quality customer services. Information on this indicator will assist the DNR with ongoing assessment of satisfaction levels with ELS.



NATURAL RESOURCES DEPT

Program: FISH & WILDLIFE MANAGEMENT

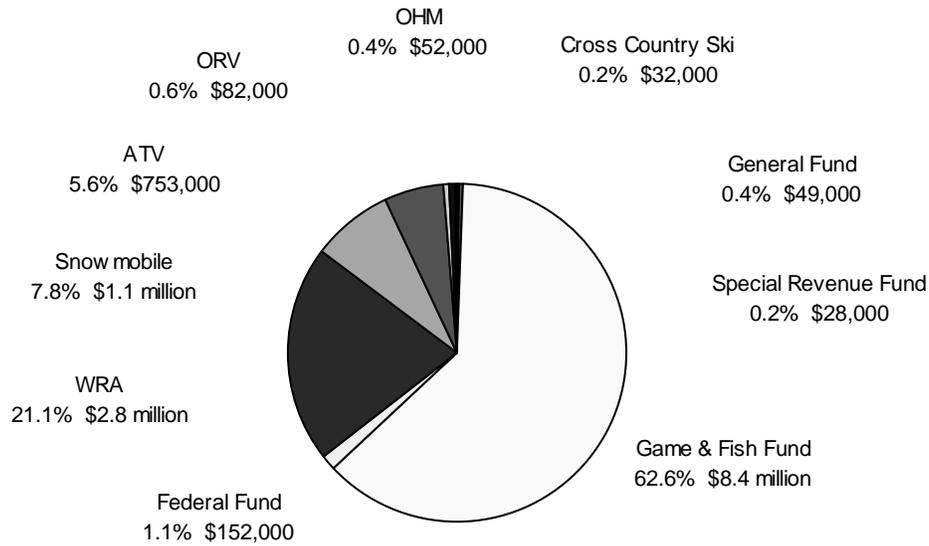
Activity: LICENSING

Narrative

Activity Funding

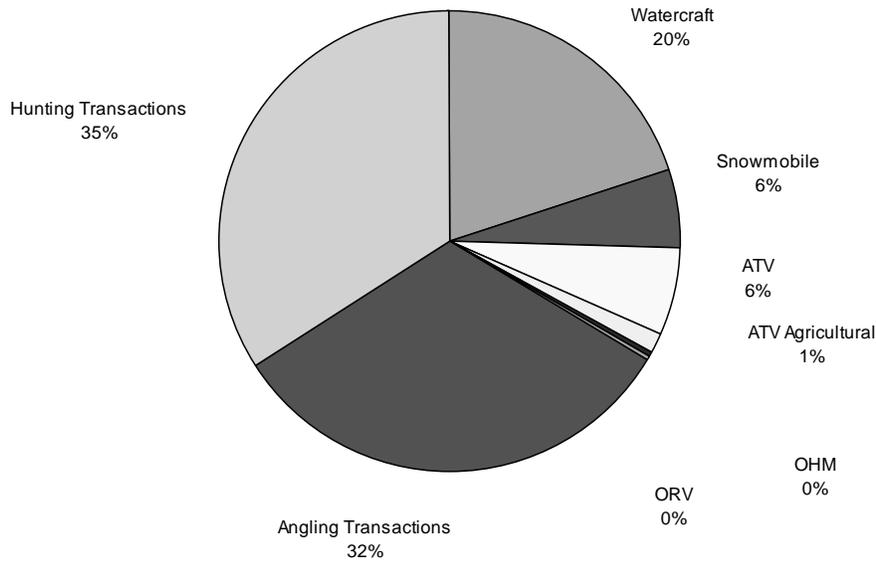
The operating budget for FY 2008-09 includes the following sources of funds: Game and FISH FUND 62.6%; Water Recreation 21.1%; Snowmobile 7.8%; ATV 5.6%; all other 2.9%.

FY 2008-09 Licensing Operating Budget \$13.4 million



Licensing expenditures are summarized into 8 activities. A breakdown of FY 2007 activity expenditures are shown below:

FY 2007 License Center Activity



Contact

For additional information, please contact:

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NATURAL RESOURCES DEPT
Program: FISH & WILDLIFE MANAGEMENT
Activity: LICENSING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	49	0	0	0	0
Subtotal - Forecast Base	49	0	0	0	0
Total	49	0	0	0	0
Natural Resources					
Current Appropriation	1,250	1,250	1,250	1,250	2,500
Subtotal - Forecast Base	1,250	1,250	1,250	1,250	2,500
Total	1,250	1,250	1,250	1,250	2,500
Game And Fish (operations)					
Current Appropriation	1,338	1,189	1,189	1,189	2,378
Subtotal - Forecast Base	1,338	1,189	1,189	1,189	2,378
Total	1,338	1,189	1,189	1,189	2,378
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	49	0	0	0	0
Natural Resources	1,021	1,479	1,250	1,250	2,500
Game And Fish (Operations)	757	1,510	1,189	1,189	2,378
Statutory Appropriations					
Natural Resources	898	1,955	1,201	1,201	2,402
Miscellaneous Special Revenue	371	410	140	140	280
Game And Fish (Operations)	3,161	2,902	2,902	2,902	5,804
Federal	10	76	76	76	152
Total	6,267	8,332	6,758	6,758	13,516
<u>Expenditures by Category</u>					
Total Compensation	1,351	1,655	1,655	1,655	3,310
Other Operating Expenses	4,916	6,677	5,103	5,103	10,206
Total	6,267	8,332	6,758	6,758	13,516
Full-Time Equivalent (FTE)	24.0	25.0	20.9	20.7	

Program Description

The purpose of the Ecological Resources Program is to ensure that present and future generations enjoy the benefits of healthy ecosystems. This program is the responsibility of the Department of Natural Resources (DNR's) Division of Ecological Resources.

Natural resource agencies have a long tradition of managing fish and wildlife resources that have economic value for recreational hunting and fishing. In the 1970s, however, people began to recognize the need to protect and manage all wildlife species (game and nongame) as well as native plants and natural communities, such as prairies and wetlands. In addition, they recognized the importance of addressing serious threats such as contaminants and invasive non-native species, and the need to restore degraded lakes, rivers and wetlands, to protect and improve the natural resources that are so important to Minnesota's quality of life. The Division of Ecological Resources addresses these important resource issues with 20 different programs concentrated in four key areas: 1) nongame and rare resources; 2) lakes and rivers; 3) ecosystem health; and 4) integrated conservation information.

Program at a Glance

- ◆ survey Minnesota counties for rare biological resources
- ◆ maintain almost 35,000 data records of rare resources
- ◆ provide 22,000 hours/yr of technical ecological assistance to private developers, local governments, and other agencies
- ◆ prevent 1.5 million boaters from spreading invasive species
- ◆ manage 146 scientific and natural areas and 86 native prairie bank conservation easements
- ◆ assist in protecting river systems and in the ecological restoration of degraded rivers statewide

Population Served

Ecological Resources reaches out in partnership and service to a wide range of individuals and organizations. These include: active and concerned citizens, private landowners, outdoor recreation enthusiasts, local units of government, businesses, nonprofit organizations, policy leaders, and natural resource managers.

Services Provided

The work of Ecological Resources is fundamental to DNR's three-part conservation mission based on interrelated values of natural resources protection, economic development, and recreational use. Ecological Resources professionals collect, manage, interpret, and deliver ecological information on Minnesota's natural systems and resources to inform wise resource decisions, land use planning, and economic development in ways that sustain quality of life. The division plays an instrumental role in protecting and restoring native plant and wildlife communities; in managing invasive species; in assessing and monitoring water quality of the state's lakes, rivers, and streams; and in managing the state's system of natural areas that harbor Minnesota's rarest natural features. By working with a variety of partners, Ecological Resources accomplishes this by providing five key services:

- ◆ **Protecting and restoring native plant and wildlife communities:** Key functions include acquisition and management of a statewide system of natural areas and prairie bank easements, native prairie habitat enhancement on private lands, supporting wildlife and nature outdoor recreation opportunities, minimizing the impact of invasive species, and restoring shoreland habitat and rivers. Grants to local units of government and lake associations help them manage and control the impacts of Eurasian watermilfoil and curly-leaf pondweed on public waters. Grants to shoreland owners help them restore habitat at the waters edge. Grants to other DNR disciplines accelerate management of terrestrial invasive species. Shoreland and river restoration work contributes to improved water quality.
- ◆ **Delivering technical assistance:** Ecological Resources provides ecological products, programs, data, and environmental review services to decision makers, resource managers, and educators. Delivering sound, credible information to resource users is critical to the productive decision-making efforts of landowners, business leaders, resource agencies, and local public officials. Several division programs are focused on data interpretation and delivery, technical assistance, community outreach, and education.
- ◆ **Collecting ecological data:** Collecting and interpreting ecological information requires specialized expertise to understand how ecosystems work to provide essential services. Division professionals have ecological expertise in Minnesota's natural communities (such as forests, wetlands, and rivers); the state's flora and

fauna; and how systems respond to change. Small grants are provided to individuals and academic institutions to collect information on rare resources.

- ◆ **Managing ecological data.** The division's emphasis on collecting ecological information means that it must place an equally important emphasis on managing data. The backbone of the Division of Ecological Resource's information is the Natural Heritage Information System, which includes over 20 databases that store data on rare features such as state-listed plants and animals and natural plant communities.
- ◆ **Regulating activities that impact native plant and wildlife communities.** Program staff manage permit programs designed to protect aquatic plants, control invasive species, protect endangered species, and provide for the safe operation of lake aeration systems.

Historical Perspective

The history of the Division of Ecological Resources reflects the growing interest of Minnesota's citizens to address a broader range of natural resource issues. For nearly 40 years the unit provided technical assistance to the department's traditional resource programs in fisheries and wildlife. Beginning in the 1980s, a series of program changes and additions gave shape to a newly expanded division with authorities in a variety of new areas including invasive species, endangered species, wetland mitigation, nongame wildlife, scientific and natural areas, native plants and plant communities, and restoration of degraded grassland and river habitats. A more recent addition of responsibility and authority is the environmental review unit, which analyzes potential impacts associated with development projects.

Key Program Goals

"Protect Priority Land Habitats" with an emphasis on rare land features and sites of biodiversity significance is the number one habitat recommendation in the Legislative-Citizen Commission on Minnesota Resources (LCCMR's) *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net). Ecological Resources provides the information and expertise on rare features and biodiversity on which conservation planning and land management decisions are based. The division also plays an instrumental role in other critical habitat areas identified for protection and restoration, including shorelands, wetlands, aquatic habitat of lakes and streams, connecting corridors, and forests. Ecological Resources produces effective tools and training to better understand and evaluate complex interactions across landscape and watershed scales (Habitat Recommendations #12 - #13). The division contributes to the plan's Energy Recommendations by providing expertise on alternative energy and climate change issues. The DNR supports the recommendations of the Minnesota Climate Change Advisory Group to protect or restore northern peatlands and other wetlands to prevent releases of GHGs and fire and to allow existing peatlands to continue to sequester carbon (<http://www.mnclimatechange.us/index.cfm>).

Recent societal trends are changing the nature of the state's natural resources and their contribution to the Minnesota quality of life. Ecological Resources is responding with innovative and collaborative approaches to address three critical drivers of change:

- ◆ **Changes in Outdoor Recreation Participation:** An elevated interest in addressing a broader range of natural resource issues has been coupled with an increase in the number of wildlife watchers as outdoor recreation participants. The number of Minnesota citizens participating in bird watching, wildlife tourism, bird feeding, and wildlife photography increased from 1.3 million in 1996 to 1.95 million in 2006 – an increase of 50% in 10 years (USFWS 2006). Total expenditures related to wildlife watching by Minnesota residents were \$579 million. Despite the increase in the number of wildlife watchers, there is concern that the percentage of the state's total population participating in this and other outdoor activities is actually decreasing as the overall population increases. Through partnerships and creative programming, Ecological Resources is expanding wildlife tourism efforts and targeting outreach to nontraditional audiences.
- ◆ **Renewable Energy and Climate Change:** As the state seeks renewable energy alternatives and ways to address climate change, Ecological Resources scientists and planners are providing expertise in native prairie seed production and bio-energy projects for native prairie management, participating in department efforts on wind energy and carbon markets and in developing guidelines for prairie restoration and woody biomass harvest, identifying critical natural areas and habitats to detect climate change impact, and conducting a pilot project that links ecological restoration with supplying woody biomass for District Energy in

St. Paul. Environmental review services are being modified and accelerated to support economic development in ways that conserve Minnesota's natural resources.

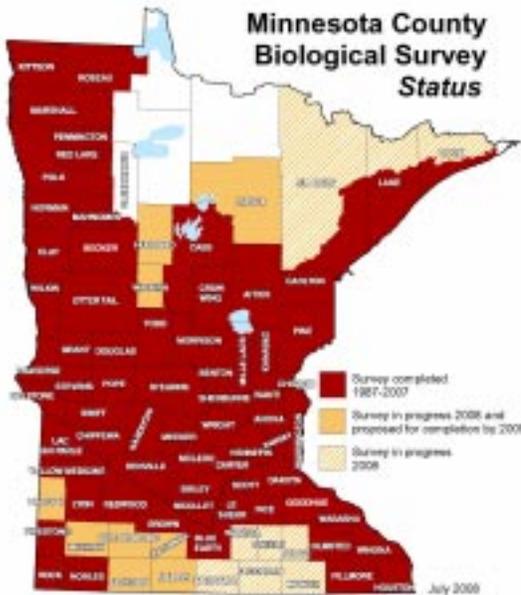
- ◆ **Landscape Changes from Population Growth and Development:** With increasing human population and associated development come increasing demands on Minnesota's natural systems. In the face of landscape changes, Ecological Resources must manage and sustain a system of natural areas to safeguard Minnesota's rarest natural treasures into the future. Ecological Resources provides information on critical habitats and rare features to help prioritize conservation efforts. The program also offers technical and financial assistance to help address threats to these habitats. Inventory and monitoring characterizes changes occurring across Minnesota's landscape and allows us to assess the rate of change and its consequences. Ecological Resources participates in implementing Minnesota's Clean Water Legacy program through monitoring and assessing water quality and developing and implementing total maximum daily load studies. Ecological Resources also manages the department's environmental review program, which reviews development projects and makes recommendations to avoid, minimize, or mitigate environmental impacts.

Key Program Measures

Ecological Resources uses a range of performance measures to assess its progress in collecting and providing ecological information critical to wise resource decisions and sustainable resource results. The following measures illustrate four of the division's core program activities and their conservation results. For a more complete set of performance measures and more detailed descriptions of each measure, please see DNR's *A Strategic Conservation Agenda, 2003 –2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html).

- ◆ **Nongame and Rare Resources**

Minnesota County Biological Survey: An important goal for DNR is to ensure that all landowners have the information they need to manage natural resources. The Minnesota County Biological Survey (MCBS) helps meet that goal by providing baseline information about unique natural areas and rare features, and the tools needed to help sustain them. The MCBS is a systematic survey of the state's native plant communities, rare species locations, and potential natural areas. Survey information is made available in various formats, including maps, publications, electronic data files, and through technical assistance. Surveys have been completed in 65 of Minnesota's 87 counties and are underway in 18 other counties.



Indicator: Number of counties with a Minnesota County Biological Survey.

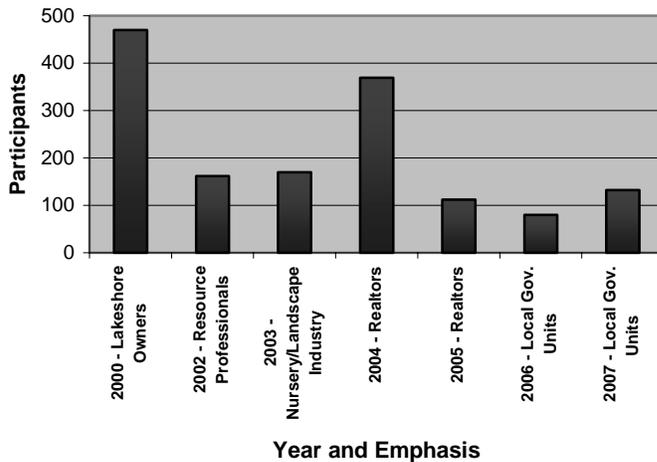
Target: Complete surveys for all counties by 2018.

◆ **Lakes and Rivers**

Ecological Resources has broad responsibilities to help sustainably manage the state's water resources, including lakes, rivers, streams, and wetlands. A critical habitat experiencing intense development pressure is our shorelands.

Shoreline Habitat Conservation: Ecological Resources produces educational materials and management tools on protecting and restoring shoreline habitat. A series of shoreline management workshops have been conducted to reach shoreland owners, nursery and landscape industry professionals, resource managers, realtors and developers, and local units of government.

Education Workshop Participants

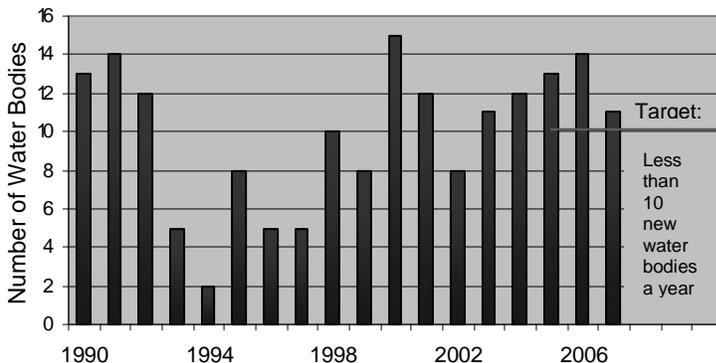


Indicator: Number of shoreline workshop participants.

◆ **Ecosystem Health**

Eurasian watermilfoil is a non-native invasive aquatic plant that harms Minnesota waterways by displacing native species, degrading habitat for fish and wildlife, and limiting lake recreation. Unintentional transport on trailered watercraft and equipment is believed to be the primary means of spread. Ninety percent of Minnesota boaters responding to a question in a 2000-2001 survey said they took action to avoid spreading aquatic invasive species, an increase over a similar survey in 1994 when 70% of Minnesota boaters said they took action.

Number of Additional MN Water Bodies Where Eurasian Watermilfoil was Found



Indicator: Number of water bodies with new infestations of Eurasian watermilfoil

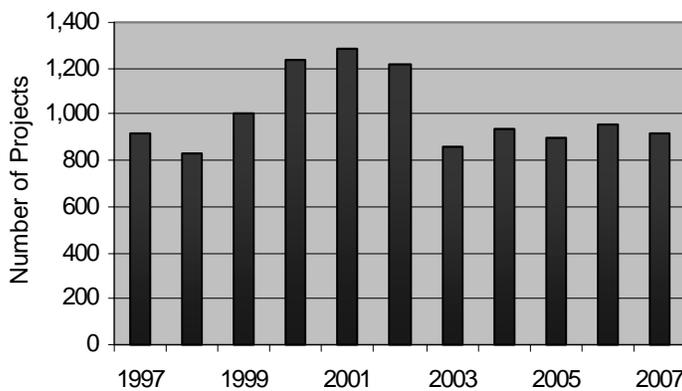
Target: Limit the rate of spread of Eurasian watermilfoil to no more than 10 new water bodies per year

◆ **Integrated Conservation Information**

Environmental Review is the process by which the DNR, other agencies, and the public assess the effects on the environment from proposed human activities. It is a key function of environmental agencies and is required by state and federal laws. Ecological Resources manages the department's environmental review responsibilities.

Between 900 and 1,000 land development projects are proposed each year. In total, these projects annually convert thousands of acres of natural habitats such as woodlands, grasslands, and wetlands into developed landscapes. Environmental Review supports the department's three-part conservation mission by helping projects be more successful in achieving economic viability and natural resource protection. This process ensures that projects will develop in such a way as to avoid or mitigate environmental impacts.

Development Projects Reviewed by Year



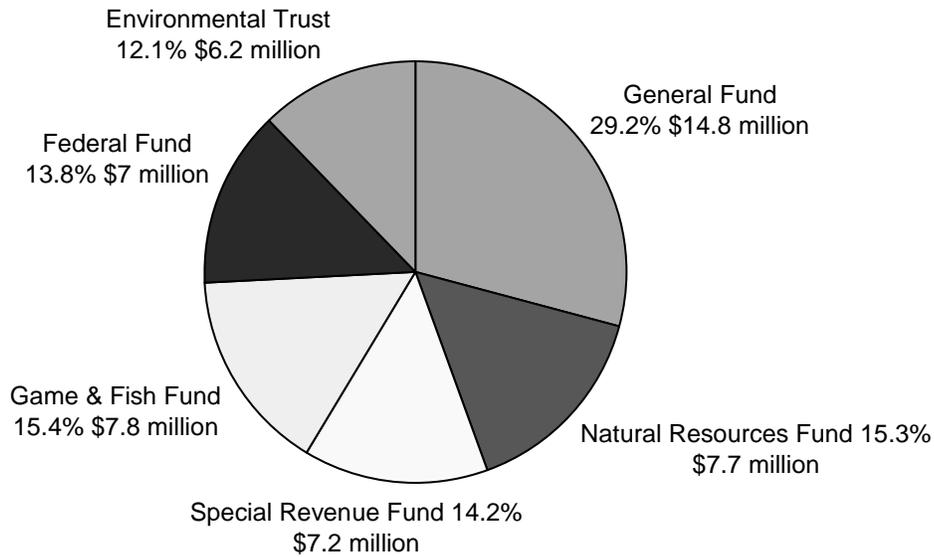
Indicator: Number of development projects reviewed each year

Program Funding

This program generates revenue from aquatic plant and lake aeration permits and reimbursement under the Federal Aid to Sport Fish and Wildlife Restoration and State Wildlife Grant programs. Sport Fish and Wildlife Restoration dollars are deposited in the Game and Fish Fund. State Wildlife Grants are federal dollars reimbursed for state program expenditures targeted at wildlife species of greatest conservation need.

Game and Fish Fund appropriations include dollars from the Heritage Enhancement Account, a sub-account of the Game and Fish Fund that was authorized by the 2000 legislature and funded from a percentage of lottery revenues in lieu of sales tax. Natural Resources funding includes the Water Recreation Account (motorboat gas taxes and boat licenses), Invasive Species Account (surcharge on boat licenses and non-resident fishing licenses), Nongame Fund (state income tax check-off), and Off-Highway Vehicle (OHV) and Recreational Trail funds (OHV registration fees). Federal and Special Revenue funds include dollars from a number of grant programs and cooperative agreements.

**FY2008-09 Ecological Resources Budgeted Expenditures
\$50.7 Million**



Contact

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General information about the division and its diverse program services is available on the DNR website (mndnr/eco). Annual reports are available that summarize the division's expenditures from the Game and Fish Fund and activities with the Aquatic Plant Management and Invasive Species programs. These can be obtained by calling (651) 259-5100.

NATURAL RESOURCES DEPT
 Program: ECOLOGICAL RESOURCES

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<i>Direct Appropriations by Fund</i>					
Environment & Natural Resource					
Current Appropriation	2,020	3,590	3,590	3,590	7,180
Technical Adjustments					
One-time Appropriations			(3,590)	(3,590)	(7,180)
Subtotal - Forecast Base	2,020	3,590	0	0	0
Total	2,020	3,590	0	0	0
General					
Current Appropriation	8,367	6,531	6,531	6,531	13,062
Technical Adjustments					
Pt Contract Base Reduction			(1)	(1)	(2)
Subtotal - Forecast Base	8,367	6,531	6,530	6,530	13,060
Total	8,367	6,531	6,530	6,530	13,060
Natural Resources					
Current Appropriation	3,696	3,994	3,994	3,994	7,988
Subtotal - Forecast Base	3,696	3,994	3,994	3,994	7,988
Total	3,696	3,994	3,994	3,994	7,988
Game And Fish (operations)					
Current Appropriation	3,882	3,951	3,951	3,951	7,902
Subtotal - Forecast Base	3,882	3,951	3,951	3,951	7,902
Total	3,882	3,951	3,951	3,951	7,902
Clean Water Fund					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
CWF/Clean Water Legacy		0	1,058	1,601	2,659
Total	0	0	1,058	1,601	2,659

NATURAL RESOURCES DEPT
 Program: ECOLOGICAL RESOURCES

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	1,288	5,124	0	0	0
General	6,371	8,925	6,530	6,530	13,060
Natural Resources	2,997	4,693	3,994	3,994	7,988
Game And Fish (Operations)	3,379	4,454	3,951	3,951	7,902
Clean Water Fund	0	0	1,058	1,601	2,659
Open Appropriations					
Natural Resources	4	3	3	3	6
Statutory Appropriations					
Natural Resources	1	15	4	4	8
Miscellaneous Special Revenue	2,331	1,348	2,705	2,705	5,410
Federal	2,234	2,841	2,698	2,329	5,027
Remediation Fund	1,504	1,190	496	147	643
Reinvest In Minnesota	1,109	2,673	2,673	2,673	5,346
Gift	39	51	51	51	102
Total	21,257	31,317	24,163	23,988	48,151
<u>Expenditures by Category</u>					
Total Compensation	10,170	13,568	12,143	12,181	24,324
Other Operating Expenses	6,977	12,953	10,092	10,284	20,376
Capital Outlay & Real Property	250	1,964	14	8	22
Local Assistance	3,860	2,832	1,914	1,515	3,429
Total	21,257	31,317	24,163	23,988	48,151
<u>Expenditures by Activity</u>					
Ecological Resources	21,257	31,317	24,163	23,988	48,151
Total	21,257	31,317	24,163	23,988	48,151
Full-Time Equivalent (FTE)	163.3	194.7	177.5	177.0	

Program Description

The purpose of the Natural Resource Laws and Rules Program (Enforcement) is to ensure public safety and compliance with laws regarding state game and fish, recreational vehicles, natural resource commercial operations, and environmental protection. This program is the responsibility of the Department of Natural Resources (DNR's) Division of Enforcement.

Major responsibilities include law enforcement, public safety, and education in:

- ◆ hunting and fishing seasons, methods of taking wild animals, and bag and possession limits;
- ◆ public safety, especially where it concerns alcohol use while hunting or operating Off-Highway Vehicles (OHV), and watercraft;
- ◆ commercial use and possession of natural resources and products;
- ◆ protection of the state's land, air, and water; and
- ◆ education safety training and hunter education for youth and adults.

Population Served

The Division of Enforcement serves our citizens by safeguarding the public through education and enforcement efforts for 866,971 registered boaters, 1,487,996 licensed hunters, 1,403,357 licensed anglers, 263,640 All-Terrain Vehicles (ATV), 16,312 Off-Highway Motorcycles (OHM), 7,250 Off-Road Vehicles (ORV), 244,432 registered snowmobiles, 2,000 licensed/registered commercial operations, and countless other stakeholders and visitors using our abundant natural resources and recreational opportunities.

Services Provided

The division provides services to the state through the use of 151 community-based conservation officers and specially trained officers assigned for support. Services currently provided through the division are:

- ◆ Special Investigation Unit (SIU), targeting unlawful activity among commercial operations;
- ◆ Aviation Unit, supporting division operations including aerial census and mapping;
- ◆ Wetland Resource Officers (WRO), specifically trained in the complexities of state and federal wetland issues, dealing with unlawful activity in wetlands and wetlands destruction, and recently expanded role as the lead unit addressing invasive species enforcement and education;
- ◆ Training and Standards Unit, concentrating on officer training, academy training, professionalism, and safety; and
- ◆ Information and Education, administering mandated safety training and education programs delivered through volunteer instructors, regional training officers, and local conservation officers.

Historical Perspective

Natural resource commercial and recreational use has increased dramatically in the last half-century; however, the Enforcement Division has maintained approximately the same number of conservation officer positions. In addition to increases in the number of traditional hunters and the number of anglers, the state has new user groups. Some added duties since that time include:

- ◆ wetlands drainage/Wetland Conservation Act (WCA) enforcement;
- ◆ state and Grant-in-Aid (GIA) trails (20,000 miles);
- ◆ All-Terrain Vehicles (ATVs), Off-Road Vehicles (ORVs), Off-Highway Motorcycles (OHMs), snowmobiles (531,634 registered);

Program at a Glance

The Division of Enforcement protects the state's natural resources. There is a direct link between natural resources and the state's quality of life, as well as impacts to the tourism industry and the state's economy. Some FY 2008 highlights:

- ◆ Trained 40,299 citizens attended the division's education/safety classes
- ◆ Documented 22,143 violations
- ◆ Enforced the Wetlands Conservation Act (WCA)
- ◆ Provided aviation support for department needs ranging from stocking fish, wildlife population census to enforcement activities
- ◆ Administered \$1.9 million in grants to local law enforcement agencies for enforcement work in boat and water, snowmobile, Off-Highway Vehicles (OHV)
- ◆ Administered matching dollars for the improvement of public shooting and archery ranges

- ◆ firearm safety classes (22,912 students), snowmobile and OHV safety education, and adult hunter education (1,595 students);
- ◆ boat and water safety enforcement (866,971 registered);
- ◆ water quality and pollution issues;
- ◆ commercial enterprises such as shooting preserves, taxidermists, ginseng exporters;
- ◆ state parks enforcement;
- ◆ invasive species enforcement and education;
- ◆ forest arson investigations;
- ◆ seasons for wildlife species, (e.g., metro goose, light geese, turkey, moose, muzzleloader deer, archery deer, falconry, mourning doves);
- ◆ Indian treaty issues 1837 and 1854;
- ◆ cross-country ski passes, horse passes, shoreline protection; and
- ◆ operating recreational vehicles and hunting while impaired.

Pro-active law enforcement requires increased focus on habitat protection efforts for game and fish population enhancement (forests, waters, wetlands, and prairies). This includes efforts such as WCA enforcement, experimental and special regulation waters, invasive species and water quality and pollution issues.

Key Program Goals

Quality law enforcement contributes to the overall effectiveness of the department's management goals by ensuring the fair and safe use of the state's resources. Specifically, the Division of Enforcement's role in the preservation of key wetlands, are integral to habitat needs of so many of the state's important species. Likewise, enforcement efforts on special regulation and experimental waters are needed to preserve the integrity of the fisheries programs that have been a focus of the DNR's *A Strategic Conservation Agenda, 2003 –2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html).

Key Program Measures

The effectiveness of law enforcement efforts cannot be gauged simply by tabulating the results of citations and warnings issued. The division has a three-pronged approach to gaining compliance: information, education, and law enforcement, with enforcement action as the last measure. The division will continue to use the media and department education efforts to increase voluntary compliance with natural resources laws and report more violations. The following measures illustrate the division's core program activities. Detailed descriptions of performance measures are found in the DNR's *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html).

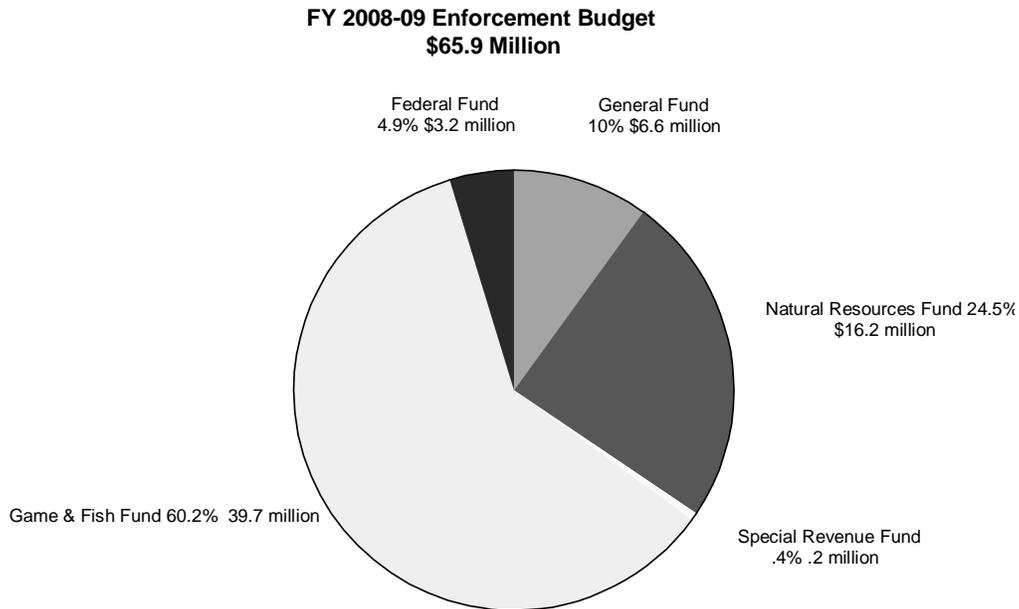
- ◆ **Game and Fish Protection:** Compliance with natural resource laws is difficult to measure. The division's goal is to increase the compliance rate as well as maintain levels of service hours in the following priority areas:
 - ⇒ Wetlands Conservation Act: continue to provide 10,000 hours for WCA enforcement and 5,000 hours on water quality, aquatic vegetation, alter cross-section of lake/stream and invasive species;
 - ⇒ Experimental and Special Regulation Waters: maintain 95,000 hours of fishing-related enforcement activities on these waters.
 - ⇒ Waterfowl Task Force: enforcement efforts by the division will provide 18,000 hours of enforcement of waterfowl regulations.
- ◆ **Recreational Vehicle Law Enforcement:**
 - ⇒ activities will be maintained at FY 2009 levels
 - ⇒ information, education, and training to increase compliance and reduce injuries will be increased.
 - ⇒ A Trail Ambassador program will be continued to provide enhanced trail monitoring by trained volunteers.

◆ **Safety Education:**

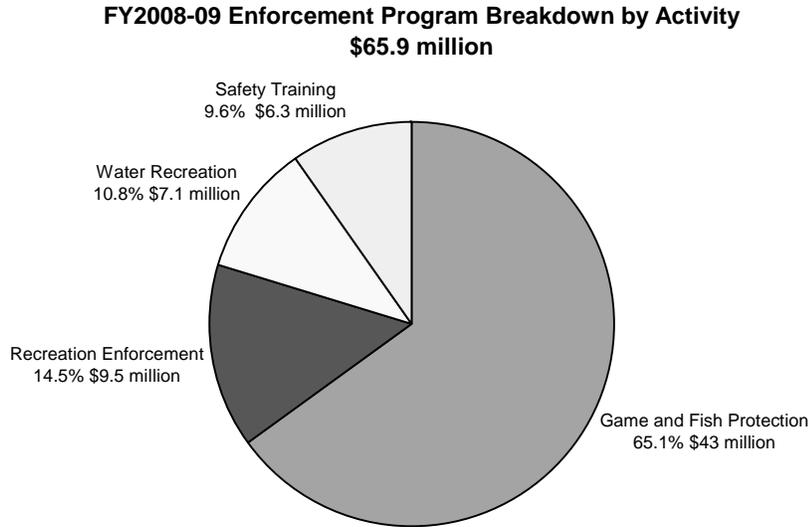
- ⇒ Outreach efforts will be maintained. In FY 2008, the division trained 3,618 students in All-Terrain Vehicle and 10,901 in Snowmobile Safety to reduce the fatalities associated with recreational vehicle use. Goals are to have fewer fatalities than the following historical percentages: Snowmobiling - 7.53/100,000 registered snowmobiles, ATV - 8.26/100,000 registered ATVs; and
- ⇒ Outreach efforts will be increased by partnering with the Hunting Recruitment and Retention Program to provide expanded hunter education opportunities. In FY 2008, the Enforcement Division trained 22,912 students in firearms safety and 1,595 students in advanced hunter education with the goal of reducing the injuries/fatalities associated with firearms hunting incidents.

Program Funding

The operating budget for FY 2008-09 is comprised of the following sources of funds: Game and Fish (60.2%), Natural Resources (24.5%), General (10%), Special Revenue (.4%), and Federal Funds (4.9%).



Enforcement expenditures are summarized into 4 activities. A breakdown of FY 2008-09 activity expenditures are shown below:



Contact

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NATURAL RESOURCES DEPT

Program: ENFORCEMENT NR LAWS&RULES

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	3,564	3,105	3,105	3,105	6,210
Technical Adjustments					
Pt Contract Base Reduction			(1)	(1)	(2)
Subtotal - Forecast Base	3,564	3,105	3,104	3,104	6,208
Total	3,564	3,105	3,104	3,104	6,208
Natural Resources					
Current Appropriation	7,463	8,531	8,531	8,531	17,062
Subtotal - Forecast Base	7,463	8,531	8,531	8,531	17,062
Total	7,463	8,531	8,531	8,531	17,062
Game And Fish (operations)					
Current Appropriation	19,422	19,970	19,970	19,970	39,940
Subtotal - Forecast Base	19,422	19,970	19,970	19,970	39,940
Total	19,422	19,970	19,970	19,970	39,940
Remediation Fund					
Current Appropriation	100	100	100	100	200
Subtotal - Forecast Base	100	100	100	100	200
Total	100	100	100	100	200
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	38	0	0	0	0
General	3,669	3,438	3,104	3,104	6,208
Natural Resources	7,310	8,544	8,531	8,531	17,062
Game And Fish (Operations)	19,355	20,037	19,970	19,970	39,940
Remediation Fund	99	101	100	100	200
Statutory Appropriations					
Natural Resources	226	152	71	71	142
Miscellaneous Special Revenue	45	44	18	18	36
Game And Fish (Operations)	222	225	225	225	450
Federal	1,021	1,115	1,124	1,124	2,248
Gift	1	4	3	3	6
Total	31,986	33,660	33,146	33,146	66,292
<u>Expenditures by Category</u>					
Total Compensation	21,759	21,705	21,419	21,419	42,838
Other Operating Expenses	7,424	8,748	8,520	8,520	17,040
Local Assistance	2,803	3,207	3,207	3,207	6,414
Total	31,986	33,660	33,146	33,146	66,292
<u>Expenditures by Activity</u>					
Enforcement-Nr Laws&Rules	31,986	33,660	33,146	33,146	66,292
Total	31,986	33,660	33,146	33,146	66,292
Full-Time Equivalents (FTE)	254.8	254.7	254.7	254.7	

NATURAL RESOURCES DEPT

Program: ENFORCEMENT NR LAWS&RULES

Activity: ENFORCEMENT-NR LAWS&RULES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	3,564	3,105	3,105	3,105	6,210
Technical Adjustments					
Pt Contract Base Reduction			(1)	(1)	(2)
Subtotal - Forecast Base	3,564	3,105	3,104	3,104	6,208
Total	3,564	3,105	3,104	3,104	6,208
Natural Resources					
Current Appropriation	7,463	8,531	8,531	8,531	17,062
Subtotal - Forecast Base	7,463	8,531	8,531	8,531	17,062
Total	7,463	8,531	8,531	8,531	17,062
Game And Fish (operations)					
Current Appropriation	19,422	19,970	19,970	19,970	39,940
Subtotal - Forecast Base	19,422	19,970	19,970	19,970	39,940
Total	19,422	19,970	19,970	19,970	39,940
Remediation Fund					
Current Appropriation	100	100	100	100	200
Subtotal - Forecast Base	100	100	100	100	200
Total	100	100	100	100	200
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	38	0	0	0	0
General	3,669	3,438	3,104	3,104	6,208
Natural Resources	7,310	8,544	8,531	8,531	17,062
Game And Fish (Operations)	19,355	20,037	19,970	19,970	39,940
Remediation Fund	99	101	100	100	200
Statutory Appropriations					
Natural Resources	226	152	71	71	142
Miscellaneous Special Revenue	45	44	18	18	36
Game And Fish (Operations)	222	225	225	225	450
Federal	1,021	1,115	1,124	1,124	2,248
Gift	1	4	3	3	6
Total	31,986	33,660	33,146	33,146	66,292
<u>Expenditures by Category</u>					
Total Compensation	21,759	21,705	21,419	21,419	42,838
Other Operating Expenses	7,424	8,748	8,520	8,520	17,040
Local Assistance	2,803	3,207	3,207	3,207	6,414
Total	31,986	33,660	33,146	33,146	66,292
Full-Time Equivalent (FTE)	254.8	254.7	254.7	254.7	

Program Description

The purpose of the Operations Support Program is to provide direction and coordination of Department of Natural Resources (DNR) programs and services across the state through regional operations and to provide financial assistance to local units of government and private organizations to acquire and develop outdoor recreation areas and to protect and enhance natural areas.

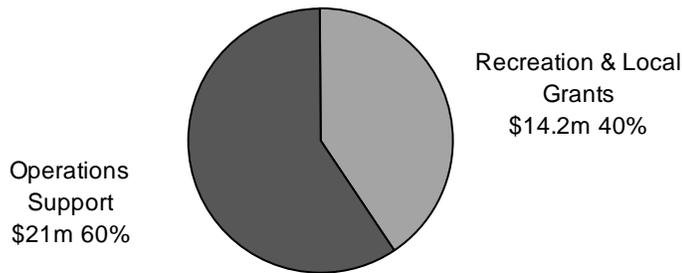
The Operations Support Program serves to provide leadership and support to the DNR. DNR has a three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection. This program exists to ensure that the multi-part mission is carried out in an integrated and efficient manner.

Budget Activities

This program includes the following budget activities:

- ◆ Operations Support
- ◆ Recreation and Local Initiative Grants

**Operations Support
\$35.2 million**



Key Measures

The DNR uses a range of organizational indicators to assess its performance related to department-wide operations and business practices. See the program activity sections for specific measures on activities. For a more complete set of performance measures and more detailed descriptions of each measure, please see the DNR's *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html).

NATURAL RESOURCES DEPT
 Program: OPERATIONS SUPPORT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<i>Direct Appropriations by Fund</i>					
Environment & Natural Resource					
Current Appropriation	2,540	10,212	10,212	10,212	20,424
Technical Adjustments					
One-time Appropriations			(10,212)	(10,212)	(20,424)
Subtotal - Forecast Base	2,540	10,212	0	0	0
Total	2,540	10,212	0	0	0
General					
Current Appropriation	3,215	1,560	1,560	1,560	3,120
Technical Adjustments					
Approved Transfer Between Appr			146	146	292
Current Law Base Change			500	500	1,000
One-time Appropriations			(66)	(66)	(132)
Subtotal - Forecast Base	3,215	1,560	2,140	2,140	4,280
Governor's Recommendations					
General Fund Reduction		0	(1,933)	(1,933)	(3,866)
Total	3,215	1,560	207	207	414
Natural Resources					
Current Appropriation	984	484	484	484	968
Subtotal - Forecast Base	984	484	484	484	968
Total	984	484	484	484	968
Game And Fish (operations)					
Current Appropriation	1,089	1,080	1,080	1,080	2,160
Technical Adjustments					
Approved Transfer Between Appr			9	9	18
Subtotal - Forecast Base	1,089	1,080	1,089	1,089	2,178
Total	1,089	1,080	1,089	1,089	2,178

NATURAL RESOURCES DEPT
 Program: OPERATIONS SUPPORT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	7,226	11,791	0	0	0
General	2,985	2,961	207	207	414
Natural Resources	642	752	484	484	968
Game And Fish (Operations)	960	1,227	1,089	1,089	2,178
Open Appropriations					
Natural Resources	2	2	2	2	4
Statutory Appropriations					
General	36	128	0	0	0
Natural Resources	505	214	209	209	418
Miscellaneous Special Revenue	326	432	283	283	566
Federal	2,357	5,419	3,034	2,773	5,807
Remediation Fund	7	10	10	10	20
Gift	1,206	1,333	1,354	1,354	2,708
Total	16,252	24,269	6,672	6,411	13,083
<u>Expenditures by Category</u>					
Total Compensation	3,608	4,003	2,624	2,624	5,248
Other Operating Expenses	3,337	4,324	2,217	2,217	4,434
Capital Outlay & Real Property	1,203	6,839	1,345	1,084	2,429
Local Assistance	8,104	9,103	479	479	958
Transfers	0	0	7	7	14
Total	16,252	24,269	6,672	6,411	13,083
<u>Expenditures by Activity</u>					
Operations Support	9,533	16,650	6,193	5,932	12,125
Rec & Local Initiative Grants	6,719	7,619	479	479	958
Total	16,252	24,269	6,672	6,411	13,083
Full-Time Equivalent (FTE)	43.5	41.5	27.9	27.9	

Activity Description

This activity provides administrative leadership to the Department of Natural Resources (DNR) and delivers services to the public including: formulating and establishing department policies and priorities; integrating department operations in a cohesive direction; and delivering services at the local level across the state through regional operations. The DNR’s regional operations includes northwest, northeast, central, and southern regional offices, with headquarters in Bemidji, Grand Rapids, St. Paul and New Ulm.

Legislative guidance is provided in Minnesota statutes pertaining to such topics as: accounting, contracting, and budget; data practices; planning and performance measurement; management of fleet, facilities and assets; management of information technology and information systems; publication of regulations and other information; state employment, labor relations, and state retirement; safety; human rights and accessibility. Article 11 of the Minnesota Constitution provides direction concerning finances, revenue from state lands, the Permanent School Fund, and the Environment and Natural Resources Fund.

Activity at a Glance

- ◆ communicate with executive branch and legislature
- ◆ direct budget and accounting policy for effective use for approximately \$300 million per year
- ◆ manage Federal Emergency Management Agency (FEMA) public assistance grants for damage to DNR properties and facilities from natural disasters
- ◆ protect habitat through acquisition, easements, or ordinances and direct technical and financial assistance to local communities
- ◆ resolve conflicts on natural resource issues within the DNR and with stakeholders

Population Served

Operations Support provides services to DNR managers, supervisors, and employees, and to the general public, local communities, and other governmental organizations.

Services Provided

The DNR has a three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection. This activity exists to ensure the multi-part mission is carried out in an integrated and efficient manner, and includes leadership and services provided by:

- ◆ **Commissioner’s Office** provides leadership and direction for the department and manages regulatory and legislative affairs.
- ◆ **Regional Operations** provides leadership and assistance for interdisciplinary delivery of DNR services at the local level, including:
 - ⇒ coordination of natural resource management programs to ensure that the agency provides a unified response and is effectively and appropriately managing and conserving the state’s natural resources;
 - ⇒ technical assistance to local communities, stakeholders, and elected officials;
 - ⇒ local administration of financial assistance programs, including Metro Greenways, and Legislative-Citizen Commission on Minnesota Resources (LCCMR) recommended grants, Community Assistance, Metro Greenways Planning and Metro Corridor grants;
 - ⇒ information and education, communications planning, media relations, and department participation in local education and community events; and
 - ⇒ coordination of the department’s emergency response assistance in the event of a non-fire emergency.

Historical Perspective

The Operations Support Activity previously represented the Commissioner's Office, Regional Operations, and DNR's four service bureaus (Bureau of Human Resources, Bureau of Information and Education, Management Resources, and Office of Management and Budget Services). The Bureau of Human Resources supports agency management through workforce planning and key activities such as payroll and administration of labor laws, rules, and regulations; the Bureau of Information and Education provides information for the general public, media and marketing services, and coordination of DNR educational activities; Management Resources provides leadership and expertise on managing capital assets, information, and employee safety; and the Office of Management and Budget Services (OMBS) pursues effective integration of planning, budgeting, operations, and accountability mechanisms and provides leadership and support through agency management and financial services.

In FY 2006, the DNR initiated a new business model for a significant portion of the Operations Support Activity. The model, called Operations Support Governance, provides improvement in operational efficiency and accountability for managing DNR's information, workforce, assets, and finance and management support services. The Operations Support Governance model guides decisions regarding the quality and cost of shared department services provided and paid for by operating units. Operations Support Governance provides the shared services that DNR relies on in order to conduct business more efficiently. Operating units within the DNR receive and pay for these services based on service tied directly to a unit's business activity. The costs of these services are thereby distributed throughout the department.

Key Activity Goals

The DNR's Operations Support Activity and Operations Support Governance model work to achieve goals as described in the DNR's *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html), the LCCMR's *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net), and the Minnesota Climate Change Advisory Group's priorities for addressing climate change within Minnesota (<http://www.mnclimatechange.us/index.cfm>). Serving as the support unit for the department's divisions, these activities assist divisions by providing efficiencies in operations, supporting interdisciplinary collaboration and decision-making, and finding innovative solutions to operational challenges.

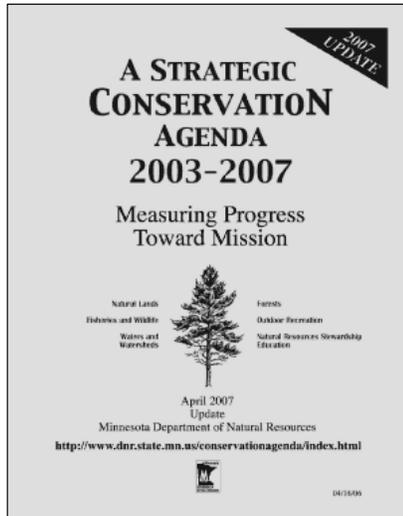
Recent societal trends are changing the nature of the state's natural resources and their contribution to Minnesota's quality of life. The DNR is responding with innovative and collaborative approaches to address three critical drivers of change. The Commissioner's Office provides leadership and direction on these critical trends and Regional Operations implements approaches to address these trends.

- ◆ **Changes in outdoor recreation participation:** As demand for various recreational opportunities changes and diversifies, the DNR must adjust its delivery of recreational services. The Commissioner's Office has directed the department to conduct market research to better understand the people it serves, increase efforts to promote outdoor recreation, and actively connect people with the outdoors through new outreach efforts.
- ◆ **Energy and climate change:** The Commissioner's Office has directed the department to reduce energy use through increased efficiencies in fleet and facilities and to increase the use of renewable energy in DNR operations. The DNR is modeling environmental performance through the use of new, innovative technologies and the demonstration of these technologies to the public. The DNR is supporting integrated teams in developing and incorporating carbon management strategies into management decision-making. This involves designing carbon measuring and reporting protocols and frameworks for mitigating and adapting to climate change and its effects, reporting to the Climate Registry, as well as participating in inter-agency efforts to enhance carbon sequestration within the state.
- ◆ **Landscape change:** Current patterns of low-density development threaten remaining natural lands and waters and people's access to them. In the face of development pressures, the protection and restoration of undeveloped natural and working lands is essential to conserve the many benefits that contribute to Minnesota's quality of life and economic vitality. Community assistance programs in the four DNR regions

operate in conjunction with local units of government, partners, and stakeholders to provide sound, credible natural resource information as a basis for conservation planning and land use decisions.

Key Activity Measures

- ◆ **Performance measurement system:** The DNR manages an agency-wide performance measurement process that builds and reports on agency performance indicators. These indicators serve to clearly define agency natural resource priorities, measure progress, and document accountability to results. The DNR's *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* reports on a set of 91 indicators and associated targets that reflect the range and reach of DNR's mission.



- ◆ **Training and Development:** The number of DNR employees completing the DNR Supervisor School and the DNR Leadership Development Program in the years since program inception. As required by M.S.43A.21, supervisors and managers are required to attend training offered by Management Analysis and Development (MAD). In addition to those training programs, the DNR has determined additional needs that are best met by customized training provided within the agency. On-going curriculum review, involvement of senior management, and action learning projects tied to strategic direction of the agency are hallmarks of these two training programs.



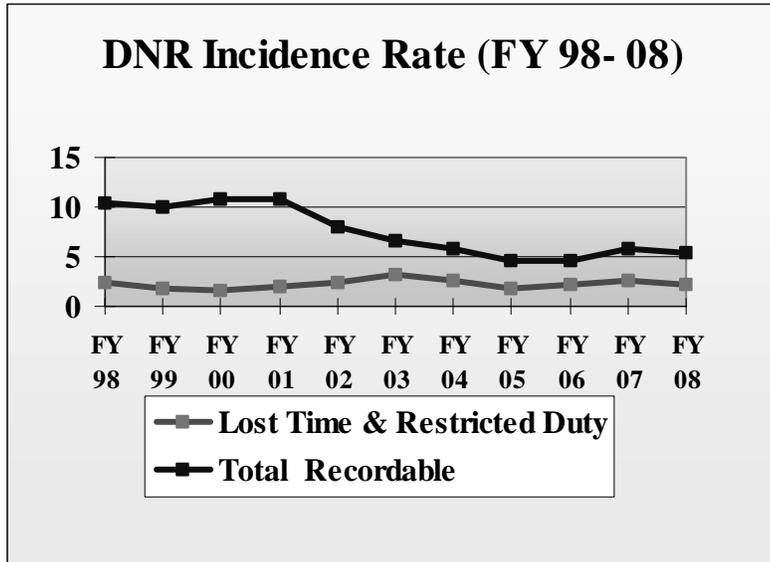
NATURAL RESOURCES DEPT

Program: OPERATIONS SUPPORT

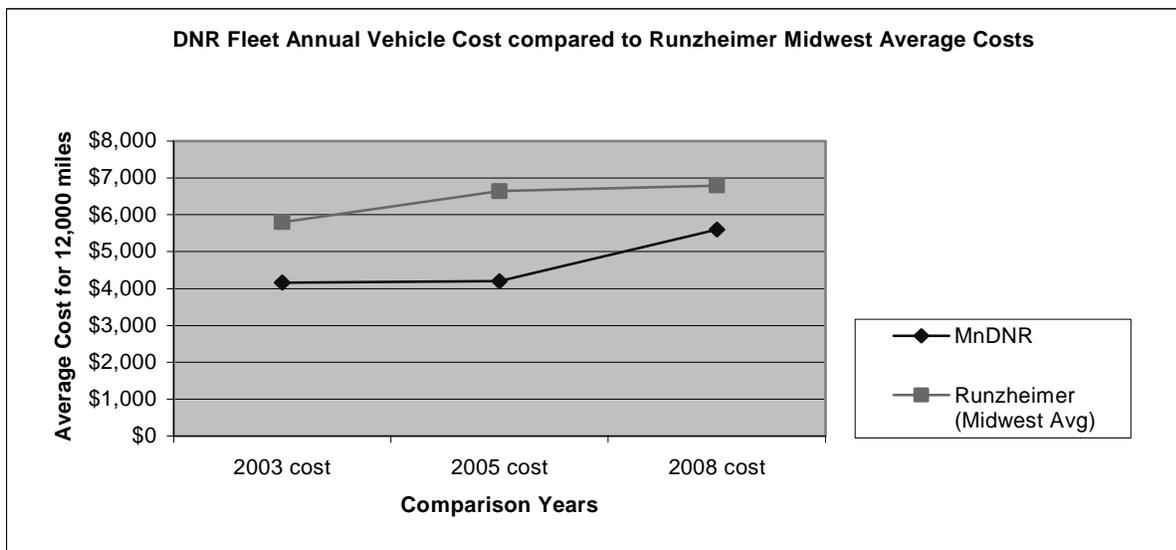
Activity: OPERATIONS SUPPORT

Narrative

- ◆ **Safety Performance:** Incidence rate – The total recordable incidence rate is the number of Occupational Health and Safety Administration (OSHA) recordable injuries and illnesses per 200,000 hours worked. The DNR incidence rate has dropped 56% in the last 10 years and 30% in the last three years. The short-term goal is to reduce the total injuries or illnesses in the DNR so that the recordable claims incidence rate is lower than the private sector total incidence rate (5.7) published by the Bureau of Labor Statistics (BLS).



- ◆ **Fleet Management:** The DNR was ranked as one of the 100 Best Fleets in North America by Fleet Equipment magazine in both 2006 and 2007 (out of 39,000 public and private fleets). DNR requires reliable working equipment to accomplish its mission. Equipment is used to enforce natural resources laws and regulations, and to manage wildfires, wild game, and fish populations. There are 5,000 pieces of equipment in the DNR fleet. It is managed as one pool of vehicles that work from 192 worksites.



NATURAL RESOURCES DEPT

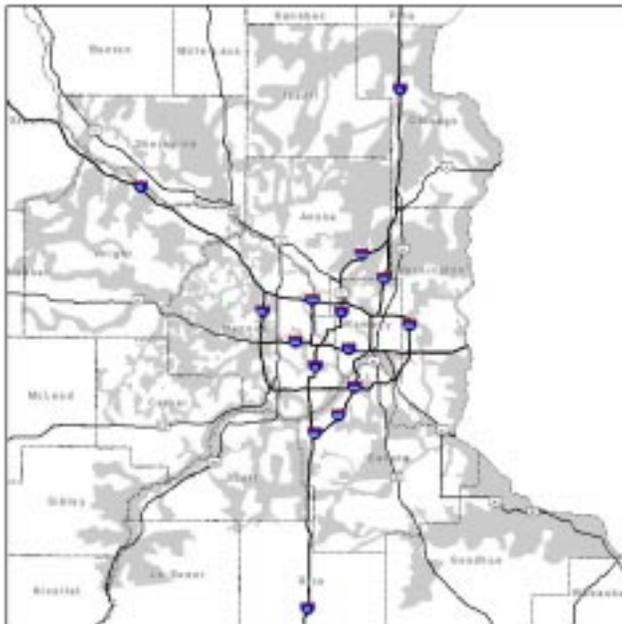
Program: OPERATIONS SUPPORT

Activity: OPERATIONS SUPPORT

Narrative

- ◆ **Community Partnerships and Habitat Protection:** The following indicator is an example of conservation partnership activity carried out by Regional Operations. Regional Operations share in the responsibility with DNR divisions to accomplish statewide targets defined in the DNR’s *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission*. Regional Operations help coordinate the interdisciplinary actions needed to ensure that meeting individual conservation targets is done in ways that optimize overall DNR mission results.

**Metro Conservation Corridors
2008 Focus Areas**



Indicator: Number of habitat acres protected in the Twin Cities metropolitan area

Target: Protect an additional 1000 acres and restore 500 acres of key habitat in the fast growing metropolitan 12-county region during FY 2010-2011

Activity Funding

For the current biennium, 29% of the funding for this budget activity is from the Minnesota Environment and Natural Resources Trust Fund for projects recommended by the LCCMR; 35% of the budget is from the General Fund, Natural Resources Fund, and the Game and Fish Fund; 24% of the budget comes from federal funds; and the remaining 12% is derived from dedicated receipt sources.

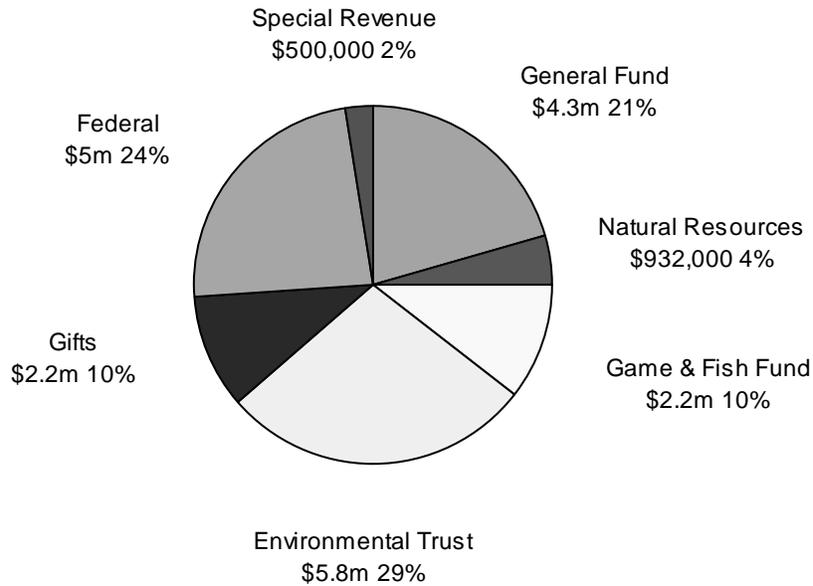
NATURAL RESOURCES DEPT

Program: OPERATIONS SUPPORT

Activity: OPERATIONS SUPPORT

Narrative

**Operations Support
\$21 million**



Contact

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NATURAL RESOURCES DEPT
Program: OPERATIONS SUPPORT
Activity: OPERATIONS SUPPORT

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	1,540	3,225	3,225	3,225	6,450
Technical Adjustments					
One-time Appropriations			(3,225)	(3,225)	(6,450)
Subtotal - Forecast Base	1,540	3,225	0	0	0
Total	1,540	3,225	0	0	0
General					
Current Appropriation	3,215	1,494	1,494	1,494	2,988
Technical Adjustments					
Approved Transfer Between Appr			146	146	292
Current Law Base Change			500	500	1,000
Subtotal - Forecast Base	3,215	1,494	2,140	2,140	4,280
Governor's Recommendations					
General Fund Reduction		0	(1,933)	(1,933)	(3,866)
Total	3,215	1,494	207	207	414
Natural Resources					
Current Appropriation	714	214	214	214	428
Subtotal - Forecast Base	714	214	214	214	428
Total	714	214	214	214	428
Game And Fish (operations)					
Current Appropriation	1,089	1,080	1,080	1,080	2,160
Technical Adjustments					
Approved Transfer Between Appr			9	9	18
Subtotal - Forecast Base	1,089	1,080	1,089	1,089	2,178
Total	1,089	1,080	1,089	1,089	2,178

Expenditures by Fund

Direct Appropriations					
Environment & Natural Resource	1,282	4,722	0	0	0
General	2,985	2,895	207	207	414
Natural Resources	372	482	214	214	428
Game And Fish (Operations)	960	1,227	1,089	1,089	2,178
Open Appropriations					
Natural Resources	2	2	2	2	4
Statutory Appropriations					
General	36	128	0	0	0
Miscellaneous Special Revenue	326	432	283	283	566
Federal	2,357	5,419	3,034	2,773	5,807
Remediation Fund	7	10	10	10	20
Gift	1,206	1,333	1,354	1,354	2,708
Total	9,533	16,650	6,193	5,932	12,125

Expenditures by Category

NATURAL RESOURCES DEPT
Program: OPERATIONS SUPPORT
Activity: OPERATIONS SUPPORT

Budget Activity Summary

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Total Compensation	3,553	3,970	2,624	2,624	5,248
Other Operating Expenses	3,337	4,318	2,217	2,217	4,434
Capital Outlay & Real Property	1,203	6,839	1,345	1,084	2,429
Local Assistance	1,440	1,523	0	0	0
Transfers	0	0	7	7	14
Total	9,533	16,650	6,193	5,932	12,125
Full-Time Equivalents (FTE)	42.9	41.1	27.9	27.9	

Activity Description

The Recreation and Local Initiative Grants activity provides financial assistance to local governments and private organizations to acquire and develop outdoor recreation areas and to protect and enhance natural areas. The Local Parks Grants and Natural and Scenic Area Grants programs are established in M.S. 85.019. The Conservation Partners and Community Environmental Partnerships Grants programs are not established in statute, but have been funded on several occasions by the Legislative-Citizen Commission on Minnesota Resources (LCCMR) since 1995. The Regional Park Grants (Outside Metro) program was initially funded by the legislature in 2000 and is also established in M.S. 85.019. Pass-through contract administration for Environment and Natural Resources Trust fund projects has been funded since FY 2001 by the legislature as recommended by the LCCMR. The core program for this activity is the federal Land and Water Conservation fund (LWCF) program, M. S. 116P.14, which brings federal matching money to state and local projects in Minnesota.

Population Served

This activity serves cities, counties, townships, recognized Indian tribal governments, and eligible private/nonprofit organizations throughout Minnesota. Projects have been completed in every county and in well over 500 cities throughout the state.

Services Provided

The Department of Natural Resources (DNR) three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection, requires a fully integrated approach to conservation. Integrated resource management is DNR's strategy to share stewardship responsibility with citizens and partners as we manage for multiple interests. This program serves the DNR mission by offering financial cost sharing assistance to local governments and private organizations for projects that directly address recreational use and natural resources protection. These partnership projects also foster more livable communities, a healthier population, and greater public appreciation and knowledge of natural resource benefits.

Recreation and Natural Resources Grants:

- ◆ **Local Parks Grants** provide matching grants to encourage the creation or enhancement of outdoor recreation facilities.
- ◆ **Natural and Scenic Area Grants** provide matching grants to protect and enhance significant natural and scenic features.
- ◆ **Conservation Partners Grants** provide matching grants to enhance fish, wildlife and native plant habitats, and research and survey of fish and wildlife directly related to specific habitat improvements.
- ◆ **Environmental Partnership Grants** provide matching grants to encourage environmental service projects and related education activities through public and private partnerships.
- ◆ **Regional Park Grants (Outside Metro)** provide grants to public regional parks organizations outside the Twin Cities metro area to provide regional parks, open space, and recreational facilities. Every \$3.00 of state grants must be matched by \$2.00 of non-state funds.

Activity at a Glance

- ◆ Acquired 60 acres of natural/scenic areas in three city projects. A wooded bluff land in Red Wing; 30 wooded acres with 2,800 feet of lake shore in Prior Lake; and Pilot Knob in Mendota Heights (a site with historical, scenic, cultural and ecological values listed on the National Register of Historic Places) were protected
- ◆ Awarded nine conservation partners and environmental partnership grants for projects throughout the state
- ◆ Acquired 749 acres of regional parkland in three county parks outside the metro area, including 265 acres listed on the state County Biological Survey with a half mile of lake frontage for a new regional park in Stearns County; 344 acres with 1.5 miles of lake shore for a new regional park in Wright County; and a 140 acre addition to the existing 193 acres of hills, shallow lakes, prairie and forest in Kensington Runestone Regional Park in Douglas County, including over 3,000 feet of lake shore
- ◆ Administered \$12 million in previously funded pass-through projects and almost \$12 million in new pass-through appropriations
- ◆ Developed and administered a new state Public Pool Upgrade Program to provide grants for pool drainage safety improvements

NATURAL RESOURCES DEPT

Program: OPERATIONS SUPPORT

Activity: REC & LOCAL INITIATIVE GRANTS

Narrative

- ◆ **Remediation Fund Grants** provide grants to cities, counties, townships and DNR divisions to acquire, protect, and restore natural resources, compensating the State of Minnesota for damage to resources from the release of hazardous substances from closed landfills.
- ◆ **Public Pool Upgrade Program** provides 75% matching grants to local units of government to help meet new state pool safety equipment requirements.

The Local Grants Unit also administers millions of dollars in pass-through appropriations on behalf of the department. In 2007, the legislature appropriated funds from the Environment and Natural Resources Trust Fund to the DNR for administration of contracts for appropriations to several third-party recipients, such as nonprofits and other levels of government. Pass-through appropriations from the Environment and Natural Resources Trust Fund in 2007 and 2008 totaled about \$10 million for numerous projects. Additional bonding pass-through appropriations for local and regional park projects totaled about \$1.8 million.

The Recreation and Local Initiative Grants programs, and the pass-through appropriations administered by DNR staff protect and enhance natural areas and outdoor recreation areas. One key characteristic of this activity is that it involves a variety of partnerships and cooperative efforts among state, local government, private organizations, and private citizen stakeholders. All projects are undertaken as positive, voluntary initiatives on the part of the participants.

Historical Perspective

The federal Land and Water Conservation fund (LWCF) plays an important role in the country's outdoor recreation and conservation funding efforts. Since its inception, this program is responsible for the acquisition of about seven million acres of land and over 40,000 state and local recreation and open space projects nationwide.

Since 1965, the LWCF program in Minnesota has invested more than \$68 million into the state's outdoor recreation system, funding over 400 state projects and over 800 local projects. The LWCF program in Minnesota is both a state and local program; each receiving 50% of the federal appropriation. The state program supports the acquisition and development of the State Outdoor Recreation System and the cost of administering both the state and local programs. The local program provides matching funds to local units of government, including recognized tribal governments, for outdoor recreation projects.

In federal FY 2002, \$2.5 million in LWCF funds was appropriated to the state. From that peak year the funding has declined to just under \$500,000 in 2006. Half of these funds are used for local parks, regional parks, and natural and scenic area grant programs. The other half is used to fund state projects. The prospects for future funding are unclear. The Recreation and Local Initiatives Grant Program has also received state funding since the 1960s through state bonding and appropriations from the Environment and Natural Resources Trust Fund and the former Future Resources Fund. Through the years, over 2,000 local projects have received over \$50 million in state grants and over \$74 million in federal grants through this program. The local match has exceeded \$95 million. Pass-through appropriations have contributed many additional millions of dollars. Projects have been funded in every county and in over 500 cities throughout the state.

These local projects address the three major trends facing the DNR as follows:

- ◆ **Changes in outdoor recreation participation:** Younger people participate less in outdoor recreation activities. Lack of time, cost and effort are some of the identified constraints to increased participation. Providing more inexpensive, close-to-home opportunities for outdoor recreation in partnership with local governments is known to encourage more young people to participate. Local parks also provide inexpensive and easily accessible settings for schools, non-profit youth programs and local government recreation programs that can help introduce young people to outdoor recreation activities.
- ◆ **Growing demands related to renewable energy and climate change:** Permanent protection of forests, prairies, and other natural lands, as parks and other natural areas helps store and sequester carbon that may otherwise be released to the atmosphere. Providing close-to-home outdoor recreation opportunities that can be accessed by walking, biking, or a short car trip provides an alternative to recreation that requires greater use of fossil fuels.

NATURAL RESOURCES DEPT

Program: OPERATIONS SUPPORT

Activity: REC & LOCAL INITIATIVE GRANTS

Narrative

- ◆ **Landscape changes from population growth and development:** These grants help local governments afford the acquisition of shoreland, forests, and other sensitive natural areas for open space, public parks and natural areas as development leads to increased land prices. They also help local governments meet the increased needs for parks and outdoor recreation areas resulting from population growth, while at the same time helping them to protect the most valuable natural areas and habitats, shorelands and other areas that are most sensitive to population growth and development. These local assets are managed at no cost to the state.

Key Activity Goals

The DNR's *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* (mndnr.gov/conservationagenda/index.html) includes several management principles that are intended to guide the work of the department. As outlined above, the Recreation and Local Initiative Grants activity contributes significantly to one of these principles: "Cooperate with other agencies, local units of government, citizens, and stakeholders to effectively manage and sustain natural resources."

The program also helps address several of the habitat protection recommendations contained in the LCCMR's *Minnesota Statewide Conservation and Preservation Plan* (www.MnConservationPlan.net) including:

- ◆ protect critical shorelands of streams and lakes;
- ◆ protect priority land habitats;
- ◆ restore and protect shallow lakes;
- ◆ restore land, wetlands and wetland-associated watersheds; and
- ◆ improve connectivity and access to outdoor recreation.

Key Activity Measures

The DNR's *A Strategic Conservation Agenda, 2003 – 2007: Measuring Progress toward Mission* describes 91 performance indicators with conservation targets in 6 key areas. One DNR conservation target under the performance indicator "Helping Local Communities Protect Open Space" is to help local governments acquire 200 to 300 acres per year in 2007-2008 and 200 to 300 acres per year thereafter. The grants portion of the program far exceeded that goal during 2007-2008 with total acquisition of over 800 acres. The tables below illustrate local government demand for open space grants:

	FY 2008 Requests Received	FY 2008 Funds Available
Demand for Grants		
Remediation Fund	\$3.1 million	\$1.1 million
Natural & Scenic Grants	2.8 million	1.0 million
Regional Park Grants	6.7 million	0.55 million

	FY 2009 Requests Received	FY 2009 Funds Available
Demand for Grants		
CP/EP Grants	\$1.8 million	\$.14 million
Natural & Scenic Grants	1.1 million	0 million
Regional Park Grants	14.7 million	1.2 million

Results of Grant Investments	FY 2008-09 Projects Funded	Results
CP/EP Grants	9	Projects include shoreland restoration, reforestation, storm water management demonstration projects, and education efforts and invasive species and native plant research
Natural & Scenic Grants	3	60 acres of natural and scenic areas and 2,800 feet of lake shore acquired (woods, prairie, bluff land, shoreland, wetlands, scenic vistas) in three city administered areas
Regional Park Grants	3	749 acres and 2.5 miles of shoreland acquired in 3 county regional parks (prairie, woods, shallow lakes, marsh, hills)

NATURAL RESOURCES DEPT

Program: OPERATIONS SUPPORT

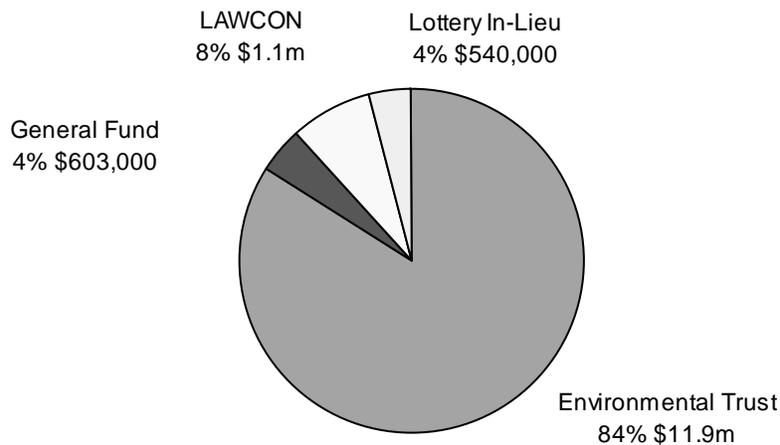
Activity: REC & LOCAL INITIATIVE GRANTS

Narrative

Activity Funding

For the current biennium, about 84% of the funding for the grant program budget activity is provided from the Minnesota Environment and Natural Resources Trust fund, 8% is from the federal Land and Water Conservation Fund (LWCF) and state (LWCF) account appropriations, 4% is from the general fund, and 4% is Lottery in-Lieu of sales tax from the natural resources fund. The remainder is provided by internal DNR Support Service Governance billings. This activity also administers local and regional park pass-through grants funded through state bonding appropriations. In 2008 those appropriations totaled \$1.8 million.

FY 2008-09 Recreation & Local Grants Budgeted Expenditures \$14.2 million



Contact

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NATURAL RESOURCES DEPT
Program: OPERATIONS SUPPORT
Activity: REC & LOCAL INITIATIVE GRANTS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	1,000	6,987	6,987	6,987	13,974
Technical Adjustments					
One-time Appropriations			(6,987)	(6,987)	(13,974)
Subtotal - Forecast Base	1,000	6,987	0	0	0
Total	1,000	6,987	0	0	0
General					
Current Appropriation	0	66	66	66	132
Technical Adjustments					
One-time Appropriations			(66)	(66)	(132)
Subtotal - Forecast Base	0	66	0	0	0
Total	0	66	0	0	0
Natural Resources					
Current Appropriation	270	270	270	270	540
Subtotal - Forecast Base	270	270	270	270	540
Total	270	270	270	270	540
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	5,944	7,069	0	0	0
General	0	66	0	0	0
Natural Resources	270	270	270	270	540
Statutory Appropriations					
Natural Resources	505	214	209	209	418
Total	6,719	7,619	479	479	958
<u>Expenditures by Category</u>					
Total Compensation	55	33	0	0	0
Other Operating Expenses	0	6	0	0	0
Local Assistance	6,664	7,580	479	479	958
Total	6,719	7,619	479	479	958
Full-Time Equivalents (FTE)	0.6	0.4	0.0	0.0	

NATURAL RESOURCES DEPT

Agency Revenue Summary

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Governor's Recomm.		Biennium 2010-11
			FY2010	FY2011	
<u>Non Dedicated Revenue:</u>					
Departmental Earnings:					
General	6,126	6,044	6,044	6,044	12,088
Natural Resources	39,916	40,158	41,672	41,774	83,446
Game And Fish (operations)	78,372	76,744	76,545	76,459	153,004
Grants:					
Natural Resources	256	202	202	202	404
Other Revenues:					
General	384	183	183	183	366
Natural Resources	2,284	2,320	2,320	2,320	4,640
Game And Fish (operations)	1,439	1,308	1,258	1,158	2,416
Other Sources:					
General	65	63	63	63	126
Taxes:					
General	1,987	1,904	1,934	1,974	3,908
Total Non-Dedicated Receipts	130,829	128,926	130,221	130,177	260,398
<u>Dedicated Receipts:</u>					
Departmental Earnings (Inter-Agency):					
Natural Resources	38	175	175	175	350
Departmental Earnings:					
Natural Resources	2,729	2,593	2,593	2,593	5,186
Miscellaneous Special Revenue	24,012	22,452	21,947	22,102	44,049
Game And Fish (operations)	3,816	3,961	3,961	3,961	7,922
Miscellaneous Agency	8,023	8,419	8,419	8,419	16,838
Gift	-4	-3	-3	-3	-6
Permanent School	30,011	24,540	24,540	24,540	49,080
Grants:					
Natural Resources	505	214	209	209	418
Federal	16,481	25,878	25,131	24,941	50,072
Other Revenues:					
General	45	41	0	0	0
Natural Resources	82	85	85	85	170
Miscellaneous Special Revenue	491	459	453	453	906
Game And Fish (operations)	39	40	40	40	80
Remediation Fund	344	0	0	0	0
Reinvest In Minnesota	1,294	1,355	1,355	1,355	2,710
Miscellaneous Agency	31	132	132	132	264
Gift	1,473	1,842	1,842	1,842	3,684
Endowment	1	0	0	0	0
Permanent School	1,111	618	618	618	1,236
Other Sources:					
Miscellaneous Special Revenue	526	616	295	295	590
Miscellaneous Agency	0	1	1	1	2
Total Dedicated Receipts	91,048	93,418	91,793	91,758	183,551
Agency Total Revenue	221,877	222,344	222,014	221,935	443,949

This Federal Funds Summary lists anticipated receipts for incoming federal grant listed in the same sequence as program budget activity order in the biennial budget. For information purposes, the end of the list includes information about anticipated reimbursements of federal funds to non-federal accounts for the Sport Fish and Wildlife Restoration Programs, as well as the Land and Water Conservation program.

Federal fund accounts include:

- ◆ Incoming federal grant or federal cooperative agreement revenue deposited directly to a federal (300 fund) account, whether by advance or reimbursement payment; and
- ◆ Federal grant or cooperative agreement revenue passed through another agency to Department of Natural Resources (DNR). If the federal funds are passed through another state agency that other state agency has included this amount also in their biennial budget.

Other federal receipts deposited to non-federal fund accounts per state statute:

- ◆ Federal reimbursements from the U.S. Fish and Wildlife Service Under the Federal Aid in Fish Restoration and Federal Aid in Wildlife Restoration Programs; and
- ◆ Federal Land and Statutes Conservation Fund reimbursements deposited to the 18E fund to meet M. S. 116P.14 Subd.2.

Benefits and flexibility to spend:

Federal funds are accepted when they support the Department's mission, strategies, goals and objectives as found in the current Strategic Conservation Agenda and described in this budget document.

Generally each federal program defines the flexibility the state has to spend the federal funds differently. All programs listed here must comply with the general federal grant administrative and financial requirements, law, and regulation, in addition to specific programmatic law and regulation for that specific source of funding.

Maintenance level of effort:

The only program in DNR that has a federally defined maintenance level of effort is the Sports Fish Restoration Program. Receipts for those programs are deposited to the Game and Fish Fund.

Related state spending:

The amount of state spending on this listing shows the amount reported as state agency expenditures to meet the federal match requirement. In some federal programs, such as the coastal zone program, if we sub grant some of the funds we require that the sub grantees put up the match funding. In other cases, partners provide the match funds.

Also, match is often accomplished over the entire period of the grant award. For this reason, the dollars listed in the "Related SFY 2008 Spending" column may not give a complete picture for an entire federal grant period.

Basis for estimates:

Estimates are based on the best federal funding information currently available at the time this document is created. Most new federal awards that impact state FY 2009-2011 are not yet confirmed. Therefore, we use historical trend information from recent years for ongoing programs.

Programs that subgrant a great deal of their incoming funds in multi year agreements may anticipate the full amount of the federal grant receipt in the year the sub grants are initiated by DNR. Thus actual expenditures appear to be less than expenditures at the close of that year. This explain the difference in the totals between the actual FY 2008 data, for which deposits will still be received, and the higher levels of estimated for FY 2009-2011.

Some of these 2008 accounts have been given authority to continue to spend in FY 2008 until November 26 and receive related reimbursement until February. Thus the receipts for 2008 are somewhat understated at this time.

Federal Funds Summary

Changes:

New funding will be sought in keeping with the Minnesota Department of Natural Resources Conservation Management Plan and state budget priorities. On the federal side, we expect changes in discretionary funding as federal budget priorities change. Some federal agencies are shifting funding methods from formula based to competitive based funding already shifting previously formula funded programs and this may affect our total level of federal funding. When the federal funding changes, our estimates may have to change through the processes provided in M.S. 3.3005.

Federal Program (\$ in Thousands)	Related SFY 2008 Spending	Primary Purpose	SFY 2008 Revenues	SFY 2009 Revenues	Estimated SFY 2010 Revenues	Estimated SFY 2011 Revenues
MN Lake Superior Coastal Zone Program (CZM)	164	GPS/SO	1510	1680	2302	2323
Maps Modernization Management Support (MMMS)	0	SO	62	199	150	50
Cooperative Technical Partners (CTP)	0	SO	143	93	230	303
Community Assistance Program (CAPSSEE)	50	SO	120	135	204	208
Dam Safety	0	SO	68	50	75	75
CFP-Volunteer Fire Assistance	296	GPS	296	347	350	350
CFP State Fire Assistance	512	SO	512	496	823	823
CFP Firewise	565	GPS	1130	1160	687	687
Conservation Education	0	SO	22	22	22	22
Forest Stewardship	339	GPS	339	748	500	500
Forest Land Enhancement	81	GPS	81	102	0	0
Urban and Community Forest	203	GPS	203	473	350	350
Forest Legacy	34	SO	34	3493	3500	3500
NRCS-CRP Contribution Agreement *	18	SO	0	*18	15	15
Forest Inventory and Analysis	171	SO	366	435	375	375
NCRS- Contribution Agreement	30	SO	34	52	30	30
Forest Health Mgmt -Oak Wilt -Invasive species Web Portal -Wood Logging Residue	35	GPS	11	197	182	182
Forest Health	151	SO	151	399	277	277
Conservation Reserve Sign Ups	0	SO	34	108	34	108
Recreational Trails Program	54	GPS/SO	1620	2500	2500	2500

key:

Primary Purpose
 SO = State Operations
 GPS = Grants to Political Subdivision
 GI = Grants to Individuals
 GCBO = Grants to Community Based Organizations

Federal Funds Summary

Federal Program (\$ in Thousands)	Related SFY 2008 Spending	Primary Purpose	SFY 2008 Revenues	SFY 2009 Revenues	Estimated SFY 2010 Revenues	Estimated SFY 2011 Revenues
Clean Vessel Act	0	GI	61	125	125	125
Boating Infrastructure	0	GPS	0	100	100	100
Wildlife HIP	0	SO	0	20	20	20
Wildlife Federal Agreements	130	SO	173	1156	880	880
Wildlife USDA Agreements	0	SO	0	0	120	120
Wildlife-EPA Watershed	0	SO	0	0	500	500
Wildlife North American Waterfowl	0	SO	695	1300	1500	1500
Wildlife North American Waterfowl PF	0	SO	527	90	90	90
Fish Federal Agreements	16	SO	99	312	575	650
Commercial Fish-NOAA	0	SO	0	0	75	75
USFWS Fish Passage Program	4	SO	0	0	250	250
Eco Federal Agreements		SO	286	356	356	356
Eco Landowner Incentive Program	131	SO/GI	266	600	400	63
Eco- State Wildlife Grants	1000	GPS	968	1204	1204	1204
Eco-Eco Comprehensive Conservation Grants	170	SO	25	259	259	259
Eco US EPA Agreements	266	SO	294	130	0	0
Endangered Species- Coordination Act Grants	40	SO	1	1	1	1
Endangered Species – Section 6	67	SO	33	45	45	45
Long Term Resource Monitoring Grants -Direct						
- Indirect through Wisconsin	4	SO	461	516	516	516
Enforcement Port Security	0	SO	0	311	0	0
Bulletproof Vests	0	SO	0	8	20	20
Underage Alcohol Prevention	0		4	4	4	4
Boating Safety	3481	SO	3663	4300	4300	4300
Master Naturalist	0	SO	50	50	50	50
Disaster Public Assistance	168	SO	694	2831	150	150
Army Compatible Use Buffer Zone	0	SO	377	673	1000	1000

key:

Primary Purpose

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Federal Funds Summary

Federal Program (\$ in Thousands)	Related SFY 2008 Spending	Primary Purpose	SFY 2008 Revenues	SFY 2009 Revenues	Estimated SFY 2010 Revenues	Estimated SFY 2011 Revenues
Subtotal Federal Funds			15413	27098	25146	25142
NON FEDERAL FUND FEDERAL						
Sport Fish Restoration(D-J)		SO	14806	15072	15122	15122
Wildlife Restoration (P-R)		SO	9348	10146	10382	10382
Subtotal Game and Fish Fund Federal			24154	25218	25504	25504
LAWCON Federal Receipts		SO/GPS	505	214	209	209
Agency Total			40072	52530	50859	50855

key:

Primary Purpose

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*Awaiting legislative approval

The following grants are listed in order of funding source. Federal subgrant detail is not listed separately but can be cross-referenced on the federal fund summary listing. The financial data is based on Biennial Budget Detail. A program not yet included in the budget details is identified with***.

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
State Environment and Natural Resources Fund Grants	Funds appropriated to DNR to help local governments and private entities further the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources	Local Governments and private entities, academic institutions	9425	
Flood Hazard Mitigation	Funds to help address local units of government identify their flood damage reduction and other local water resources management issues and needs.	Other governments	716	
Forest Resources Council	Funds critical forest resource management programs under the 1995 Sustainable Forest Resources Act, including management guideline training and revision, Forest Resources Council and forest landscape level programming.	Non-government Organization	9	
Forestry Protection	Fire Protection: rural Community Fire Assistance supports rural fire departments and their ability to protect communities from wildfires.	Cities and Towns, Other Government Units, non-government units.	112	
Forestry Interagency Information	Interagency Information Cooperative Grant to the University of Minnesota for the Interagency Information Cooperative to develop a common forest inventory format- describing key attributes of Minnesota's public forestland base, growth models for managed forest stands, a forest wildlife habitat model format, and an information database	Higher Education	197	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	on the state's family forest ownership.			
Forest Management*	Provide assistance to support additional technical and cost-share assistance to non-industrial private forest (NIPF) landowners.	Counties, Higher Education, Non Government Organizations, aid to individuals	316	
Trails Local Assistance	To encourage the maintenance and development of non-motorized trail opportunities with state forests.	Counties, Other State agencies	117	
Wildlife Acquisition	Development and Maintenance of wildlife lands and habitat.	Non-governmental organizations, other governments	203	
Wildlife Local Assistance	Grants for wildlife habitat and management.	Other government agencies, non-governmental agencies.	536	
Fish MINNAQUA - Gen. Fund	Let's Go Fishing Program grants	Non governmental organizations	175	
Eco Resources 308-Gen Fund (includes exotic species grants 0	Includes grants for prairie wetlands restoration and prairie wetlands, invasive species, non-game, and native prairie protection	Non-government, Other governments, cities and towns, native prairie.	308	
LAWCON –Fed and State Fund 100(match) and fund 18E	To meet the state and locally identified public outdoor recreation needs to strengthen the health and vitality of people. Increase the number of protected state and local outdoor recreation resources and ensure their availability for public use in perpetuity. Encourage sound planning and long term partnerships to expand the quantity and ensure the quantity and quality of needed state and local recreation resources.	Local governments and recognized tribal governments based on priorities established in the State Comprehensive Outdoor Recreation Plans, updated every 5 years.	269	
Minnesota Resources Fund-Trails & Waterways Mgmt	Matching for federal Tea-21 grants	Counties	7	
Water Recreation (181)-operations, enforcement	Clean Vessel grants - to encourage the	Cities, towns, counties	1182	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	development or improvement of marina sanitation facilities for boaters in order to maintain and improve water quality in public waters.			
Snowmobile (182)	The purpose of this program is the creation and maintenance of locally initiated trails that were financially assisted by the state. To enforce state laws and rules for snowmobile use.	Counties, cities, towns	8987	
All Terrain Vehicles (183)	To encourage Maintenance, development and acquisition of public, locally controlled all-terrain vehicle. To enforce state laws and rules for ATV use.	Counties, cities, towns	2392	
Nongame	Grant to Department of Agriculture to manage distribution of seized venison to food selves.	State Agency	655	
Off Highway Motorcycle (186)	To encourage maintenance, development, and acquisition of public, locally controlled off-highway motorcycle (OHM) trails and areas. To enforce state laws and rules for OHM use.	Counties	333	
Off Road Vehicle (187)	To encourage maintenance, development, and acquisition of public, locally controlled off-road vehicle (ORV) trails and areas. . To enforce state laws and rules for ORV use.	Counties	825	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
Lottery-in Lieu-State Parks and Trails (188)	Local and Regional Trail Grants - Local/ To promote relatively short trail connections between where people live and desirable locations, not to develop significant new trails. - Regional/ To promote development of regionally significant trails.	Counties	122	
Metro Parks and Trails- Lottery-in-lieu (18A)	Pass through appropriation to the Twin Cities Metropolitan Council, which distributes to agencies according to priorities established in the regional parks and trails plan	Twin Cities Metropolitan Council	25	
Local Trails –Lottery- in Lieu (18B)	Maintenance of trails	Counties, cities and towns	750	
Zoos Lottery- in- Lieu (18C)	Pass –through appropriations to support activities related to specific zoos, specified by law.	The Minnesota Zoo, Duluth Zoo, and the Como Zoo	270	
Off Highway Vehicle Damage (18D)	Makes funds available to repair damage to private or public lands caused by off-highway vehicle operation in unauthorized or unpermitted areas.	Cities and towns	380	
Cross Country Ski (18H)	To encourage the maintenance and development of cross- country ski trails by local clubs sponsored through local government units. To enforce natural resources laws and rules related to these trails.	Counties	262	
Forest Management Investment Account (18J)	Forestry FMIA relief payments for timber sale permits.	Non- Government organizations	34	
Natural Resources Misc. (18K)-Trails	Horse trails	Counties	112	
Forest Management PFM- (200 fund)	Forestry Sustainable Woodlands assists landowner cost sharing	Non-Government Organizations	36	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	and provides informational books and pamphlets.			
Forest Management Development (200 fund)- State Forest Roads	Forestry County Roads Grants are derived from un-refunded revenue from the gasoline fuel tax which is derived from the operation of motor vehicles on state forest roads and county forest access roads. This revenue must be annually transferred to counties for the management and maintenance of county forest roads.	Counties	420	
Wildlife Big Game (200 fund)	Funds for the administration of the venison donation program	Department of Agriculture	50	
Environmental Review	Agreements to conduct environmental reviews for DNR.	Non-governmental Organizations	58	
Game and Fish Water Recreation	Game and Fish Water Access	Cities and Towns	253	2009
G & F Wildlife Roadsides	To encourage local road authorities and landowners to use Integrated Roadside Resource Management Techniques so that ecological values (water, soil, wildlife, native plants) are considered. For example, this program provides information on state mowing laws so that there is reduction in the disturbance of nesting wildlife.	Public road authorities, conservation groups, and private landowners may request grants for revegetation of roadsides with native grass and forb seed, demonstration plots on biological weed control, and native seed planting and harvesting equipment.	20	2009
G& F Fish MINNAQUA	Education program grants to teach angling recreation and stewardship, as well as the ecology and conservation of aquatic habitats.	Non-governmental organizations	20	2009
Aquatic Plant Restoration	Shoreland restoration	Counties, non-Governmental organizations.	65	
Waterfowl Habitat Improvement	Development of Wetlands and lakes and designated waterfowl management lakes	Other Governments	233	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
Pheasant Habitat Improvement	To provide cost sharing to landowners for management practices that improve pheasant habitat.	Public and private landowners in 64 counties in southern, western and central Minnesota may apply for grants to develop, restore, and maintain suitable habitat for ring-necked pheasants, which includes the establishment of food plots (primarily corn or sorghum), nesting cover, woody cover and wetland restoration.	253	
Wildlife Acquisition Surcharge	Development and Maintenance of wildlife Lands	Non-governmental organizations.	15	
Turkey Enhancement	Provide wild turkey habitat on public and private lands	Non governmental organizations	15	
Heritage Enhancement (239)	To encourage local outdoors clubs to complete wildlife habitat projects on State Wildlife Management Areas or other lands under control of the Section of Wildlife.	State- or nation-wide wildlife habitat conservation organizations that have two or more local or regional chapters, or local, nonprofit outdoor recreation oriented clubs that are unaffiliated with state or national organizations and that list wildlife habitat conservation as a primary focus of their organization's by-laws. All work must be done on State Wildlife Management Areas or other lands under control of the Section of Wildlife	2012	
Federal	Various, see Federal Summary Listing	Various, see Federal Summary Listing	8508	2008 and 2009
Reinvest In MN (RIM)	Purpose: To encourage private citizens and organizations to help fund the acquisition and development of critical fish	Private Individuals and Groups may apply for grants to acquire and enhance critical habitat, which includes	353	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	and wildlife habitat by having their donations of land or cash matched from a special state fund.	but is not limited to restoring wetlands, improving forest habitat, planting critical winter cover, protecting undisturbed plant communities, preserving habitat for rare plant and animal species, protecting native prairie and grasslands, and preserving spawning and reproduction areas for fish.		
Remediation Fund Grants	To acquire, protect and restore natural resources, compensating the State of Minnesota for damage to those resources	Cities, counties, townships and DNR divisions. Eligible projects may involve fee title acquisition of natural areas and/or ecological restoration leading to the establishment of maintenance of native plant communities. Projects must be in proximity to qualifying closed landfill sites. More detailed ranking criteria related to the quantity of the resource protected, benefit to resources, etc.	1159	
Gift Fund Grant	Wildlife management operations	Non-Governmental Organization	15	
DNR Total			42204	