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⇒ Designates that this item is a change item

Agency Purpose

The mission of the 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's responsibilities are broad, but are fundamentally focused on enhancing and sustaining Minnesota's quality of life through the balanced union of this three-part mission.

At a Glance

DNR seeks to achieve the following six goals to fulfill its mission:

Goal 1 – Grow Minnesota's natural resource-based economies that promote conservation of its abundant natural resources

- Forest certification on 4.8 million acres of state forest lands maintains the market competitiveness of Minnesota's forest industry, providing timber, habitat, clean water, and recreation opportunities
- $4.3 billion generated each year by fishing, hunting, and wildlife-watching –supporting 55,000 jobs
- 12 million acres of state mineral rights –mining is the biggest contributor to northeast Minnesota's economy

Goal 2 – Conserve and enhance Minnesota's water resources and watersheds

- DNR maps and monitors ground water – two-thirds of public water supply comes from ground water
- DNR monitors the state's surface waters with 2,800 monitoring sites across the state

Goal 3 **–** Conserve and enhance Minnesota's natural lands and habitats

- 58 state forests, encompassing 4.2 million acres
- 1,430 wildlife management areas (WMAs) with 1.3 million acres of habitat and 840 shoreland miles administered as aquatic management areas (AMAs)
- Approximately 150 scientific and natural areas (SNAs), encompassing 180,000 acres

Goal 4 – Maintain the health of Minnesota's fish and wildlife populations and provide great recreation opportunities

- 29% of Minnesotans fish, 15% Minnesotans hunt or trap, and 54% view or photograph wildlife

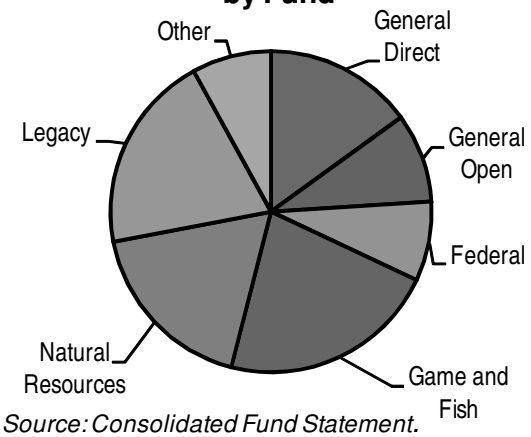
Goal 5 – Maintain and enhance Minnesota's will high-quality and diverse outdoor recreation system

- 74 state parks and recreation areas, 54 state forest campgrounds and day use areas, 8 state waysides
- 1,300 miles of developed state trails, 23,000 miles of snowmobile trails, 1,500 miles of cross-country ski trails, 2,000 miles of off-highway vehicle trails
- 30 water trails totaling 4,300 miles, 1,600 public accesses, 350 fishing piers and shore fishing sites

Goal 6 - Effectively and efficiently deliver services to meet our mission

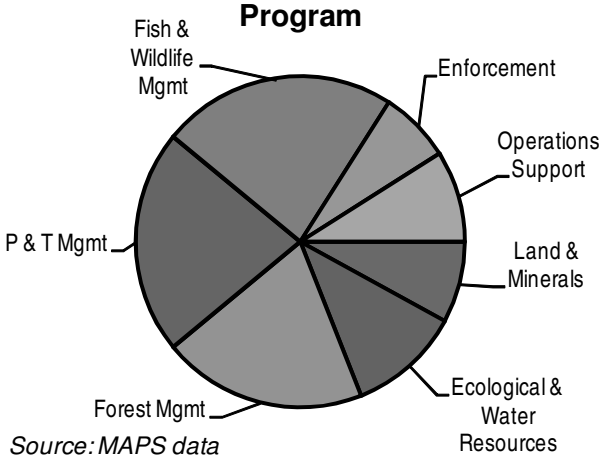
- DNR manages 5,000 pieces of fleet equipment and 2,500 buildings worth more than $1 billion

Est. FY 2010-11 Expenditures by Fund



Source: Consolidated Fund Statement.

Est. FY 2010-11 Expenditures by Program



Source: MAPS data

Natural resource protection: Minnesota's natural lands and waters serve as the foundation for the state's triple bottom line – a healthy environment, a strong economy, and vibrant communities. Natural resource systems provide immeasurable public benefits – from flood mitigation and erosion control to the high quality of life natural lands and waters provide to communities. Protection of the state's rich, natural assets (such as clean water, fish and wildlife, and timber) sustains Minnesota's global, natural resource-based economies and fosters a strong, outdoor heritage in the state.

Economic development: Correspondingly, natural resource-based economies – including recreation tourism, forest products, and water and mineral resources – serve as a cornerstone for Minnesota's economic well-being, generating billions of dollars in the state. For instance, Minnesota's forest industry supports 38,000 jobs and is the state's fourth largest manufacturing sector by employment, while the annual total economic impact of watercraft and boat trip spending is $4 billion. Sustaining the quality of the state's valuable natural resources, by investing in conservation and ensuring environmentally sound practices, supports the long-term success of Minnesota's natural resource-based economies and provides a high return on investment.

Outdoor recreation: Likewise, outdoor recreation produces important economic benefits, creating jobs and generating significant spending in local economies. For instance, statewide trail-related activities support 43,000 jobs, with trail users spending $3.3 billion annually. Outdoor recreation also connects people to the outdoors, fostering an ethic of natural resource stewardship among Minnesotans and building an engaged, diverse outdoor recreation public that supports conservation of the state's valued lands and waters.

Recognizing the interdependency of environment and economy, DNR works to optimize the state's triple bottom line to ensure that all Minnesotans are provided high-quality natural resources (clean water, natural lands, and healthy fish and wildlife populations) as a foundation for economic wealth and fun recreation opportunities.

Strategies

Minnesota is facing unprecedented change. Complex natural resource challenges are reshaping the state's resource base. Invasive species threaten the health and resiliency of Minnesota's lands and waters. Growth and development patterns, such as along shorelands, in cities, and on farmlands, impact land and water conditions. Accelerating shifts in climate are anticipated to have significant impacts on Minnesota's lands and waters and are likely to intensify the negative effects of wildfires, invasive species, and disease on the state's resources.

Significant shifts in traditional sources of conservation funding influence how the department accomplishes its work. If current budget trends continue, the state's general fund will increasingly be dedicated to health and human services, education, and public safety to meet the needs of a changing population. DNR is adapting to these shifts in funding by better integrating our work, being innovative and entrepreneurial in our business, improving efficiencies in our operations, and reducing staffing levels over the past several years.

Social and demographic changes have implications both for how public services are provided by state government and how the public interacts with Minnesota's environment. The department is engaged in research to better understand recreation participation trends and is working closely with diverse partners on promoting strategies that encourage Minnesotans to participate and engage in the outdoors in new ways.

Within this context, DNR is focusing its resources and leadership in four areas that, when combined, provide the optimal approach for the department to achieve its mission-critical work while being a part of the state's budget solution:

- ***DNR integrates our natural resources work to be better positioned for the future***
  Integrated resource management allows the department to be flexible to address new challenges and take on new opportunities, to be adaptive and adjust our approaches when needed, and to work collaboratively with others. Organizational transformations, such as the formation of the new Division of Parks and Trails, aligns department resources to enable market development around better connecting people to the outdoors through a 21st century state park and trail system. The formation of a new Division of Ecological and Water

Resources allows DNR to more comprehensively address biological diversity and water management issues, recognizing the key role Minnesota's water resources have in supporting a strong economy.

- ***DNR is innovative in our business***
  Building on successful business improvements that have increased the efficiency of department operations, DNR is identifying critical leverage points that, with minimal public investment, provide significant cost-savings. DNR's fleet is considered one of the best in the nation, with a reliable, energy-efficient fleet that costs the department much less than the industry standard. With a large workforce stationed at more than 180 locations across the state, the department is improving the energy performance of its buildings and working across units of government to determine opportunities for co-locating facilities to reduce operational costs. Likewise, DNR has made significant improvements in safety performance, saving more than $4 million in safety claims over the last 10 years.
- ***DNR works in close partnership with Minnesotans to achieve our goals***
  DNR recognizes that no one organization is responsible for the health of Minnesota's natural resources. The department depends on strong public and private partnerships and the active participation of citizens to achieve conservation goals. Innovative partnerships (such as with the Minnesota Twins, Best Buy Co., and REI, Inc.) enable DNR to engage new customers and measurably increasing attendance at Minnesota state parks, which serve as a gateway to other outdoor adventures. These partnerships have greatly enhanced DNR's outreach efforts and contribute to building and sustaining a robust recreation tourism industry in the state. Likewise, DNR works closely with private landowners and conservation partners through partnerships such as the Minnesota Forests for the Future Program and the Working Lands Initiative, which leverage state investments with non-state dollars, achieving conservation goals at the lowest possible cost to the state.
- ***DNR is transparent and accountable in our work, communicating results meaningful to the public***
  Today's society demands a greater focus on measuring and communicating the results of public investments. Over the past eight years, DNR has built an integrated performance management system to ensure we are meeting the needs of our customers, a diverse and changing public. Charting strategic direction, measuring performance, and making course corrections to improve results are also essential to cost-effectively managing natural resources and achieving conservation outcomes in today's budget climate. DNR continues to increase the transparency and accountability of its operations through efforts such as implementing a new game and fish fund reporting structure, internal control standards, statewide grants management policies, and other business processes that comply with federal and state standards.

Operations

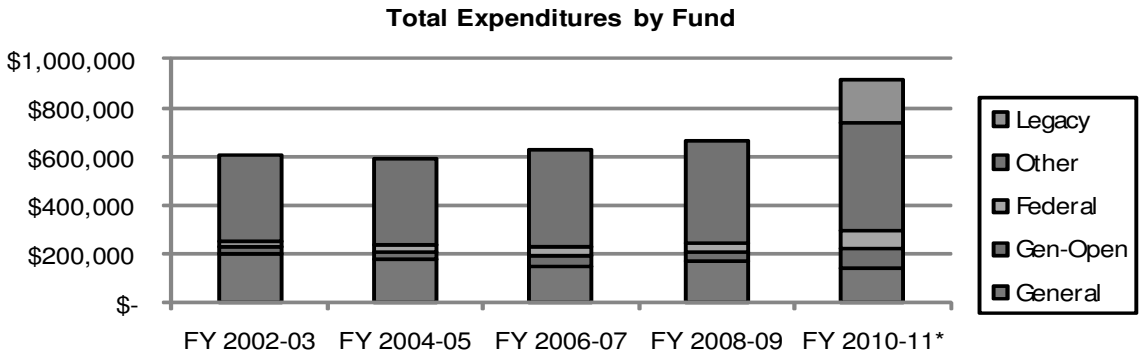
DNR is responsible for conserving the diversity of natural lands, waters, and fish and wildlife that provide the foundation for Minnesota's outdoor recreation heritage and natural resource-based economies (M.S. 84, M.S. 97A). DNR preserves the state's unique natural heritage by protecting rare plant and animal communities throughout the state. DNR manages the state's water resources, sustaining healthy waterways and ground water resources (M.S. 103). DNR provides enriching outdoor recreational opportunities and ensures public access to these resources, including hunting, fishing, wildlife-watching, camping, skiing, hiking, biking, motorized recreation, and conservation education through a state outdoor recreation system that includes parks, trails, wildlife management areas, scientific and natural areas, canoe and boating routes, and other facilities (M.S. 86A). DNR supports natural resource-based economies, managing state forest lands for multiple forest values (M.S. 89), ensuring the maximum long-term economic return from school trust lands (M.S. 127A), and managing the state's 12 million acres of mineral rights (M.S. 93).

DNR is organized into four geographic regions, six operating divisions, and operations support. DNR staff work out of 180 field offices located statewide.

- **Division of Ecological and Water Resources** works to ensure the long-term health of watersheds across the state that support water quality and maintain water quantity, biodiversity, and vital ecosystem services.
- **Division of Enforcement** enforces laws related to game and fish, wetlands, aquatic plants, and the operation of watercraft, snowmobiles, all-terrain vehicles, and other recreational vehicles, and provides conservation and safety education programs.
- **Division of Fish and Wildlife** conserves and enhances the state's fish and wildlife populations and their supporting habitats through regulation, restoration, research, monitoring, and education.
- **Division of Forestry** 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.

- **Division of Lands and Minerals** manages agency real estate transactions and promotes, regulates, and provides expertise on mineral exploration, mining, and mine land reclamation.
- **Division of Parks and Trails** operates a system of state park and state forest campgrounds that conserves natural, scenic, and cultural resources; maintains a statewide network of recreational trails; provides public access to lakes, rivers, and streams; and offers education opportunities.
- **Operations Support** provides direction and coordination of DNR programs and operations, provides local services to the public across the state through regional operations, manages pass-through grants, and directs the management of school and university trust fund lands and mineral rights.

Budget Trends



**FY 2010-11 is budgeted expenditures*
Source data: May 2010 Consilidated Fund Statement (end of 2010 legislative session).

The budget trends graph shows that the general fund open appropriation expenditures increased from FY 2008-09 to FY 2010-11. This is the result of the following factors:

- DNR Payment in Lieu of Taxes (PILT) appropriation is a transfer to the Department of Revenue, so the expenditures are not included in the DNR's expenditure history. However, since the FY10-11 figures are budgeted, the PILT dollars (estimated at $43.4 million) are included.
- The emergency fire appropriation shows actual dollars spent in FY 2008-09, which was $2.4 million higher than the budgeted $22.0 million represented in FY 2010-11.

Federal funding increased from FY 2008-09 to FY 2010-11. FY2010-11 represents the DNRs spending authority (budget), approved through the Legislative Advisory Commission (LAC). Spending authority is always higher than actual spending because:

- Spending authority may be requested for grants at any time during the grant application process. If the grant is not awarded, spending will not occur. For instance, the FY 2010-11 figure includes approximately $3 million in ARRA grants that were not awarded.
- Most federal grants are available for more than one biennium. Spending authority received in one biennium is not always spent in that biennium.

The FY 2010-11 budget includes approximately $10 million in spending authority for **new** grants awarded.

Other funding sources include the natural resources fund accounts, game and fish fund accounts, environment and natural resources trust fund.

Contact

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Dollars in Thousands

	Current FY2010	Current FY2011	Governor Recomm. FY2012	Governor Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Environment & Natural Resource					
Current Appropriation	15,148	14,554	14,554	14,554	29,108
Recommended	**15,148**	**14,554**	**0**	**0**	**0**
Change		0	(14,554)	(14,554)	(29,108)
% Biennial Change from 2010-11					-100%
General					
Current Appropriation	71,968	69,513	69,513	69,513	139,026
Recommended	**71,968**	**69,513**	**56,208**	**56,203**	**112,411**
Change		0	(13,305)	(13,310)	(26,615)
% Biennial Change from 2010-11					-20.5%
Natural Resources					
Current Appropriation	76,098	75,038	75,038	75,038	150,076
Recommended	**76,098**	**75,038**	**59,735**	**60,378**	**120,113**
Change		0	(15,303)	(14,660)	(29,963)
% Biennial Change from 2010-11					-20.5%
Game And Fish (operations)					
Current Appropriation	94,477	94,457	94,457	94,457	188,914
Recommended	**94,477**	**94,457**	**95,049**	**98,368**	**193,417**
Change		0	592	3,911	4,503
% Biennial Change from 2010-11					2.4%
Remediation Fund					
Current Appropriation	100	100	100	100	200
Recommended	**100**	**100**	**100**	**100**	**200**
Change		0	0	0	0
% Biennial Change from 2010-11					0%
Outdoor Heritage					
Current Appropriation	57,769	69,444	69,444	69,444	138,888
Recommended	**57,769**	**68,694**	**0**	**0**	**0**
Change		(750)	(69,444)	(69,444)	(138,888)
% Biennial Change from 2010-11					-100%
Clean Water					
Current Appropriation	6,690	11,835	11,835	11,835	23,670
Recommended	**6,690**	**11,835**	**12,522**	**9,092**	**21,614**
Change		0	687	(2,743)	(2,056)
% Biennial Change from 2010-11					16.7%
Parks And Trails					
Current Appropriation	16,861	20,040	20,040	20,040	40,080
Recommended	**16,861**	**20,040**	**22,366**	**22,366**	**44,732**
Change		0	2,326	2,326	4,652
% Biennial Change from 2010-11					21.2%

Dollars in Thousands

	Current FY2010	Current FY2011	Governor Recomm. FY2012	Governor Recomm. FY2013	Biennium 2012-13
Expenditures by Fund					
Direct Appropriations					
Environment & Natural Resource	16,538	22,128	0	0	0
General	69,679	72,068	56,208	56,203	112,411
Minnesota Resources	1	131	0	0	0
Natural Resources	70,139	81,735	59,535	60,378	119,913
Game And Fish (Operations)	89,030	101,310	95,057	98,376	193,433
Remediation Fund	100	100	100	100	200
Outdoor Heritage	50,629	75,834	0	0	0
Clean Water	5,055	13,330	12,522	9,092	21,614
Parks And Trails	11,025	25,876	22,366	22,366	44,732
Permanent School	71	200	200	200	400
Open Appropriations					
General	22,634	19,013	47,323	47,723	95,046
Natural Resources	654	633	540	540	1,080
Game And Fish (Operations)	717	793	793	793	1,586
Statutory Appropriations					
General	26	158	25	0	25
Natural Resources	4,092	6,393	35,434	35,481	70,915
Miscellaneous Special Revenue	26,429	26,572	24,806	25,897	50,703
Game And Fish (Operations)	3,940	3,800	9,721	9,730	19,451
Federal	16,164	34,676	34,190	19,825	54,015
Federal Stimulus	700	0	0	0	0
Remediation Fund	790	381	381	381	762
Reinvest In Minnesota	3,959	5,137	5,390	5,391	10,781
Miscellaneous Agency	4	3	3	3	6
Gift	1,686	1,582	1,608	1,608	3,216
Permanent School	4	200	4	4	8
Total	**394,066**	**492,053**	**406,206**	**394,091**	**800,297**
Expenditures by Category					
Total Compensation	166,110	179,578	178,200	180,343	358,543
Other Operating Expenses	122,208	175,636	142,444	136,582	279,026
Capital Outlay & Real Property	45,846	62,310	26,160	22,219	48,379
Payments To Individuals	3	0	0	0	0
Local Assistance	59,881	74,667	32,874	28,108	60,982
Other Financial Transactions	18	173	128	128	256
Non-Cash Transactions	0	(98)	(98)	(98)	(196)
Transfers	0	(213)	26,498	26,809	53,307
Total	**394,066**	**492,053**	**406,206**	**394,091**	**800,297**
Expenditures by Program					
Land And Minerals Resource Mgt	10,937	15,258	40,041	40,510	80,551
Ecological And Water Resources	47,126	63,077	52,861	47,890	100,751
Forest Management	83,359	95,260	71,945	65,428	137,373
Parks And Trails Management	90,363	114,377	102,529	102,140	204,669
Fish And Wildlife Management	95,644	118,484	95,561	93,510	189,071
Enforcement Nr Laws & Rules	32,540	33,480	34,902	38,219	73,121
Operations Support	34,097	52,117	8,367	6,394	14,761
Total	**394,066**	**492,053**	**406,206**	**394,091**	**800,297**
Full-Time Equivalents (FTE)	**2,346.9**	**2,399.0**	**2,429.8**	**2,454.9**	

Dollars in Thousands

	FY2011	Governor's Recomm. FY2012	Governor's Recomm. FY2013	Biennium 2012-13
Fund: ENVIRONMENT & NATURAL RESOURCE				
FY 2011 Appropriations	**14,554**	**14,554**	**14,554**	**29,108**
Technical Adjustments				
One-time Appropriations		(14,554)	(14,554)	(29,108)
Subtotal - Forecast Base	**14,554**	**0**	**0**	**0**
Total Governor's Recommendations	**14,554**	**0**	**0**	**0**
Fund: GENERAL				
FY 2011 Appropriations	**69,513**	**69,513**	**69,513**	**139,026**
Technical Adjustments				
Approved Transfer Between Appr		0	0	0
Biennial Appropriations		260	260	520
Current Law Base Change		0	0	0
One-time Appropriations		(3,369)	(3,369)	(6,738)
Operating Budget Reduction		(60)	(60)	(120)
Subtotal - Forecast Base	**69,513**	**66,344**	**66,344**	**132,688**
Change Items				
Forest Campground Income	0	(195)	(200)	(395)
General Fund Reduction	0	(5,916)	(5,916)	(11,832)
Water Management Account	0	(5,000)	(5,000)	(10,000)
Wildlife Health Appropriation	0	975	975	1,950
Total Governor's Recommendations	**69,513**	**56,208**	**56,203**	**112,411**
Fund: NATURAL RESOURCES				
FY 2011 Appropriations	**75,038**	**75,038**	**75,038**	**150,076**
Technical Adjustments				
Approved Transfer Between Appr		0	0	0
One-time Appropriations		(660)	(660)	(1,320)
Subtotal - Forecast Base	**75,038**	**74,378**	**74,378**	**148,756**
Change Items				
ATV Fund	0	400	400	800
Aquatic Invasive Species Prevention/Mgmt	0	3,900	4,000	7,900
General Fund Reduction	0	324	324	648
Local Trail Grants-Lottery in Lieu	0	100	100	200
Maint of Min-Maint Forest Roads	0	200	200	400
Maint. of NR Enf/Educ/Public Safety	0	290	1,033	1,323
Maintain Recreational Water Levels	0	500	500	1,000
Snowmobile Fund	0	200	200	400
State Forest Land Management	0	(11,437)	(11,437)	(22,874)
State Park Dedicated Account	0	(10,620)	(10,620)	(21,240)
State Parks and Trails Lottery in-Lieu	0	300	300	600
Water Recreation Program	0	1,000	1,000	2,000
Total Governor's Recommendations	**75,038**	**59,535**	**60,378**	**119,913**
Fund: GAME AND FISH (OPERATIONS)				
FY 2011 Appropriations	**94,457**	**94,457**	**94,457**	**188,914**
Technical Adjustments				
Approved Transfer Between Appr		0	0	0
One-time Appropriations		(1,495)	(1,495)	(2,990)
Subtotal - Forecast Base	**94,457**	**92,962**	**92,962**	**185,924**
Change Items				
Hunting and Fishing Heritage Initiative	0	6,442	9,361	15,803

Dollars in Thousands

	FY2011	Governor's Recomm. FY2012	Governor's Recomm. FY2013	Biennium 2012-13
Dedicated Accounts Adjustment	0	(6,345)	(6,345)	(12,690)
Lamprey Pass	0	600	0	600
Maint. of NR Enf/Educ/Public Safety	0	390	1,390	1,780
Native Plant Community Mapping	0	1,000	1,000	2,000
Total Governor's Recommendations	**94,457**	**95,049**	**98,368**	**193,417**
Fund: REMEDIATION FUND				
FY 2011 Appropriations	**100**	**100**	**100**	**200**
Subtotal - Forecast Base	**100**	**100**	**100**	**200**
Total Governor's Recommendations	**100**	**100**	**100**	**200**
Fund: OUTDOOR HERITAGE				
FY 2011 Appropriations	**69,444**	**69,444**	**69,444**	**138,888**
Technical Adjustments				
One-time Appropriations		(69,444)	(69,444)	(138,888)
Subtotal - Forecast Base	**69,444**	**0**	**0**	**0**
Change Items				
MN Forests for Future Easmnt Stwrdshp	(750)	0	0	0
Total Governor's Recommendations	**68,694**	**0**	**0**	**0**
Fund: CLEAN WATER				
FY 2011 Appropriations	**11,835**	**11,835**	**11,835**	**23,670**
Technical Adjustments				
Current Law Base Change		1,000	0	1,000
One-time Appropriations		(11,835)	(11,835)	(23,670)
Subtotal - Forecast Base	**11,835**	**1,000**	**0**	**1,000**
Change Items				
Clean Water Fund	0	11,522	9,092	20,614
Total Governor's Recommendations	**11,835**	**12,522**	**9,092**	**21,614**
Fund: PARKS AND TRAILS				
FY 2011 Appropriations	**20,040**	**20,040**	**20,040**	**40,080**
Technical Adjustments				
One-time Appropriations		(20,040)	(20,040)	(40,080)
Subtotal - Forecast Base	**20,040**	**0**	**0**	**0**
Change Items				
Investing in our State Parks and Trails	0	16,201	16,201	32,402
Parks and Trails Fund Grant Program	0	6,165	6,165	12,330
Total Governor's Recommendations	**20,040**	**22,366**	**22,366**	**44,732**
Fund: GENERAL				
Planned Open Spending	**19,013**	**47,323**	**47,723**	**95,046**
Total Governor's Recommendations	**19,013**	**47,323**	**47,723**	**95,046**
Fund: NATURAL RESOURCES				
Planned Open Spending	**633**	**540**	**540**	**1,080**
Total Governor's Recommendations	**633**	**540**	**540**	**1,080**
Fund: GAME AND FISH (OPERATIONS)				
Planned Open Spending	**793**	**793**	**793**	**1,586**
Total Governor's Recommendations	**793**	**793**	**793**	**1,586**

Dollars in Thousands

	FY2011	Governor's Recomm. FY2012	Governor's Recomm. FY2013	Biennium 2012-13
Fund: GENERAL				
Planned Statutory Spending	**158**	**25**	**0**	**25**
Total Governor's Recommendations	**158**	**25**	**0**	**25**
Fund: NATURAL RESOURCES				
Planned Statutory Spending	**6,393**	**4,852**	**4,992**	**9,844**
Change Items				
Forest Campground Income	0	195	200	395
General Fund Reduction	0	310	310	620
MN Forests for Future Easmnt Stwrdshp	0	30	30	60
Maint. of NR Enf/Educ/Public Safety	0	240	142	382
State Forest Land Management	0	13,437	13,437	26,874
State Park Dedicated Account	0	11,370	11,370	22,740
Water Management Account	0	5,000	5,000	10,000
Total Governor's Recommendations	**6,393**	**35,434**	**35,481**	**70,915**
Fund: MISCELLANEOUS SPECIAL REVENUE				
Planned Statutory Spending	**26,572**	**24,806**	**25,897**	**50,703**
Total Governor's Recommendations	**26,572**	**24,806**	**25,897**	**50,703**
Fund: GAME AND FISH (OPERATIONS)				
Planned Statutory Spending	**3,800**	**3,769**	**3,778**	**7,547**
Change Items				
Dedicated Accounts Adjustment	0	5,817	5,817	11,634
Peace Officer Training Account	0	135	135	270
Total Governor's Recommendations	**3,800**	**9,721**	**9,730**	**19,451**
Fund: FEDERAL				
Planned Statutory Spending	**34,676**	**34,190**	**19,825**	**54,015**
Total Governor's Recommendations	**34,676**	**34,190**	**19,825**	**54,015**
Fund: REMEDIATION FUND				
Planned Statutory Spending	**381**	**381**	**381**	**762**
Total Governor's Recommendations	**381**	**381**	**381**	**762**
Fund: REINVEST IN MINNESOTA				
Planned Statutory Spending	**5,137**	**5,390**	**5,391**	**10,781**
Total Governor's Recommendations	**5,137**	**5,390**	**5,391**	**10,781**
Fund: MISCELLANEOUS AGENCY				
Planned Statutory Spending	**3**	**3**	**3**	**6**
Total Governor's Recommendations	**3**	**3**	**3**	**6**
Fund: GIFT				
Planned Statutory Spending	**1,582**	**1,608**	**1,608**	**3,216**
Total Governor's Recommendations	**1,582**	**1,608**	**1,608**	**3,216**
Fund: PERMANENT SCHOOL				
Planned Statutory Spending	**200**	**4**	**4**	**8**
Total Governor's Recommendations	**200**	**4**	**4**	**8**
Revenue Change Items				
Fund: GENERAL				
Change Items				
Forest Campground Income	0	(195)	(200)	(395)
Water Management Account	0	(5,000)	(5,000)	(10,000)

Dollars in Thousands

	FY2011	Governor's Recomm. FY2012	Governor's Recomm. FY2013	Biennium 2012-13
Fund: NATURAL RESOURCES				
Change Items				
Aquatic Invasive Species Prevention/Mgmt	0	3,155	4,407	7,562
Aquatic Plant Management	0	700	700	1,400
Forest Campground Income	0	195	200	395
Water Management Account	0	5,000	5,000	10,000
Fund: GAME AND FISH (OPERATIONS)				
Change Items				
Hunting and Fishing Heritage Initiative	0	6,070	14,472	20,542
Peace Officer Training Account	0	135	135	270

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Natural Resources Fund (Water Recreation Account)				
Revenues	$700	$700	$700	$700
Net Fiscal Impact	$(700)	$(700)	$(700)	$(700)

Recommendation

The Governor recommends increasing aquatic plant management (APM) permit fees to recover the full costs of the APM permit program as defined in M.S. 103G.615 subd. 2. The receipts will be deposited into the water recreation account in the natural resources fund.

Rationale

The primary purpose of the APM rules is to provide riparian landowners access to open water, while protecting the aquatic habitat and water quality values provided by aquatic plants.

Implementation of the aquatic plant management program costs approximately $1 million dollars annually. The existing fee structure recovers about 30% of program costs.

The 2008 Legislature directed the DNR to recover the full costs of the APM program through permit fees. The costs of the program include the cost of receiving, processing, analyzing, and issuing the permit and additional costs incurred after the application to inspect and monitor the activities authorized by the permit, and enforce aquatic plant management rules and permit requirements. The DNR initiated a rulemaking process to comply with the legislature's directive; however, the rulemaking process was not completed. This legislative proposal takes into consideration alternatives considered during the rulemaking process, with the help of a stakeholder advisory committee. The proposal would implement APM permit fees that would recover the full cost of the APM permit program. The intent of this proposal is to prevent other revenues in the water recreation account from subsidizing the APM permit program; therefore the proposal would increase revenue into the water recreation account, but would not increase expenditures from the account.

The proposal would raise permit fees for lake shore property owners controlling aquatic plants in public waters from $35 per property owner with a $750 cap for group permits to $90 per property owner with no cap on the maximum permit fee. The proposal would increase the permit fee for swimmer's itch and algae control from $4.00 per 100 feet of shoreline with a $200 maximum fee to $40 per property owner with no maximum fee. The proposal also includes a $100 annual permit fee for commercial mechanical control and commercial harvest permits and a $300 dollar fee for the inspection of water bodies proposed for the commercial harvest of aquatic plants for sale (currently there is no fee for these permits).

Relationship to Base Budget

Aquatic plant management permit fees are deposited in the water recreation account. The existing permit fee structure generates approximately $300,000 in revenue. The total budget for the APM permit program is approximately $1 million; the remaining $700,000 is funded from other revenue sources in the water recreation account, game and fish fund, and general fund.

Key Goals and Measures

Minnesota Milestones Goals:
Minnesotans will conserve natural resources to give future generations a healthy environment and a strong economy. Minnesotans will improve the quality of the air, water and earth. Minnesotans will restore and maintain healthy ecosystems that support diverse plants and wildlife.

DNR's Conservation Agenda Goals: Minnesota's water resources and watersheds will be conserved and enhanced. Minnesota's natural lands and habitats will be conserved and enhanced.

This funding would support actions to protect and manage aquatic plants in public waters. Outcomes:

- Receive and review aquatic plant management permit applications from 10,800 lake shore property owners.
- Monitor aquatic plant management activities on approximately 900 Lakes.
- Conduct 1,114 aquatic plant management site inspections.
- Enforce APM regulations.

Statutory Change: This proposal would require modifying permit fee language in M.S. 103G.615 Subd. 2.

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Clean Water Fund Expenditures	$11,522	$9,092	$0	$0
Net Fiscal Impact	$11,522	$9,092	$0	$0

Recommendation

The Governor recommends a FY 2012 appropriation of $11.522 million and a FY 2013 appropriation of $9.092 million from the clean water fund to support healthy watersheds through Total Maximum Daily Load (TMDL) plan development and implementation, water quality assessment and monitoring, non-point source restoration and protection, and drinking water protection.

Rationale

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 waters from becoming impaired. In its first biennium, the majority of clean water funds were directed to the TMDL process to improve water quality by improving land use management.

As part of the Department of Natural Resources (DNR's) goal of conserving and enhancing the state's water resources and watersheds, the department has set a priority of working more effectively with our partners to preserve and protect water, biodiversity, and ecosystem services beyond the lands that we own and manage including lands that are beyond the limits of our regulatory reach. The TMDL initiative provides a tremendous opportunity to help create healthy watersheds throughout Minnesota that will provide abundant fish and wildlife habitat and sustainable supplies of clean water. DNR's role in this effort is to support TMDL initiatives with data collection, technical assistance for planning, and collaborative implementation of actions called for in approved TMDL plans; work with other state agencies and local government units to improve protection of groundwater resources (as drinking water supplies) through better surface water protection strategies; and develop improved decision support tools that clarify connections between land use decisions and the sustainability of high quality water resources.

For the FY 2012-13 biennium this proposal would provide $3.4 million for technical assistance to TMDL studies and development of watershed data to support TMDL planning for restoration, and implementation; $7.1 million 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 water quality best management practices monitoring in forested watersheds; $3.3 million for non-point source restoration and protection through targeted TMDL implementation strategies in cooperation with state agencies and local government units, development of products that integrate land and water information into decision support tools, drainage hydrology assessment, and stewardship in forested watersheds; $4.1 million for drinking water protection that includes water supply planning, aquifer protection and monitoring, and electronic water permitting; and $2.6 million for development of high resolution elevation data (LiDAR) products to support clean water efforts.

Relationship to Base Budget

DNR received a one-time clean water fund appropriation of $14.5 million for clean water activities in the FY 2010-11 biennium. During the 2010 legislative session, the legislature approved the transfer of $4 million from MPCA to DNR and recommended a $1 million one-time base appropriation for FY 2012 for the 11 county groundwater monitoring network.

Key Goals and Measures

Minnesota Milestones Goals:
Minnesotans will conserve natural resources to give future generations a healthy environment and a strong economy. Minnesotans will improve the quality of the air, water and earth. Minnesotans will restore and maintain healthy ecosystems that support diverse plants and wildlife.
DNR's *A Strategic Conservation Agenda 2009-2013* Goal: Minnesota's water resources and watersheds will be conserved and enhanced.
Indicator: Fish contaminant levels in important fishing waters
Target: Resample major lakes and rivers for fish contamination on an approximate five-year cycle; resample mercury trend lakes on a 2-5 year cycle; collect and test additional samples to support clean water legacy initiatives.

Statutory Change: Not Applicable

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	$(5,916)	$(5,916)	$(5,916)	$(5,916)
Other Fund				
Expenditures	634	634	634	634
Net Fiscal Impact	$(5,282)	$(5,282)	$(5,282)	$(5,282)

Recommendation

The Governor recommends a General Fund reduction of $5.916 million each fiscal year for the Department of Natural Resources (DNR), which achieves a 10% reduction of agency general fund direct appropriations.

Background

DNR's 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 recognizes that changes in our economy, environment, and society demand that we lead in new ways–both to advance conservation results and maintain critical public services while reducing costs.

In developing the general fund reduction proposal, DNR identified areas where the agency could walk away from the general fund by transforming its business–becoming more lean and efficient, more innovative and entrepreneurial, working through partnerships, and reducing staffing levels–while increasing its focus on customer service and maintaining investments in essential activities and activities that drive the state's economic engine. This proposal provides the optimal approach for achieving DNR's mission-critical work while being a part of the state's budget solution.

Forestry ($2,950,000)
This proposal will result in:
- A shift to a cost certification strategy for professional forest management services on state managed lands;
- A reduction in educational activities;
- A reduction in support to the Minnesota Forest Resources Council; and
- A reduction in private forest management and urban and community program support.

Ecological and Water Resources ($855,000)
This proposal will result in reductions in:
- Terrestrial invasive species management on state land from 2,500 to 1,100 acres;
- Follow-up inspections for compliance with permits and pesticide regulations;
- Water permitting and planning;
- Inventory analysis and monitoring;
- Mercury monitoring in fish;
- Conservation assistance and regulation; and
- Ecosystem management and protection.

Parks and Trails Management ($949,000)
This proposal will result in reduced:
- Hours and shorten seasons of operations;
- Hours for lodging visitor services and facility maintenance;
- Routine resource maintenance activities, including noxious weed control, exclosure maintenance, and prescribed burning project planning;
- Ski trail grooming; and
- Interpretive programs.

Grants ($528,000)
$528,000 represents a reduction in grants across the agency, including:

- $138,000 is from Red River Mediation – Funding is reduce from $264 to $126K
  - $35,000 is a 30% reduction in funding to eight watershed teams for project development activities;
  - $75,000 is eliminated from the River Watch Program, which would need to be picked up by local watershed districts or other funding sources;
  - $28,000 is a reduction in pass through grant funding for watershed planning and project development, reducing coordination and oversight of project teams;
- $53,000 is a reduction to the Mississippi Headwaters Board – Pass through grant funding used for reviewing local land use decisions would be eliminated;
- $197,000 eliminates the Forest Resources Grant to the University of Minnesota, resulting in no contract work with the UMN for IIC activities;
- $5,000 is a reduction to the Leech Lake Band – Pass through grant funding to participate with the Mississippi Headwaters plan would be eliminated, with little impact expected;
- $60,000 is a reduction to the Prairie Wetland program, which will impact approximately 20 acres of prairie wetlands; and
- $75,000 will be reduced from grants for ring dikes, eliminating the cost share on three farmstead ring dikes.

Operations Support ($634,000)
This funding will be replaced with funding from dedicated sources to more accurately reflect the work of the department.

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

Statutory Change
Not applicable.

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Game and Fish Fund (230)				
Expenditures	$6,442	$9,361	$9,361	$9,361
Revenues	6,070	14,472	14,472	14,472
Net Fiscal Impact	$(372)	$5,111	$5,111	$5,111

Recommendation

The Governor recommends a change in the license choices and prices that are available to hunters and anglers to provide more alternatives to better meet needs while also enhancing revenue. The Governor also recommends additional program funding for game and fish management programs from the associated revenue increase that will be realized by these options.

Background

In 1998, the people of Minnesota voted to amend The Minnesota Constitution to protect the right to hunt and fish. *"Article XIII, Sec. 12. PRESERVATION OF HUNTING AND FISHING. Hunting and fishing and the taking of game and fish are a valued part of our heritage that shall be forever preserved for the people and shall be managed by law and regulation for the public good. [Adopted, November 3, 1998]"* The game and fish fund provides the fiscal foundation for protecting Minnesota's hunting and fishing heritage as set forth in the Constitution and supports the "nuts and bolts" of game and fish management that cannot be funded with the constitutionally dedicated outdoor heritage fund.

Currently, a $3.88 million balance is projected in the game and fish fund operating account at the end of FY 2013; the balance at the end of FY 2015 is estimated to be a negative $2.0 million (based on the November 2010 Forecast Fund Statement.) The expenditures from the game and fish fund outpace current revenues by an average of $2.8 million per year. These figures assume current expenditures and revenues that meet forecasts. In addition, fishing related expenditures exceed fishing revenues, while wildlife related expenditures are less than hunting revenues. Hunting stakeholder are concerned that hunting revenues are subsidizing fisheries programs.

The Governor recommends a price increase for some fishing and hunting licenses for residents and non-residents as well as some lower cost options that are highly desired by hunters and anglers. Some new license types are appealing to less frequent hunters and anglers, while other options and packages will appeal to the most avid participants. The proposed changes will shore up the health of the game and fish fund, provide for future support of game and fish programs, and address the imbalance between hunting and angling expenditures and revenues.

The proposed changes were prepared by the Department in consultation with the Game and Fish Fund Budget Oversight Committee (BOC) as required under M.S. 97A.055, with the following principals:

- Maintain solvency of game and fish fund through FY 2019;
- Balance hunting and fishing expenditures with revenues;
- Maximize ability to leverage federal aid;
- Provide affordable and desirable pricing options;
- Provide adequate financial resources and flexibility to deliver conservation programs and enforcement efforts; and
- Gain informed consent of stakeholders.

Historically, the game and fish fund management philosophy included raising fees high enough to cover existing shortfalls, fund high priority initiatives, and offset future cost of living increases. The life-expectancy of past fee increases was about six years, at which time, the fees were raised again. The last major fee increase was made during the 2000 Legislative Session and took effect in March 2001. This increase has lasted more than the life-expectancy due to increasing federal aid deposited into the fund and efforts to maximize operational efficiencies over the past four years.

The DNR has analyzed fishing license sales trends using regression models, demographic information, month to month sales data, customer surveys and market analysis to predict impacts of various fee structures and prices

on participation and revenues. These analyses were used to structure this proposal in order to generate the necessary revenue while minimizing impacts to hunting and fishing participation.

Fees and revenue changes
Recommendations for new license types and fees were developed in conjunction with the BOC, utilizing results from recently completed surveys of license buyers. License structures and fees reflect behavior and preferences of modern day participation in hunting and angling while ensuring that fees are not significant barriers to participation in hunting and angling activities, especially for youth, first-time or occasional license buyers.

Relationship to Base Budget
This will impact licenses available to our anglers and hunters, providing more option and opportunity.

Key Goals and Measures
This initiative supports measures contained in *DNR's A Strategic Conservation Agenda 2009-2013*. http://www.dnr.state.mn.us/conservationagenda/index.html

Statutory Change:
M.S. 97A.475

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Other Fund				
Expenditures	$3,900	$4,000	$4,000	$4,000
Revenues	3,155	4,407	4,407	4,407
	$745	$(407)	$(407)	$(407)

Recommendation

The Governor recommends the following change items to eliminate the structural deficit in the Invasive Species Account (ISA) and increase funding for aquatic invasive species management; increasing the watercraft license surcharge (currently $5), and increasing the non-resident fishing license surcharge. The increase would be:

- $5 increase for kayaks, sailboards, canoe, sailboats, paddleboat, and rowing shells over three years;
- $15 increase for boats under 17 feet over three years;
- $20 increase for other watercraft over three years; and
- $3 annual increase on non-resident fishing license surcharge.

Background

The spread of aquatic invasive species is one of the top conservation challenges facing Minnesota today. Aquatic invasive species management is funded primarily with general fund and the ISA. General fund support for this program was increased during the FY 2008-09 biennium, but has subsequently declined because of the general fund deficit. The ISA also has a structural deficit with expenditures exceeding revenues at current levels. The ISA structural deficit was addressed during the FY 2010-11 biennium through a one-time transfer of dollars from the Water Recreation Account.

Most of the revenue to the ISA comes from a $5 surcharge on watercraft licenses and a $2 surcharge on non-resident fishing licenses. These two sources generate approximately $1.6 million/year, while the current annual appropriation is $2.142 million. At current levels of revenues and expenditures, the ISA is projected to have more than a $0.5 million deficit in FY 2013.

Increased revenues are needed to achieve goals for aquatic invasive species management and to minimize negative impacts to native species and habitats. This proposal would eliminate the structural deficit in the ISA and provide an estimated $4.0 million annually in additional funding for aquatic invasive species programs by increasing the watercraft license surcharge and increasing non-resident fishing licenses.

Relationship to Base Budget

Current annual funding levels for aquatic invasive species include $1.574 million from the General Fund and $2.142 million from the ISA. In addition, $820,000 in short-term Federal funding was received in FY 2011.

Key Goals and Measures

Minnesota Milestones goal: Minnesotans will restore and maintain healthy ecosystems that support diverse plants and wildlife.

DNR Conservation Agenda Goal: Minnesota's natural lands and habitats will be conserved and enhanced.
Indicator: Number of water bodies infested with Eurasian watermilfoil and zebra mussels.
Target: Limit the rate of spread of Eurasian watermilfoil to no more than ten new water bodies per year, and prevent the spread of zebra mussels to waters not connected to previous infestations.

This increase in funding would enhance actions to prevent and manage invasive species infestations. Examples of accelerated outcomes that would implement priority recommendations from stakeholder input processes that were conducted in FY 2011 include:

- Increase support for local efforts to deliver invasive species messages;
- Increase enforcement hours by an additional 12,800 hours, which would double the current enforcement effort;
- Develop and implement a licensing and training program for lake service providers;

- Accelerate public awareness efforts, including new messaging, and innovative use of 21st century communication technologies;
- Control invasive plants on 60 additional lakes;
- Implement thorough watercraft inspections at high risk areas; and
- Infrastructure for decontamination stations.

Alternatives Considered

Alternatives considered to address the ISA structural deficit include another one-time transfer from the Water Recreation Account and reducing expenditures from the ISA.

Statutory Change: This proposal would require modifying watercraft license fees in Minn. Stat., sec. 86B.415 and 97A.475.

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Water Rec Account (181)				
Expenditures	$500	$500	$500	$500
Net Fiscal Impact	$500	$500	$500	$500

Recommendation
The Governor recommends an increase of $500,000 from the water recreation account to increase efforts that maintain lake levels and stream flows, protect aquatic habitat, and provide technical support for local units of government on land use issues.

Rationale
Water level control structures and dams must be maintained to protect lake levels and stream flows for recreation, economic, and environmental purposes. Maintenance work includes structural repairs, debris removal, removal of illegal modifications to a control structure, and water level gage installation and replacement. Increased efforts to maintain and rehabilitate water level control structures will prolong the life of the structures, protect aquatic habitat, and help maintain lake levels and authorized runout elevations at lake outlets.

Monitoring and coordination of dam operation plans, hydropower operations, and drought/flood conditions are necessary to help ensure that water levels are safe for recreational uses.

The Department of Natural Resources (DNR) maintains a network of approximately 1,000 lake gages, which are used by volunteers to measure and report water levels. DNR also maintains a cooperative network of 180 stream flow gages and over 70 of these gages utilize satellites to provide near real time data. Water level and stream flow data are available on DNR's web site for recreational users and resource managers.

Counties and communities administer land use programs to protect lakes and rivers. Providing technical assistance to local units of government on land use issues helps protect and improve water quality and scenic values on lakes and rivers.

Relationship to Base Budget
In FY 2011, the Division of Ecological and Water Resources received $805,300 from the water recreation account; this request would provide an additional $500,000 per year.

Key Goals and Measures
This work supports Minnesota Milestones related to water use (59), water quality (64), wildlife habitat (67), changes in land use (68), and parkland and open space (69). Key goals and measure include:

- Maintain water level control structures and dams to protect lake levels and stream flows for recreation, economic, and environmental uses;
- protect aquatic plants and habitat; and
- Make water level data for lakes and near real time flow data for streams available to recreational users and resource managers.

Statutory Change:
Not applicable.

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	$(5,000)	$(5,000)	$(5,000)	$(5,000)
Revenues	(5,000)	(5,000)	(5,000)	(5,000)
Natural Resources Fund				
Expenditures	5,000	5,000	5,000	5,000
Revenues	$5,000	$5,000	$5,000	$5,000
Net Fiscal Impact	0	0	0	0

Recommendation
The Governor recommends that permit application and inspection fees required by M.S. 103G.301 and water use fees required by M.S. 103G.271 be deposited in an account in the natural resources fund and appropriated to the Commissioner via a dedicated appropriation. The proposal is budget neutral in that revenue deposited into the account would be appropriated annually to the Commissioner of the Department of Natural Resources (DNR) for water management activities in place of the general fund.

Rationale
M.S. 103G.301 establishes application and inspection fees for permits to work in public waters, dam safety permits, and permits to appropriate waters of the state. Annual water appropriation permit processing fees are required by M.S. 103G.271. Application, inspection, and water reporting fees generate approximately $5.0 million for the general fund each year. Since FY 2008, the DNR has been required to assess fees to recover the costs incurred to evaluate large water use proposals that exceed 100 million gallons per year and these fees (less than $40,000/year) have been credited to the natural resources fund. This request expands the dedication of permit application, inspection, and water use fees to the natural resources fund by $5.0 million, which would be appropriated annually for water management activities in place of current general fund appropriations.

Water use fee rates have been changed by the legislature four times since 2003 and revenues have increased over 100% ($2.4M to $5M). Permit holders have not supported these fee increases in part because they know the fees are going to the general fund instead of directly benefiting resource management work that is needed to sustain water supplies for their economic activities. Associations representing the two largest groups of water users, agricultural irrigation and water utilities, have stated a willingness to support past fee increases that benefit DNR's water management work. Depositing permit fees into a natural resource fund will directly support water management activities and help ensure accountability for the use of permit fees.

Relationship to Base Budget
In FY 2011, the Division of Ecological and Water Resources received $16.617 million from the General Fund. This proposal would reduce this appropriation by $5.0 million per year.

Key Goals and Measures
This work supports Minnesota Milestones related to satisfaction with government services (36), price of government (37), growth in gross state product (38), water use (59), water quality (64), wildlife habitat (67), and changes in land use (68). Key goals and measure include:
- Protect surface water and groundwater resources for recreation, economic, and environmental uses.
- Protecting aquatic plants and habitat.
- Managing natural resources to sustain the state's economy.

Statutory Change: M.S. 103G.271

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Natural Resources Fund Expenditures	$530	$1,176	$1,100	$1,100
Game and Fish Fund Expenditures	390	1,390	1,300	1,300
Net Fiscal Impact	$920	$2,566	$2,400	$2,400

Recommendation

The Governor recommends $920,000 in FY 2012 and $2.565 million in FY 2013 to run conservation officer academies that would restore the effectiveness of natural resource enforcement and public safety. The academy would allow the agency to fill many of the vacant conservation officer positions. $2.4 million each year beginning FY 2014 would insure the full logistical support required to maintain enforcement efforts at desired levels. This investment initiative maintains the complement of officers assigned to communities across the state that work to ensure public safety and compliance with laws regarding state game and fish, recreational vehicles, non-motorized recreational activities; natural resource commercial operations, and environmental protection.

Rationale

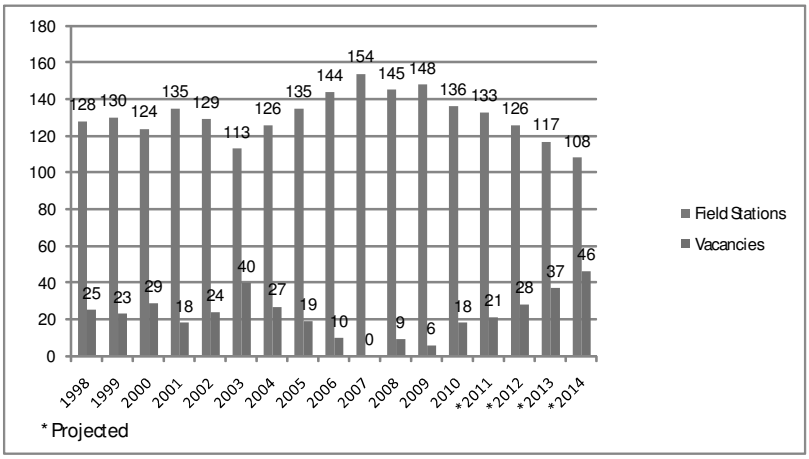
Current conservation officer staffing levels have dropped by 10% (22 officers over the past two years due to retirements). More than ten additional retirements are possible over the next two years. Increases in costs of such items as retirement benefits, retiree insurance and fleet over the same period have prevented the Division of Enforcement from filling these vacancies and have resulted in reductions in mileage available to officers as well as postponement of equipment purchases and reductions in travel and training. This initiative would provide for restoration of operations shortfalls and allow for the hiring of 20 conservation officers over the next two years. This initiative will allow the department to maintain the complement of conservation offices needed to safeguard public safety through education and enforcement efforts (including regulating Off-Highway Vehicle (OHV) and watercraft operation, alcohol impaired operation, and response to natural disasters) and to maintain the quality of the state's game and fish populations and the environment. This work has a direct impact on the economic health of the state and results in the creation and retention of tourism and outdoor recreation related jobs. Today's conservation officers have expanded responsibilities to meet the complex challenges of DNR's mission and to sustain the benefits conservation provides to all Minnesotans.

Relationship to Base Budget

In relationship to the division's current budget, this would be a 3% increase in FY 2012 and 9% increase in FY 2013. This level of funding is consistent with 2007 when full complement was achieved.

Key Goals and Measures

The Division of Enforcement has operated at less than full complement in each of the past 28 years with the exception of 2007. The average vacancy rate for conservation officer field stations over the past 12 years has been 21. We currently have 18 field station vacancies and anticipate an additional ten by the end of the current biennium and another 18 next (FY 2012-13) biennium. (See chart below.) This proposal would maintain vacancies to the average levels experienced over the past 12 years.



Statutory Change: Not applicable

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Game & Fish Fund (230)				
Expenditures	$135	$135	$135	$135
Revenues	0	0	0	0
Net Fiscal Impact	$135	$135	$135	$135

Recommendation
The Governor recommends that the Department of Natural Resources (DNR) create an account in the game and fish fund to receive surcharges on criminal and traffic offenders (M.S. 357.021 subd. 6) and statutorily appropriate it to the commissioner. The funds appropriated would be used for conservation officer training.

Rationale
M.S. 357.021, subd. 7, provides that 1% of court fees paid be transferred to the game and fish fund for conservation officer training. These funds are currently being deposited into an appropriation in the Treasury Department of Minnesota Management and Budget. There is currently no mechanism in place to track these funds and make them available to the Department of Natural Resources (DNR) for the intended purpose. It is the intent of the DNR to begin using these funds according to statute. In an effort to manage these funds more effectively, we request that the funds be deposited into a separate account within the game and fish fund and be annually appropriated to the commissioner.

Relationship to Base Budget
$145,000 was appropriated from the game and fish fund in FY 2011 only. This proposal would amount to less than 0.5 % of the division's base budget.

Key Goals and Measures
This funding would be used to facilitate mandated and supplemental training required by Conservation Officers to maintain licensing and augment skills needed to remain effective in detecting and apprehending game and fish violators.

Statutory Change: M.S. 357.021.subd. 7.

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Game and Fish Fund (230)				
Expenditures	$ (528)	$ (528)	$ (528)	$ (528)
Revenues	0	0	0	0
Net Fiscal Impact	$ (528)	$ (528)	$ (528)	$ (528)

Deer Habitat Improvement	232	FY 2012	FY 2013	FY 2014	FY 2015
Existing appropriation level		$ 1553	$ 1553	$ 1553	$ 1553
Requested change		$ (153)	$ (153)	$ (153)	$ (153)
Requested appropriation level		$ 1400	$ 1400	$ 1400	$ 1400

Waterfowl Habitat Improvement	233	FY 2012	FY 2013	FY 2014	FY 2015
Existing appropriation level		$ 700	$ 700	$ 700	$ 700
Requested change		$ (100)	$ (100)	$ (100)	$ (100)
Requested appropriation level		$ 600	$ 600	$ 600	$ 600

Trout and Salmon Management	234	FY 2012	FY 2013	FY 2014	FY 2015
Existing appropriation level		$ 830	$ 830	$ 830	$ 830
Requested change		$ 45	$ 45	$ 45	$ 45
Requested appropriation level		$ 875	$ 875	$ 875	$ 875

Pheasant Habitat Improvement	235	FY 2012	FY 2013	FY 2014	FY 2015
Existing appropriation level		$ 925	$ 925	$ 925	$ 925
Requested change		$ (145)	$ (145)	$ (145)	$ (145)
Requested appropriation level		$ 780	$ 780	$ 780	$ 780

Wildlife Acquisition	237	FY 2012	FY 2013	FY 2014	FY 2015
Existing appropriation level		$ 1860	$ 1860	$ 1860	$ 1860
Requested change		$ (60)	$ (60)	$ (60)	$ (60)
Requested appropriation level		$ 1800	$ 1800	$ 1800	$ 1800

Wild Turkey Management	238	FY 2012	FY 2013	FY 2014	FY 2015
Existing appropriation level		$ 192	$ 192	$ 192	$ 192
Requested change		$ 70	$ 70	$ 70	$ 70
Requested appropriation level		$ 262	$ 262	$ 262	$ 262

Walleye Stamp	23B	FY 2012	FY 2013	FY 2014	FY 2015
Existing appropriation level		$ 285	$ 285	$ 285	$ 285
Requested change		$ (185)	$ (185)	$ (185)	$ (185)
Requested appropriation level		$ 100	$ 100	$ 100	$ 100

	FY 2012	FY 2013	FY 2014	FY 2015
Total existing Appropriation	$ 6,345	$ 6,345	$ 6,345	$ 6,345
Total change in spending for all accounts	$ (528)	$ (528)	$ (528)	$ (528)
Total proposed Appropriation	$ 5,817	$ 5,817	$ 5,817	$ 5,817

Recommendation

The Governor recommends that appropriations for seven dedicated accounts within the game and fish fund be adjusted. In addition, the Governor recommends that all dedicated accounts within the game and fish fund be appropriated to the Commissioner as dedicated appropriations, rather than direct appropriations, for the purposes identified in statute.

Rationale

These changes would make the account balances available for expenditure according to statute language for each fund (M.S. 97A.075; 97A.071). The Game and Fish Fund Budgetary Oversight Committee (authorized in M.S. 97A.055) supports using the balances in dedicated accounts for intended purposes (August 2004 letter to Department of Natural Resources (DNR) Commissioner, "Recommendations for FY 2006-07 Game & Fish Fund Budget"). Revenues are generated through the sale of hunting and fishing licenses, stamps, and surcharges and deposited into the game and fish fund. With fixed biennial appropriations, balances in the dedicated accounts are generated and are not available for spending; or conversely, revenues are not meeting appropriations. This change will adjust the direct appropriations. Expenditures from these dedicated accounts are controlled by statute and annually reviewed by citizen oversight committees.

Relationship to Base Budget

As of the November 2010 forecast, the balances in the Game and Fish Fund at the end of FY2015 are projected in each account as follows: Deer Habitat Improvement - ($363,000), Waterfowl Habitat Improvement - ($363,772); Trout and Salmon Management - $569,490 and stable; Pheasant Habitat Improvement - $451,448; Wildlife Acquisition – ($8,549); Wild Turkey Management - $460,298 and growing; and Walleye Stamp - ($549,820). If this initiative passes, these balances would be utilized or conserved as balances allow.

Key Goals and Measures

The key measure is more timely utilization of user fees for authorized activities and purposes as follows:

- deer management;
- waterfowl habitat management;
- trout and salmon habitat management;
- trout waters acquisitions;
- pheasant habitat management;
- wild turkey population surveys, monitoring and research, habitat acquisition; and
- walleye stocking

Statutory Change:
M.S. 97A.075 subd. 1-5
M.S. 84.0911 subd. 1
M.S. 97A.071 subd. 1

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Game and Fish Fund (230)				
Expenditures	$600	$0	$0	$0
Revenues	0	0	0	0
Net Fiscal Impact	$600	$0	$0	$0

Recommendation
The Governor recommends funding of $600,000 from the game and fish fund for the purchase of wildlife lands. This one-time initiative is to acquire replacement hunting lands on the Lamprey Pass State Wildlife Management Area (LPSWMA) lost when the Department of Natural Resources (DNR) sold a transportation easement.

Rationale
Washington County is constructing an overpass for County Road 83 that includes the construction of a two-lane bridge to extend County Road 83 over Interstate 35 (1-35), turn lane improvements on Everton Avenue, and construction of a wetland basin within the northeastern portion of the LPSWMA. The project caused loss of interest in the property and reduced public access; therefore a payment was made for an easement in the amount of $600,000. These funds were deposited in the game and fish fund in the state treasury. An agreement was signed by Washington County, Columbus City, Anoka County (Rice Creek Watershed District and Forest Lake also included) and DNR agreeing to the need for replacement lands. This initiative would appropriate the proceeds for the agreed upon purchase of replacement lands.

Relationship to Base Budget
The agency has no current funding for this initiative. The Fish and Wildlife Management's FY 2012-13 biennial budget is $133.5 million. $600,000 represents less than 1% of the total biennial budget.

Key Goals and Measures
Replacement lands will be sought for the loss of interest in the lands in LPSWMA.

Statutory Change: Not applicable.

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	$975	$975	$0	$0
Revenues	0	0	0	0
Net Fiscal Impact	$975	$975	$0	$0

Recommendation

The Governor recommends $975,000 increase in general fund appropriations in FY 2012 and FY 2013 to continue funding for monitoring and managing wildlife health issues throughout Minnesota. The Department of Natural Resources (DNR) has cooperated with the Board of Animal Health and state and federal departments of agriculture on efforts to eliminate bovine tuberculosis (TB) in Minnesota. In addition, the DNR has been monitoring for chronic wasting disease (CWD) in cervids, avian influenza in wild birds, Newcastle disease virus in wild birds, and other wildlife diseases.

Rationale

Wildlife health issues have recently become more prevalent in and around Minnesota. In 2009, CWD was confirmed on a captive cervid farm and DNR conducted surveillance in that area as well as along the border with Wisconsin, which has endemic CWD in wild deer not far from the Minnesota border. In 2011, DNR confirmed the first case of CWD in a wild deer, and is implementing a disease monitoring and management response plan in southeast Minnesota. Since its initial discovery in cattle and wild deer in 2005, bovine TB has been confirmed in 27 deer, all located within a relatively small core area near Skime, MN. 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.

DNR also monitors and manages disease in waterfowl and other wild birds, including monitoring for avian influenza as part of a national initiative to detect highly pathogenic strains if they occur in North America; and monitoring and management of Newcastle Disease Virus (NDV) in wild birds which also has potential to affect commercial poultry operations.

Relationship to Base Budget

The initial appropriation for the FY 2010-11 biennium was $600,000 per year. This request continues the one-time FY 2010 general fund appropriation for ongoing bovine TB management, and continues increased CWD monitoring and management.

Key Goals and Measures

Key measures of performance will be:

- collecting sufficient samples to meet statistical goals of sample size and distribution;
- completing diagnostics on all samples collected;
- conducting surveillance to determine the spatial distribution and infection rates,
- providing liaison with other collaborators;
- purchasing sampling and other supplies, and incur travel and miscellaneous expenses;
- removing where necessary infected species;
- promulgating and enforce rules which prevent spread of disease; and
- promulgate special hunting seasons and limits.

Statutory Change: Not applicable.

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
MFF Stewardship Account				
Expenditures	$30	$30	$30	$30
Revenues	30	30	30	30
Transfer (from OHF)	750	0	0	0
Net Fiscal Impact	$750	$0	$0	$0

Recommendation

The Governor recommends that the Department of Natural Resources (DNR) create an account in the natural resource fund and transfer to the account $750,000 of the $18 million appropriation from the laws of 2009, Chapter 172 Art.1 Sec. 2 Subd. 3. Revenue in the account should be appropriated to the Commissioner of Natural Resources via a dedicated appropriation, for costs associated with the long-term enforcement of Minnesota Forest for the Future (MFF) easements as required in M.S. 84.66, Subd. 11(a).

Rationale

Under 2009 Minn. Laws Chap. 172 Art.1 Sec. 2 Subd. 3, the Legislature authorized $18 million in 2010 and $18 million in 2011 to acquire permanent working forest easements through the MFF program. $750,000 of the appropriation was identified for the monitoring of conservation easements.

The purpose of this legislation is to create the MFF permanent conservation stewardship account in the natural resources fund in the state treasury for the purpose of conservation easement stewardship, including the management, monitoring, and enforcement of DNR conservation easements acquired pursuant to 2009 Minn. Laws Chap. 172 Art. 1 Sec. 2 Subd. 3. Money deposited in the account would come from the following sources: 1) the amount of the appropriation authorized for conservation easement acquisition by 2009 Minn. Laws Chap. 172 Art. 1 Sec. 2, Subd. 3; 2) donations specified for this purpose; 3) money transferred for this purpose according to session laws; and 4) interest accruing from investments of the account. Money in the account is to be annually appropriated to the commissioner of the DNR and may be spent to cover the costs of monitoring, landowner relations, record keeping, processing landowner notices, requests for approval or amendments, and enforcement.

The priority for conservation easement monitoring and enforcement funds is to conduct regular monitoring of easement properties to:

- safeguard the public's investment in conservation easements; and
- ensure that the conserved properties continue to provide to the state the intended benefits of the conservation easement.

The $30,000 appropriated from the account each year would be spent on the following activities: conservation easement monitoring, landowner relations, record keeping, processing landowner notices, requests for approval or amendments, enforcement, and other easement management related activities. It is anticipated that approximately $30,000 in interest would be generated annually to sustain the fund perpetually.

Relationship to Base Budget

The DNR's Division of Forest Management currently does not have any dedicated funding for conservation easement monitoring and enforcement.

This is a one-time appropriation for the MFF permanent conservation stewardship account approved by the legislature in the MFF work plan is $750,000.

Key Goals and Measures

This initiative supports the DNR's goals of:

- Conserving Minnesota's natural lands and habitats (DNR's *A Strategic Conservation Agenda 2009-2013); and*
- Protecting the state's investment in forest conservation easements.

This initiative supports the DNR's performance measure of:

- Acres and number of conservation easements held by DNR and regularly monitored (from DNR's *A Strategic Conservation Agenda 2009-2013)*.

Statutory Change: Add Statute 84.68

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Natural Resources Fund –ATV Account (183)				
Expenditures	$200	$200	$200	$200
Revenues	0	0	0	0
Net Fiscal Impact	$200	$200	$200	$200

Recommendation

The Governor recommends that $200,000 annually from the all-terrain vehicle (ATV) account in the natural resources fund be used to maintain minimum-maintenance forest roads so damages made to those roads from motorized recreational vehicles can be addressed.

Rationale

Investments are required to maintain minimum-maintenance forest roads and keep them from deteriorating. Recreational ATV riding opportunities will improve and road damages will be mitigated with the recommended appropriation.

The 2007 legislature modified M.S. 84.927, subd. 2; so it now authorizes money from the dedicated ATV account to be used for "maintenance of minimum-maintenance forest roads designated under M.S. 89.71, subd. 5 and county forest roads that are part of a designated trail system within state forest boundaries as established under M.S. 89.021." To date the legislature has not directly appropriated any money from the ATV account to maintain minimum-maintenance roads.

A number of state forest minimum-maintenance roads provide key connections between portions of the state's ATV trail systems. The All-Terrain Vehicle Association of Minnesota (ATVAM) supports this initiative.

Relationship to Base Budget

Department of Natural Resources (DNR) Division of Forestry currently receives $925,000 per year from unrefunded gas tax dollars. Priority for current forest road maintenance dollars is to maintain the high-traffic, higher-standard-system roads, which leave no funding for maintaining minimum-maintenance roads. ATV riders prefer many of the minimum-maintenance roads because of their "rustic" condition and remoteness of location. This appropriation would allow DNR Forestry to maintain these minimum maintenance forest roads that are highly traveled by ATV riders.

The $200,000 requested for each fiscal year would be split with forested counties: $100,000 to the DNR, and $100,000 passed through to forested counties each fiscal year.

Key Goals and Measures

This initiative supports the DNR goals of:

- Protecting the state's investment in a forest transportation and recreation system.
- Maintaining and increasing forest-based economic and recreational opportunities.

There are presently 1,293 miles of designated DNR administered state forest minimum-maintenance roads. This appropriation will be focused on miles of road that are most beneficial to ATVs, but the roads will continue to be maintained as narrow, primitive woods roads. Culvert replacement, washout repairs, and drainage repairs needed where water covers the road are examples of the types of work that this funding will accomplish.

The counties have similar miles of minimum-maintenance forest roads that will qualify.

Statutory Change: Not applicable.

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Heritage Enhancement Account (239)				
Expenditures	$1,000	$1,000	$0	$0
Revenues	0	0	0	0
Net Fiscal Impact	$1,000	$1,000	$0	$0

Recommendation
The Governor recommends a one-time appropriation from the heritage enhancement account of $1 million in FY 2012 and FY 2013 to enhance the agency's Ecological Classification System (ECS) in two areas: 1) accelerate native plant community mapping on state forest lands; and 2) continue developing silvicultural interpretations for management based on native plant community mapping.

Rationale
DNR's Ecological Classification System (ECS) is a scientific framework for managing natural resources. ECS tools (native plant community maps, databases, and field guides) help managers select appropriate management treatments to optimize the forest's potential to produce timber and wildlife and protect water and soil.

This initiative supports core ECS tools. First, DNR will continue to identify and map native plant communities. Second, DNR will develop silvicultural interpretations for each native plant community. Silvicultural interpretation, based on the ecological characteristics of native plant communities, is the basis for foresters, wildlife managers, park managers, and other land managers to sustainably manage state forest lands.

Relationship to Base Budget
The heritage enhancement account in the game and fish fund currently provides $264,000 per year toward development of ECS tools. $750,000 each year of a $2.15 million one-time appropriation from the heritage enhancement account was allocated for native plant community mapping. Full silvicultural interpretations have been developed with these dollars for the major native plant communities that occupy about 75% of DNR-administered forest land. The $1 million in FY 2012 and FY 2013 will allow accelerated native plant community related work to continue, along with a reduced, but continued emphasis on management of invasive species on forest lands. Accelerating native plant community mapping is important because it will provide critical management information that is currently not available for all forest lands.

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 M.S. 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."

The additional $1 million from the heritage enhancement account in the FY 2012-13 biennium will be used to:
- Implement ECS guidelines and address critical habitat needs during forest management activities.
- Identify and map native plant communities on 100,000 acres of state forest lands each year of the biennium.
- Meet the performance measure in the DNR's *A Strategic Conservation Agenda 2009-2013*: "ECS silvicultural interpretations for forested native plant communities."
- Monitor and respond to invasive pest occurrences on forest lands.

Statutory Change: Not applicable.

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Forest Management Investment Account (18J)				
Expenditures	$2,000	$2,000	$2,000	$2,000
Revenues	0	0	0	0
Net Fiscal Impact	$2,000	$2,000	$2,000	$2,000

Recommendation

The Governor recommends increasing the appropriation to the Department of Natural Resources (DNR) from the Forest Management Investment Account (FMIA) by $2 million to the Commissioner of Natural Resources for essential forest management activities on state forest lands (including trust fund lands). In addition, the Governor recommends that revenue in the FMIA account be appropriated to the Commissioner via a dedicated appropriation, rather than a direct appropriation.

Rationale

FMIA appropriations for general forest management are critical to the health of Minnesota's forests and forest products industries. Increased FMIA investments are needed in four critical areas: 1) forest health and productivity gains and improvements that rely on pre-commercial treatments of timber lands; 2) updates to the inventory of forest stands and visits to reforested sites to determine the success of tree plantings; 3) new land-use and access agreements with adjacent landowners and land exchanges; and 4) maintaining DNR's field accomplishments critical to offering wood for sale and generating revenue. Maintaining the amount of state wood on the market when the supply from private forest lands has declined supports the forest industry and its ability to keep mills open.

Relationship to Base Budget

The FMIA (M.S. 89.039) is dedicated to essential DNR forest management activities (reforestation, timber stand improvement, pest management, etc.) and timber sale program costs. This investment initiative will ensure the maintenance of field foresters and support staff, field operations including fleet miles, and contracts for essential management activities. The current appropriation from the FMIA is $11.093 million per year. An additional $13.918 million per year is from the general fund.

Key Goals and Measures

One of DNR's goals is to maintain, enhance, or restore the health of Minnesota ecosystems so they can continue to serve environmental, social, and economic purposes.

According to M.S. 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 management plans."

The additional $4 million from the FMIA in the FY 2012-13 biennium will be used to meet the performance measures and targets found in the DNR's *A Strategic Conservation Agenda 2009-2013*:

- continue moving toward the goal of achieving full timber productivity potential on DNR forest lands, including forested WMAs, which would result in the DNR providing 25% to 35% of the wood used each year in the state;
- Move from a 20 year reinventory cycle on the DNR's land base to a 15-year cycle;
- maintain dual, third-party sustainable forest management certification on DNR forest lands, including forested WMAs;
- implement management guidelines for control of terrestrial invasive plants on DNR forest lands, including forested WMAs;
- implement practices to minimize the anticipated effects of emerald ash borer and gypsy moth populations on DNR forest lands, including forested WMAs; and
- Consolidate holdings and develop prescriptive easements where needed to secure access and ensure management.

Statutory Change: 89.039

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
All-Terrain Vehicle Fund (183)				
Expenditures	$400	$400	$300	$300
Revenues	0	0	0	0
Net Fiscal Impact	$400	$400	$300	$300

Recommendation

The Governor recommends an annual increase of $400,000 from the all-terrain vehicle (ATV) account to the Department of Natural Resources (DNR) Parks and Trails appropriation to enable the department to meet the needs resulting from the Forest Reclassification effort and ATV trail designation. This increase level in funding is also needed to maintain current level of operation, maintenance, and monitoring of state maintained ATV trails and to provide additional oversight and training for ATV clubs and sponsors. Of this, $100,000 per year is one time for the first biennium to provide digital, downloadable trail maps on-line.

Rationale

Parks and Trails level of effort in this program has increased significantly as has general overall operating costs. Parks and Trails have been instructed by the State Auditor's report to take a more active role in monitoring the Grant-in-Aid program. This will allow Parks and Trails to conduct an annual training meeting for clubs and sponsors to ensure they are aware of any operational or maintenance changes. This will allow Parks and Trails to ensure clubs and sponsors are aware and comfortable with the *Trail Planning, Design, and Development Guidelines* and know how those apply to ATV trail design and maintenance. This investment will enable the current OHV grant-in-aid manual to be updated and incorporate current changes. These changes would include random field audits of several club trails each year, and the monitoring of half the ATV grant-in-aid trails systems by Parks and Trails staff each season.

This funding increase will allow Parks and Trails to increase the level of effort with the newly designated state forest trails to be maintained and monitored for ATV use. Maintenance and operating costs continue to increase and this funding would allow the current level of effort to continue through this funding cycle.

This funding request includes $100,000 per year, one time appropriation for the first biennium to develop a totally digital and downloadable trail map system that the public can access on line. This will reduce the need for printed maps and keep the map system current and accurate. This has been a highly requested feature. This one time funding will allow that data to be collected and then made available on line in a digital format to be printed or used in GPS units. This provides an opportunity to take this information and package it to better serve the ATV recreational riding public of Minnesota and continue to be a national leader.

Relationship to Base Budget

In FY 2011, the Parks and Trails Program received a direct appropriation of $2 million from the ATV account in the natural resource fund. The addition of $300,000 to the base in the direct appropriation from this account is a one-time increase of 15%. This funding will be used to address an increase level of effort and additional operating costs from FY 2009 through FY 2013 which is slightly more than a 3.9 % per year increase.

Key Goals and Measures

With this appropriation Parks and Trails will enable the department to continue with an active and expending effort to manage ATV use on state lands and public trails. Will allow the department to continue with education and outreach efforts to ensure riders understand what the expected and normal behavior is. This will enable the department to complete trail implementation, expand the level of monitoring to include grant-in-aid trails consistent with snowmobile monitoring and work closely with clubs, and sponsors providing annual training. Key measures will be: improved safety, reduced environmental impacts through proper and current training, monitoring of all trails, and reduced printing costs and reduced inappropriate OHV operation with availability of accurate, downloadable maps.

Statutory Change: Not applicable

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	$(195)	$(200)	$(200)	$(200)
Revenues	(195)	(200)	(200)	(200)
Natural Resources Fund				
Expenditures	195	200	200	200
Revenues	195	200	200	200
Net Fiscal Impact (GF)	$0	$0	$0	$0

Recommendation

The Governor recommends the income derived from state forest campgrounds be credited to an account in the natural resources fund for the maintenance of state forest campgrounds and day use areas and be appropriated to the Commissioner via a dedicated appropriation.

Rationale

This proposal would provide funding for 47 state forest campgrounds with approximately 1,100 campsites and seven day use areas by using the funds generated to partially offset the costs of maintaining those facilities. Currently it is estimated that state forest camping fees generates about $400,000 annually of which about half goes to the school trust fund for those facilities located on school trust lands. The other half goes to the general fund.

Relationship to Base Budget

In FY 2011, the Division of Parks and Trails Management directed $370,000 of general fund appropriation towards the effort of maintaining forest campgrounds and day use areas. In FY 2001, the division was spending about $900,000 annually on forest campground and day use areas maintenance and operation. Due to budget reductions the current level of effort has been reduced significantly.

Current funding is used to minimally maintain the campground and day use areas addressing safety issues, patrolling, and routine maintenance through greenview contracts where available. Non-emergency rehabilitation work of campsites, roads or other facilities along with interpretive and informational signing and mapping needs are not being met. This funding would allow revenue that is generated by these facilities to assist with the maintenance and reduce the gap on funding needs.

Key Goals and Measures

With this appropriation the division will be able to continue current level of maintenance and provide minor improvements to these campgrounds and day use areas. Forest recreation areas continue to provide low cost outdoor opportunities in a natural setting which continues to meet the needs of a segment of the camping public. Most of these campgrounds were built thirty years ago or more. Although the forest campground provides a different experience from a State Park, there remains a need to ensure toilets and campsites meet ADA requirements.

Statutory Change: M.S. 89.21

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Legacy Parks & Trails Fund (353)				
Expenditures	$16,201	$16,201	0	0
Revenues	0	0	0	0
Net Fiscal Impact	$16,201	$16,201	0	0

Recommendation
The Governor recommends $16.201 million in FY 2012 and $16.201 million in FY 2013 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. This proposal is centered around the four pillars of the Legacy Framework indentified in the 10/25 Minnesota Parks and Trails Legacy Plan. The DNR will use these funds to connect people to the outdoors, acquire land and create new opportunities, take care of what we have and work better together with our partners and other park and trail providers. The DNR will renew, restore, and rehabilitate state parks and state trails along with expanded resource protection. This change will result in accelerated state park and state trail renewal, restoration, development, and strategic high-priority acquisition efforts. The DNR will use these funds to enhance visitor services at state parks and trails and connect people to the outdoors through innovative outreach and public affairs efforts. Additionally, the DNR will use up to $38,000 of these funds annually for evaluating a sample set of habitat restoration projects in accordance with 2010 Minn, Laws, Chap. 361, Art.1, Sec. 3, subd. 5.

Relationship to Base Budget
This level of funding represents a significant change to incorporate the four pillars of the Parks and Trails Legacy Plan and framework to supplement existing funding provided for state parks, state trails, state recreation areas and state forest campgrounds and day use areas.

Key Goals and Measures
Connecting people to the outdoors:

- Create gateways to the outdoors through outreach opportunities at state parks, trails, recreation areas, forest recreation areas, and water access sites, targeting young families and new participants. Provide new outdoor recreation experiences and leader led skill building programs such as the I Can! Series and special events.
- Enhance marketing and outreach to target market by creating awareness through public affairs and advertising. Provide an additional 20 virtual tours of state parks and trails experiential product on the DNR website.
- Increase conservation education, interpretation, outdoor skills training, and outreach activities to serve an additional 2,000 new customers per year.
- Acquire land, create opportunities:
- Improve accessibility (ADA) throughout the park and trail systems for visitors of all ability levels at 25 buildings or facilities. This includes modifying playgrounds to meet accessibility guidelines.
- Increase energy conservation by installing new conservation-based energy sources in seven buildings and facilities each year.
- Develop and incorporate nature based play elements into our parks and trails.
- Acquire strategic high priority parcels of land.
- Develop and redevelop parks and trails facilities that provide a wide variety of recreational needs and opportunities.

Take care of what we have:

- Restore an additional 600 acres of division-administered lands that are currently old fields, cropland, or other non-native vegetation (ultimately: 14,850 acres need to be restored to prairie/savanna; 8,600 acres need to be restored to forest/woodland).
- Conduct prescribed burns on an additional 6,000 acres of division-administered lands to maintain/improve/restore native plant communities.
- Map and control invasive plant species and restore native vegetation on 4,500 additional acres of division-administered lands to maintain/improve/restore native plant communities.
- Enhance customer and visitor services, resource management, and facility repairs and services for at 74 state park and recreation areas and 54 state forest campground and day use areas which contain over 5,000 campsites, 68 group sites, 1,250 trail miles, 6,381 picnic sites, 36 swimming beaches, and trail and visitor centers.
- Enhance paved trails, including improved trail surfaces, trailhead operation , vegetation and natural resources management (including invasive species control), and provide more visitor orientation at trailheads, reassurance signs, mile markers and interactive interpretation of natural and cultural resources along state trails. Rehabilitate 20 miles of paved trails, repair five to six trail bridges, and replace one to two bridges in order to maintain public safety along Minnesota's state trails. Rehabilitate and renew 4% of non-motorized trails in state parks and state forests.
- Work better together:
- Create a Park and Trail Legacy fund advisory group to promote and coordinate the implementation of the 25-year long range plan.
- Enhance coordination with other agencies, organizations and non-profits to help advance Minnesota's outdoor recreation legacy.

Statutory Change: Not Applicable.

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
State Park Account (18B)				
Expenditures	$100	$100	$100	$100
Revenues				
Net Fiscal Impact	$100	$100	$100	$100

Recommendation
The Governor recommends an increase of $100,000 from the Local Trails Grants Lottery in-lieu account to the Department of Natural Resources (DNR), Division of Parks and Trails to enable the department to meet the public demand for outdoor recreation trail activities in local communities.

Rationale
This proposal would provide funding for the local trail grant program. Currently the division receives $705,000 that is awarded as grants to local government units to develop local trails. In FY2011, the department received $1,882,777 in requests for the $705,000 that was available with a total project cost of $13,292,109. This program has a significant unmet demand of which this increase would help address.

Relationship to Base Budget
In FY 2011, the Local Trails Grant program was appropriated $705,000. These funds are all distributed to local government units for trail projects as requested through the grant application process. Current demand for these funds significantly out- pace the funding level so any increase will help meet the demand for these recreational facilities in local communities.

Key Goals and Measures
With this appropriation the division will be able to fund an additional two to four projects annually statewide which will help meet the growing demand for these funds. These local trail projects are important in that it provides trail connections between local schools, businesses and residential areas. This provides safe routes for children and adults through local communities. Provides opportunity for local residence to get out and exercise as the nation moves towards a healthier life style. Everyone should have the opportunity to walk, bike or enjoy a trail close to home, these grants to local communities provide that.

Statutory Change: Not applicable

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Parks and Trails Fund (353)				
Expenditures	$6,165	$6,165	$0	$0
Revenues	0	0	0	0
Net Fiscal Impact	$6,165	$6,165	$0	$0

Recommendation
The Governor recommends $6.165 million in FY2012 and $6.165 million in FY2013 be appropriated to the Department of Natural Resources (DNR) from the parks and trails fund for grants to parks and trails of regional significance.

Background
This change is necessary to continue with a grant program used for outstate parks and trails of regional significance statewide.

Opportunities for local governments to acquire and protect larger parcels for regional parks and trails are rapidly diminishing. Other local governments are unable to develop adequate recreational facilities to meet the needs of their region. Regional parks and trails provide gateways that connect people to the outdoors and provide healthy choices close to home. 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 fiscal years 2010, the DNR awarded $3.9 million in regional parks and trail grants, including $500,000 for solar grants and in fiscal year 2011, $4.9 million in regional park and trail grants, with $600,000 going to solar energy grants. In FY2010 the DNR received 57 trail and 20 park application requesting over $27 million for $3.3 million available. In addition there were another 17 applications for solar energy grants requesting $1.4 million with $500,000 available. In the FY2011 grant cycle DNR received 45 trail and 22 park grant applications totaling $26 million with $4.2 million available. Also received in the FY 2011 funding cycle, a total of 13 solar grants totaling $532,000 with $600,000 available. In FY2011 we were able to fund all the solar grants received.

Key Goals and Measure

The Parks and Trail Grants Program (MS 85.535) balance benefits across all regions and residents of the state. The new Legacy grant program (MS 85.535) will help increase participation in outdoor recreation by acquiring and developing outdoor recreation facilities across all regions of the state. 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: Not applicable

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Snowmobile Fund (182)				
Expenditures	$200	$200	$200	$200
Revenues	0	0	0	0
Net Fiscal Impact	$200	$200	$200	$200

Recommendation

The Governor recommends an annual increase of $200,000 from the snowmobile account in the natural resources fund. This change level in funding is needed to address an increase in the cost of operation and maintenance of state snowmobile trails. This change will also enable the Department of Natural Resources (DNR) to meet the need for increased involvement with the snowmobile Grant-in-Aid program as identified in the 2003 Legislative Auditors Report.

Rationale

The division's level of effort in this program has increased significantly as has general overall operating costs. As recommended by the Legislative Auditors, the division has been taking a more active role in monitoring the Grant-in-Aid snowmobile program, which consists of approximately 21,300 miles of signed, and maintained snowmobile trails. In addition to conducting six to eight random program fiscal reviews with clubs and their sponsor, each area supervisor is expected to monitor at least half of the snowmobile Grant-in-Aid trails systems within their work area on an annual basis. In addition, any complaints received by the area office on Grant-in-Aid trails will be documented, as will any action taken based upon this complaint. This information will be communicated to the appropriate club and sponsor. The division also conducts spring training meetings for clubs and sponsors to ensure they are aware of any operational or maintenance changes.

This funding increase will allow the division to increase the level of effort with the Grant-in-Aid program, and will also allow State trails to be maintained for snowmobile use when appropriate. Maintenance and operating costs for the state trail system continue to increase, and this increase in funding would allow the current level of effort to continue through this funding cycle.

Relationship to Base Budget

In FY 2011, the division received a direct appropriation of $3.3 million from the snowmobile account in the natural resources fund. The department received a one-time appropriation of $400,000 each for the FY 2010-11 biennium to conduct this work. This request is to make that one-time appropriation part of the on-going biennial budget so this existing level of effort can be maintained.

Key Goals and Measures

With this appropriation the division will be able to continue the increased level of monitoring, program fiscal reviews, and training for the clubs and sponsors involved in the snowmobile Grant-in-Aid program as recommended by the Legislative Auditors report. It will allow the State Trails to be open for snowmobile use where appropriate and maintained at a safe level. Key measures will be: improved safety, trained riders, trail grooming compliance, and greater monitoring and oversight of the grant-in-aid program. Some of these measures are found in DNR's *A Strategic Conservation Agenda 2009-2013.*

Statutory Change: Not applicable

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
State Park Account (189)				
Expenditures	$750	$750	$750	$750
Revenues	0	0	0	0
Net Fiscal Impact	$750	$750	$750	$750

Recommendation

The Governor recommends an annual increase of $750,000 from the state park dedicated account in the natural resources fund to fund maintenance and operations in state parks. The increase will provide the funding to meet the increased costs for maintenance and visitor services. In addition, the Governor recommends that the revenue received in the state park dedicated account be appropriated to the Commissioner of the Department of Natural Resources (DNR) via a dedicated appropriation, rather than a direct appropriation, for the maintenance and operations in state parks.

Rationale

Revenue from the state park dedicated account in the natural resource fund is used for state park and recreation area operations. This revenue includes state park entrance fees, camping fees, and lodging rental fees. Annual revenue in this fund has grown from $9.8 million in FY 2007 to $11.2 million in FY 2010. Appropriating $750,000 of these funds annually for state park operations will help the DNR meet visitor expectations for maintenance and visitor services.

Relationship to Base Budget

State park operations have a FY 2011 direct appropriation base of $33.6 million. The net fiscal impact of this proposal reflects drawing down the state park account in the natural resources fund by $750,000 per year. The account is projected to grow to approximately $4 million in FY 2015 without this proposal being factored in.

Key Goals and Measures

Over 900,000 lodging nights are recorded annually in state parks. A recent customer satisfaction survey showed that 97% of state park customers were satisfied with their experience. Additional funding generated from this change item would help in maintaining high customer satisfaction while helping addressing the three DNR Division of Parks and Trails Strategic Directions: Connecting People to the Outdoors, Accelerating Management of Our Natural, Cultural and Recreational Environments, and Investing in Our Partnerships, Processes and People.

Statutory Change: M.S. 85.055

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
State Park Account (188)				
Expenditures	$300	$300	$300	$300
Revenues	0	0	0	0
Net Fiscal Impact	$300	$300	$300	$300

Recommendation
The Governor recommends an increase of $300,000 annually from the State Parks and Trails Lottery in-lieu account to the Department of Natural Resources (DNR), Division of Parks and Trails to enable the department to meet the public demand for outdoor recreation activities.

Rationale
This proposal would provide additional funding for the maintenance and operation of state parks and trails from the interest on the Minnesota Lottery account directed towards natural resource management. This program has a significant operation and maintenance demand of which this increase would help address.

Relationship to Base Budget
In FY 2011 the Parks and Trails Lottery in-lieu program was appropriated approximately $4.3 million. This change level request would result in 7% increase to base in an attempt to keep up with the growing demand on state parks and trails.

Key Goals and Measures
With this appropriation the division will be able to fund the maintenance and operation activities in State Parks and Trails at the current level. As use continues to grow at these state facilities it is important to maintain the facilities and provide the current level of service. If that is not maintained then the current growth will likely slow or reverse and this will add to funding gap as it will have a negative effect on other funding sources like the state park working capital account and other revenue dependent funding sources.

Statutory Change: Not applicable.

Fiscal Impact ($000s)	FY 2012	FY 2013	FY 2014	FY 2015
Natural Resources Fund (181)				
Water Recreation				
Expenditures	$1,000	$1,000	$1,000	$1,000
Revenues	0	0	0	0
Net Fiscal Impact	$1,000	$1,000	$1,000	$1,000

Recommendation
The Governor recommends a $1 million appropriation from the water recreation account in the natural resources fund to enable the department to develop and implement Best Management Practices (BMP's) for water accesses to help meet aquatic invasive species (AIS) prevention strategies.

Rationale
The Public Water Access Program within the Division of Parks and Trails along with the Division of Ecological and Water Resources and concerned citizens participated in a series of stakeholder meetings to discuss strategies that would increase the DNR's overall efforts to control the spread of aquatic invasive species. One of the new initiatives suggested was to improve the function of water access sites to better accommodate aquatic invasive species prevention methods.

Components of the proposed strategies and BMP's under consideration for public water access sites include:
- Create designated areas for stopping and completing AIS checklist or inspection;
- Incorporate stormwater practices to provide site friendly boat drainage areas;
- Provide aquatic vegetation disposal areas;
- Provide shoreline buffer zones to further filter water from boats;
- Create consistent signing strategies and message options;
- Develop instructions on modifying existing sites with cost estimates to assist all water access providers;
- Provide list of priority lakes that would benefit the most from these improvements;
- Promote public awareness efforts based around the proper way to inspect your own boat and use the new AIS prevention area;
- Focus on boater stewardship through local partnerships including sportsman's clubs, angling groups, lake associations and local government units; and
- Demonstration wash sites.

Relationship to Base Budget
The FY 2010-11 base budget for the Water Recreation Program was $9,598,850 each year. These funds are used to acquire, develop, and maintain 1,595 public water access sites, over 4,000 miles of water trails for small water craft including canoes and kayaks, and 11 small craft/safe harbors on Lake Superior. This additional appropriation of $1 million is a base increase of approximately 10%.

Key Goals and Measures
- Develop water access BMP's.
- Develop a document that would provide guidance to all water access providers, public and private.
- Implement the BMP's at priority DNR sites.
- Evaluate effectiveness; recommend changes to the BMP's as needed.

Alternatives Considered: N/A

Statutory Change: N/A

Program at a Glance

- National Mineral Commodity Rankings*
  - 7th in non-fuel mineral production
  - 1st in taconite production
  - 6th in sand and gravel production
  - 3rd in horticultural peat production
- $14 million in mineral revenue for FY 2010
- 12 million acres of land managed for mineral rights and 8 million acres of surface rights managed for horticultural peat, industrial mineral, and construction materials
- Generated $22 million and $8.4 million in mineral revenue during FY1009-10 for the Permanent School Fund and Permanent University Fund, respectively
- Reclamation program for iron ore, metallic minerals, and horticultural peat
- Acquisitions of approximately 10,600 acres of fee title land and easements valued at $40.4 million in FY2010
- Land sales valued at $1.6 million in FY2009-10
- Exchange of lands valued at about $1,000,000 in FY2009-2010

*Source: U.S. Geological Survey, Mineral Commodity Summaries, June 2009

Program Description

The Division of Lands and Minerals is responsible for managing the department's real estate portfolio, managing state-owned mineral assets, and issuing mining permits and maintaining environmentally-sound mining practices to protect the environment and waters of the state, as well as providing fiduciary oversight for real estate and minerals transactions.

The division has regulatory authority for mining and is responsible for reclamation through a *permit-to-mine* for ferrous, non-ferrous metallic, and horticultural peat mines. Real estate responsibilities include land acquisition and all legal transactions on the 5.4 million acres of state-owned land. Minerals management responsibilities include the development and sale of state-owned minerals, issuing leases for exploration and mining, and managing revenue transactions related to mining and exploration. The program also provides technical assistance to local governments on mineral resources and mining issues.

Population Served

Within the department, the Lands and Minerals Program provides leadership in developing real estate policy, working with and on behalf of the divisions. In broader terms, the work of the division benefits all citizens of the state, the permanent school and university trust funds, industry, and local government.

Services Provided

This program contributes to the three elements of the Department of Natural Resources (DNR) conservation mission (outdoor recreation, economic development, and natural resources protection) with the following activities:

- **Land asset management** of 5.4 million acres of real estate holdings, implementing the department's strategic decisions relative to purchases, sales, and land exchanges. The division also manages transactions for road easements, utility licenses, and various leases, pays real estate taxes and special assessments, reviews of county-proposed tax-forfeited land sales, conducts land surveying and boundary staking and platting for acquisitions, develops monitoring plans for conservation easements, reviews encroachments and adjoining rights, reviews quiet title actions, and maintains land records for all DNR managed lands.
- **Mineral management** is responsible for mineral leases, title research, maintaining mineral rights information, monitoring global commodity demand and metal markets, determining ore quality, negotiating lease rates, conducting field inspections, developing technical information on construction aggregate resources, and managing iron ore cooperative research related to taconite facilities and the minerals diversification program.
- **Mineland management and reclamation** is responsible for issuing mining permits, establishing and enforcing regulations for reclamation of lands disturbed by mining, enforcing reclamation law, developing mine closure plans, and environmental research directed at reducing the impacts of mining and protecting the environment.

Historical Perspective

During the last six years, the division has moved from being an entirely General Fund sponsored program to a hybrid-funded model, supported by fees and revenue, which has partially replaced General Fund appropriations. The fee for service model was first adopted in FY 2006, when the legislature provided mineral management program funding from a portion of mining revenue generated from state-owned minerals. Subsequently, in

FY2009, the legislature created a fee-based mine permit system to fund a portion the mineland reclamation program; then in FY 2010, the fees were adjusted to provide for the full cost of the permitting program. Also in FY 2010, the legislature established a fee structure for the issuance of utility licenses and easements within the division's real estate management program, and again during the 2010 session, the legislature modified the fee structure, which now funds the program by recouping its full costs. Currently, the General Fund comprises less than one-third of the division's operating budget.

Key Program Goals & Measures

The division is fully integrated into all department programs and department goals. Its work spans overarching department goals including: 1) acquisition work purchasing lands in fee and through conservation easements to protect strategic natural lands and provide for recreational opportunities; 2) development of processes to reduce mercury emissions from taconite plants and mining related sulfate release to protect water resources and fish; and 3) providing for the economic well being of the state through leasing lands for mineral exploration and mining, which also provides state revenue, about 97% of which is generated by taconite production.

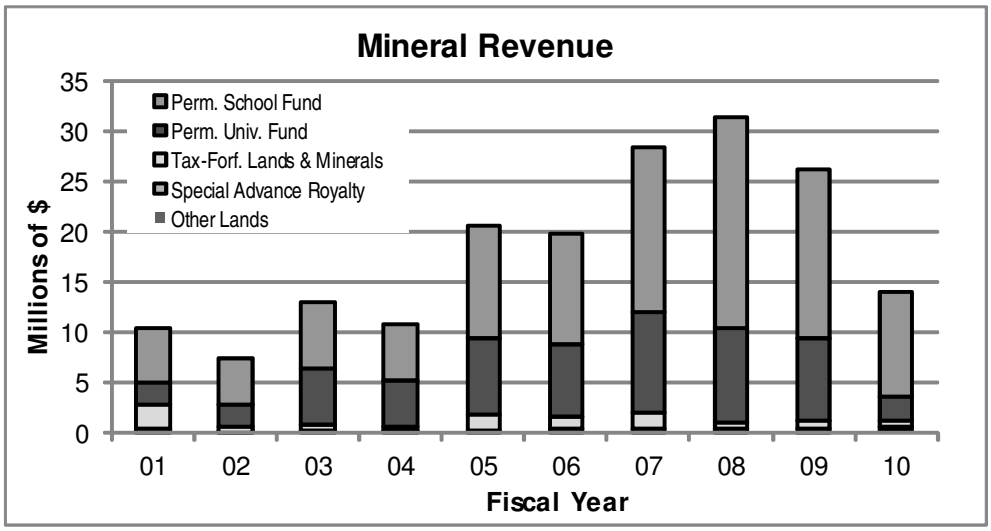
More specifically, the division's mineral programs provide for the extraction of state-owned mineral resources and regulation of mining of resources, including ferrous, non-ferrous metallic minerals, and horticultural peat. The division also supports environmental research intended to mitigate the effects of mining. Currently, environmental research is co-funded by industry, the Environment and Natural Resources Trust Fund, and the Great Lakes Restoration Initiative, a multi-agency federal initiative. Research focus is on mercury emissions from taconite plants and evaluating existing and emerging concerns of the public, such as sulfate release from mining into waters of the state.

The division's real estate services provide for the acquisition of land and transactions related to the management of state-owned lands, such as the issuance of utility licenses, leases, and easements and for the sale and exchanges of land to improve management. In addition, the division manages the department's land records which comprise the foundation for land asset management decisions of the department. The system is currently being reengineered to provide state-of-the-art land records applications, including new modules that will provide public access to the records via the Internet.

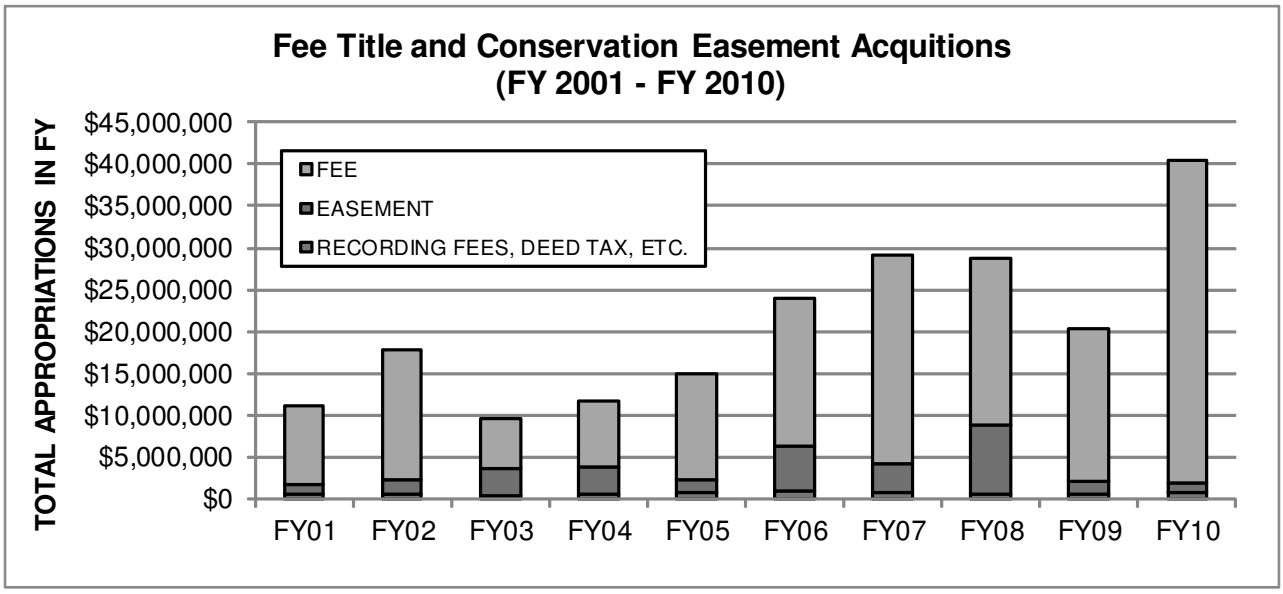
As part of its real estate functions, the division manages the annual calculation of Payment in Lieu of Taxes (PILT), which is a local government aid payment established by the Minnesota Legislature in the late 1970s. The payment is made in lieu of property taxes for "Natural Resources Lands," upon which the state holds fee title interest and which are administered by either the commissioner of natural resources or, in the case of tax-forfeited lands, by the county in which the land is located. The PILT payments issued in July 2010 totaled about $21.9 million.

The following three key performance measures highlight the division's responsibilities, and more importantly, provide insight into the management of the state's natural resources. They include the traditional measures of mineral revenue from state-owned resources; acquisition of strategic natural resources lands; and mineral developments in the state, an indicator the state's mineral wealth and future possibilities.

- *Performance Measure: Mineral revenue*
  The mineral revenue graph depicts the monies generated as mineral royalties for the ten-year period ending in FY 2010. The chart reflects the rising global demand for resources from Asia beginning in the mid-2000s, and the 2009 downturn in the world and U.S. economy, accompanied by plant idling in Minnesota. Year over year revenues are likely to increase significantly in FY 2011 reflecting a modest recover in the demand for steel and the taconite plants running at full capacity. Revenues benefit the Permanent School Trust, Permanent University Trust, General Fund, and local taxing districts.



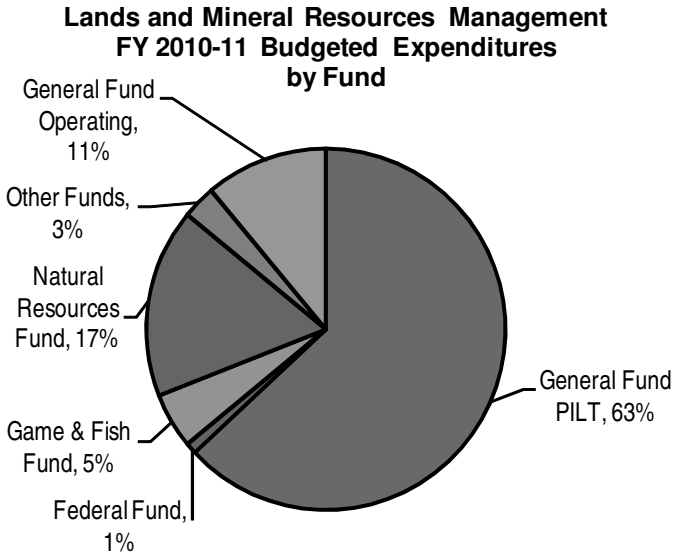
- *Performance Measure: Land acquisition*
  As a major function of managing the department's real estate portfolio, the division implements the department's strategic decisions relative to its land assets, reflecting the goals of both achieving monetary returns for the use of the land and acquiring lands for their natural resource values and their benefit to state citizens. The land acquisition graph represents the department's efforts in acquisition of fee title and conservation easements during the last ten years. While the department has been acquiring conservation easements for trout streams since the 1960s and native prairies since the 1980s, it has accelerated its efforts in acquiring conservation easements during the last eight years primarily through the three following programs: Forest Legacy beginning in 2001, Forests for the Future, and Army Compatible Use Buffers (ACUB).



- *Performance Measure: Mine permitting and mineral development*
  The division regulates mining in the state through the issuance of Permit(s)-to-Mine. At this writing, nine taconite facilities have permits that encompass about 256,000 acres on the Mesabi Iron Range. Of this total, about 73,000 acres have been disturbed since 1980, the inception of reclamation rules, including about 33,000 acres of tailing basins, 20,000 acres of mine pits, and 18,000 acres of stockpiles. One scram operation, which is recovering iron units from what was formerly considered waste material, is permitted, and an additional non-ferrous mining operation has applied for a mining permit. The decisions on issuing permits are made only after mine proposals, and their effects on the environment, are thoroughly analyzed during environmental review. The division maintains a nationally-respected research program to maintain knowledge of mining issues and state-of-the-art mitigation measures in order to protect the state's natural resources and the health of its citizens.

  Mineral development in the state mirrors global demand for industrial metals and reflects multi-national investment in mineral resources. Four mining proposals are going through environmental review and have applied for mining permits. They include PolyMet Mining Corp. with funding from Swiss metal house Glencore International; Mesabi Nugget's plant and mine owned by Steel Dynamics, Inc.; U.S. Steel's Keewatin Taconite plant and mine expansion applications; and Essar Steel Minnesota's (Essar Global Limited, India) project change for increased mining and a larger induration furnace. Other mineral exploration and development projects include Cooperative Mineral Resources' manganese project near Emily; the Duluth Metals' (Antofagasta Minerals, Chile, SA) Nokomis project near Ely; Franconia's project on Birch Lake, near Babbitt; and Kennecott Exploration's site in Aitkin County. Providing these developments meet Minnesota's environmental standards, these mineral projects bode well for the State of Minnesota in terms of its economic recovery, revenues for the permanent school and university funds, and jobs. Collectively, they indicate a bright future for mining in the state.

Program Funding



The General Fund PILT portion in the above chart contains dollars from a General Fund Open Appropriation for PILT payments. PILT payments to local government totaled $43.4 million in FY2010-11. Dollars from the General Fund are transferred to the Department of Revenue for payments to local government.

Contact

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Dollars in Thousands

	Current FY2010	Current FY2011	Governor Recomm. FY2012	Governor Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Environment & Natural Resource					
Current Appropriation	0	270	270	270	540
Technical Adjustments					
One-time Appropriations			(270)	(270)	(540)
Subtotal - Forecast Base	0	270	0	0	0
Total	**0**	**270**	**0**	**0**	**0**
General					
Current Appropriation	3,833	3,613	3,613	3,613	7,226
Technical Adjustments					
Approved Transfer Between Appr			(2)	(2)	(4)
One-time Appropriations			(626)	(626)	(1,252)
Operating Budget Reduction			(3)	(3)	(6)
Subtotal - Forecast Base	3,833	3,613	2,982	2,982	5,964
Total	**3,833**	**3,613**	**2,982**	**2,982**	**5,964**
Natural Resources					
Current Appropriation	4,849	4,849	4,849	4,849	9,698
Technical Adjustments					
Approved Transfer Between Appr			12	12	24
Subtotal - Forecast Base	4,849	4,849	4,861	4,861	9,722
Governor's Recommendations					
State Forest Land Management		0	(344)	(344)	(688)
Total	**4,849**	**4,849**	**4,517**	**4,517**	**9,034**
Game And Fish (operations)					
Current Appropriation	1,386	1,386	1,386	1,386	2,772
Technical Adjustments					
Approved Transfer Between Appr			16	16	32
Subtotal - Forecast Base	1,386	1,386	1,402	1,402	2,804
Total	**1,386**	**1,386**	**1,402**	**1,402**	**2,804**

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Expenditures by Fund					
Direct Appropriations					
Environment & Natural Resource	234	427	0	0	0
General	3,505	3,942	2,982	2,982	5,964
Natural Resources	3,957	4,739	4,517	4,517	9,034
Game And Fish (Operations)	1,682	1,763	1,402	1,402	2,804
Permanent School	71	200	200	200	400
Open Appropriations					
General	13	3	26,508	26,815	53,323
Natural Resources	15	23	23	23	46
Statutory Appropriations					
Natural Resources	467	843	974	974	1,948
Miscellaneous Special Revenue	985	2,299	2,590	3,590	6,180
Federal	0	816	838	0	838
Miscellaneous Agency	4	3	3	3	6
Permanent School	4	200	4	4	8
Total	**10,937**	**15,258**	**40,041**	**40,510**	**80,551**
Expenditures by Category					
Total Compensation	6,773	7,475	6,605	6,565	13,170
Other Operating Expenses	4,150	7,780	6,928	7,130	14,058
Capital Outlay & Real Property	1	0	0	0	0
Local Assistance	13	3	18	14	32
Transfers	0	0	26,490	26,801	53,291
Total	**10,937**	**15,258**	**40,041**	**40,510**	**80,551**
Expenditures by Activity					
Real Estate & Minerals Mgmt	10,937	15,258	40,041	40,510	80,551
Total	**10,937**	**15,258**	**40,041**	**40,510**	**80,551**
Full-Time Equivalents (FTE)	**84.6**	**84.6**	**71.4**	**71.4**	

Program at a Glance

- Inventory and monitor aquatic and terrestrial resources, including surface and groundwater and rare plants and animals
- Provide technical and financial assistance to local units of government to reduce repetitive flood losses
- Protect aquatic and terrestrial resources through regulations governing work in public waters, water appropriation, aquatic plant removal, invasive species, and threatened and endangered species and through oversight of flood plain, shoreland, and wild and scenic rivers programs
- Provide technical assistance and grants to external partners to protect and enhance aquatic and terrestrial resources
- Manage 146 Scientific and Natural Areas (SNA) and 86 Native Prairie Bank (NPB) easements
- Support Clean Water Legacy programs through biological and hydrological monitoring, technical assistance for TMDL planning, and protection and restoration of impaired waters and watersheds

Program Description

The Ecological and Water Resources Program is a new division in the Department of Natural Resources (DNR) formed by the integration of the former Ecological Resources and Waters divisions. The new division is dedicated to promoting and delivering integrated conservation of Minnesota's water resources, biological diversity, and ecosystem services to achieve healthy watersheds throughout Minnesota and ensure a high quality for life for present and future generations of Minnesotans.

Population Served

The new Division of Ecological and Water Resources program serves Minnesotans through a wide range of activities involving inventory, monitoring and analysis, conservation assistance and regulation, and ecosystem management and protection. The division provides data, technical assistance, grants, and stewardship education for the state's ecological and water resources and engages citizens and partners, including other state and federal agencies, local units of government, and nonprofit organizations in the protection of these resources. The division has regulatory programs involving shoreline modification, dams, filling and excavation of public waters, water appropriation, removal of aquatic plants, invasive species, and threatened and endangered species. Land management programs include the Scientific and Natural Area (SNA) and Native Prairie Bank (NPB) easement programs.

Services Provided

A sustainable natural resource base is integral to a prosperous society and economy – and clean water and biological diversity are the foundation for healthy natural resources. The legislature recognized that all aspects of biological diversity are connected to water by adopting a basin watershed management policy (M.S.103A.212), which states that the "quality of life of every Minnesotan depends on water. Minnesota's rivers, lakes, streams, wetlands, and groundwater provide a foundation for drinking water and the state's recreational, municipal, commercial, industrial, agricultural, environmental, aesthetic, and economic well-being." Further, land use practices have a major influence on the quantity and quality of the state's water resources as well as biological diversity and ecosystem services. The DNR has land management responsibilities on some state-owned land and some regulatory authority governing land and water use, but these functions alone have not ensured healthy watersheds throughout Minnesota. The new Division of Ecological and Water Resources will play a critical role in supporting the foundation of the state's economy and society by focusing its efforts on working more effectively with partners to protect the water, biodiversity, and ecosystem services beyond state-owned lands and beyond the limits of our regulatory authority.

This program contributes to the three elements of DNR's conservation mission (natural resource protection, economic development, and recreational use) with the following activities:

- Promote sustainable economic development and protect land and water resources for future generations—key activities include the Minnesota County Biological Survey; hydrological and biological monitoring of lakes and rivers; and groundwater monitoring. Information and technical analysis gained from these activities is

integral to helping local units of government, the private sector, and other DNR partners make sound economic and resource conservation decisions.

- Protect land and water resources and deliver critical natural resource information to DNR partners—key activities include encompass regulatory programs, including water appropriation, work in the bed of protected waters, aquatic plant removal, invasive species, threatened and endangered species, dam safety, and oversight of land use programs including flood plain, shoreland, and wild and scenic rivers; environmental review; and technical assistance to public and private sector organizations for Clean Water Legacy and land use programs and protection of rare plant and animal resources.
- Protect and restore Minnesota's rare plant and animal communities and support high-quality outdoor recreation—key activities include preventing and managing invasive species infestations; acquiring and managing SNAs and NPB easements; managing nongame wildlife; providing technical assistance for forest resource and wetland management; promoting recreational enjoyment of native plants and wildlife; and developing wildlife and water education programs.

Historical Perspective

The connection between land use and water quantity and quality has been understood for a long time. Since the vast majority of the state's land base has been and will remain privately owned, our approaches to managing the effects of our land use decisions must continue to be more focused on working with partners to leverage better natural resource outcomes.

However, these are times of extraordinary change and opportunity for Minnesota's natural resources. The state is experiencing significant changes in its ecology and economy. Population growth, development, and a changing climate are reshaping the natural resource base. Shifts in the energy, manufacturing, retail, and recreational economies are reshaping the conservation financial resource base.

While regulation and land acquisition will continue to be key strategies in the natural resources conservation equation, alone they are not sufficient to address the natural resource challenges of the 21st century. The new division will play an instrumental part in the budget solution by helping the department build stronger relationships with citizens and external partners who can affect natural resources decisions to achieve healthy watersheds throughout Minnesota. The new division will integrate its information products and decision-making tools to help its partners promote healthy watersheds and strengthen the natural resource base that is critical to the state's economy and quality of life.

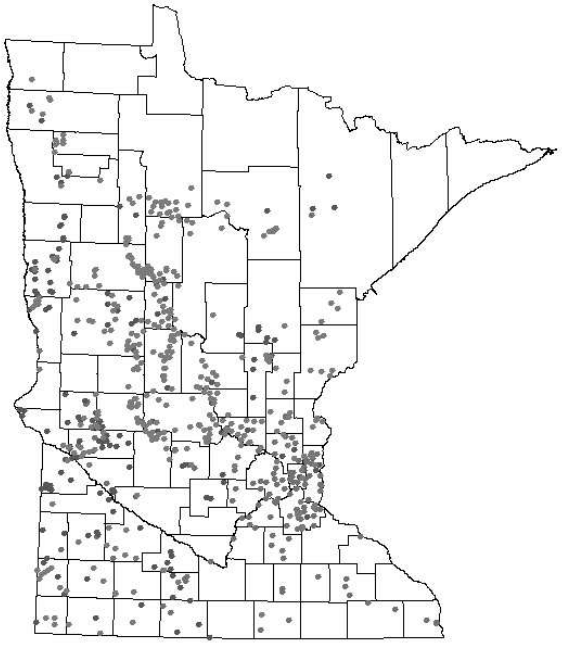
The former Division of Waters focused on regulation of water and shoreland resources and providing water resources data to external partners. The former Division of Ecological Resources focused on protecting and restoring native plant and wildlife communities, delivering technical assistance to other units of DNR and external partners, and collecting ecological data. The new Division of Ecological and Water Resources will blend the sciences of ecology and hydrology to better integrate management and policy development for Minnesota's land and water resources. This strategic organizational change will better position the DNR to address the trends and opportunities in 21st century natural resource management.

Key Program Goals & Measures

This program includes activities that address all of the department's overarching goals from the DNR's *A Strategic Conservation Agenda 2009-2013*. Natural lands are conserved and enhanced by acquiring and managing SNAs and NPB easements and by providing conservation information to other government agencies and private landowners. Water resources and watersheds are conserved and enhanced through regulatory and restoration programs and by delivering technical assistance to local partners. Fish and wildlife populations are enhanced by the State Wildlife Action Plan, focusing on species in greatest conservation need, through aquatic and terrestrial habitat restoration and protection programs, and through permitting and environmental review programs that work to avoid, minimize, or mitigate the impacts of development on fish and wildlife habitat. SNAs provide recreational opportunities for wildlife watching, hiking, and hunting. Technical assistance and regulatory programs allow for sustainable economic use of the state's natural resources.

The new division's activities are encompassed in three core work areas:

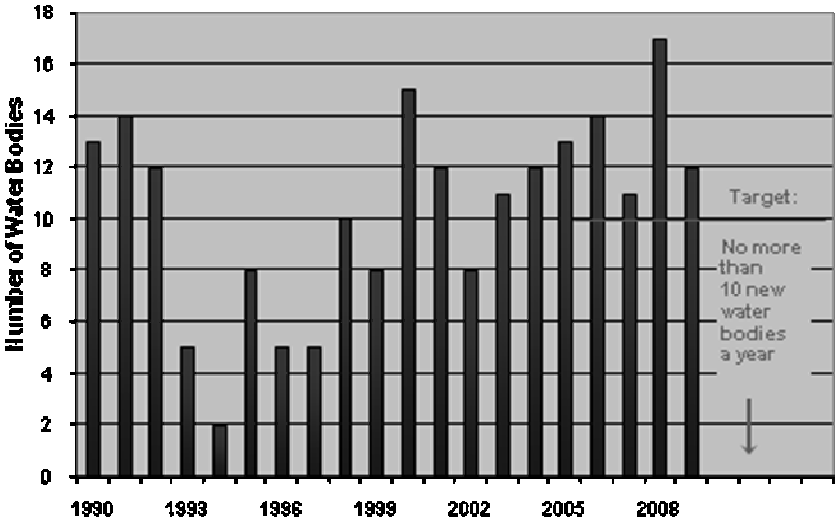
- **Inventory, Monitoring, and Analysis**
  Performance Measure: Develop an adequate groundwater level monitoring network to support sustainable water resource management and water supply planning. Complete an 11-county metropolitan area monitoring network and an electronic data access and management system over the next five years.



Observation well locations: Since 1944, DNR has managed a statewide network of groundwater level monitoring wells. Data from approximately 750 wells are used to: map and assess ground water resources, determine long term trends, interpret impacts of pumping and climate, plan for future water needs, evaluate water conflicts, and manage water resources. In FY 2010, the DNR completed a legislative report on the development of a "backbone" groundwater level monitoring network for the 11-county metropolitan area. Clean Water Funding was provided to initiate the development the 11-county network, but additional funding will be needed to complete and maintain the network. Another legislative report completed by DNR in January 2010 titled Long-Term Protection of the State's Surface Water and Groundwater Resources identifies 25 year targets for statewide water resource mapping, monitoring and management needs.

- **Ecosystem Management and Protection**
  Performance Measure: The rate of spread of Eurasian watermilfoil Eurasian watermilfoil and zebra mussels are invasive species that harm Minnesota waters. Eurasian watermilfoil can displace native plants, degrade habitat for fish and wildlife, and limit lake recreation. DNR works to increase public awareness and enforce related laws. Numbers of water bodies with Eurasian watermilfoil and zebra mussels likely are much lower than they would have been without these efforts.

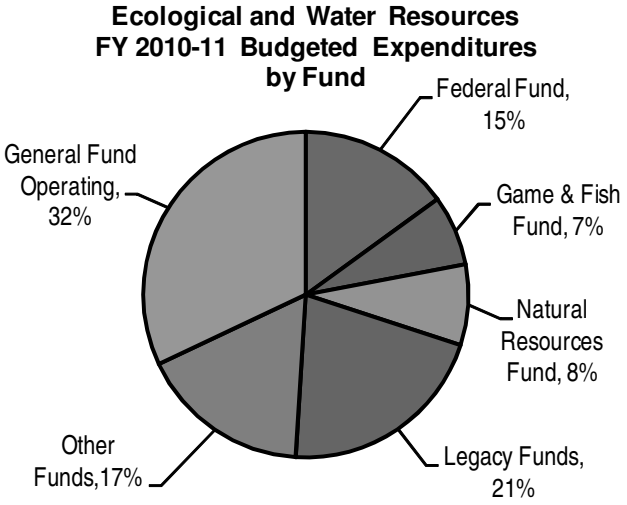
Number of Additional MN Water Bodies Where Eurasian Watermilfoil was Found



- **Conservation Assistance and Regulation**
  Performance Measure: Number of communities with water supply plans that address resource sustainability, infrastructure needs, emergency response, and water conservation.

  Water supply plans are required for communities with water systems that serve over 1,000 people. These plans are updated every ten years and DNR is currently working with 298 communities on the second generation of plans. Water supply plans approved by DNR also satisfy other requirements related to source water protection plans, drinking water revolving fund applications, construction of new municipal wells, water appropriation permitting, and comprehensive planning in the metro area.

Program Funding



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Dollars in Thousands

	Current FY2010	Current FY2011	Governor Recomm. FY2012	Governor Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Environment & Natural Resource					
Current Appropriation	4,965	3,973	3,973	3,973	7,946
Technical Adjustments					
One-time Appropriations			(3,973)	(3,973)	(7,946)
Subtotal - Forecast Base	4,965	3,973	0	0	0
Total	**4,965**	**3,973**	**0**	**0**	**0**
General					
Current Appropriation	17,124	16,475	16,475	16,475	32,950
Technical Adjustments					
Approved Transfer Between Appr			17	17	34
Biennial Appropriations			125	125	250
Operating Budget Reduction			(13)	(13)	(26)
Subtotal - Forecast Base	17,124	16,475	16,604	16,604	33,208
Governor's Recommendations					
General Fund Reduction		0	(1,126)	(1,126)	(2,252)
Water Management Account		0	(5,000)	(5,000)	(10,000)
Total	**17,124**	**16,475**	**10,478**	**10,478**	**20,956**
Natural Resources					
Current Appropriation	4,274	4,274	4,274	4,274	8,548
Technical Adjustments					
Approved Transfer Between Appr			62	62	124
Subtotal - Forecast Base	4,274	4,274	4,336	4,336	8,672
Governor's Recommendations					
Aquatic Invasive Species Prevention/Mgmt		0	3,900	4,000	7,900
Maintain Recreational Water Levels		0	500	500	1,000
Total	**4,274**	**4,274**	**8,736**	**8,836**	**17,572**
Game And Fish (operations)					
Current Appropriation	3,951	3,951	3,951	3,951	7,902
Technical Adjustments					
Approved Transfer Between Appr			(252)	(252)	(504)
Subtotal - Forecast Base	3,951	3,951	3,699	3,699	7,398
Total	**3,951**	**3,951**	**3,699**	**3,699**	**7,398**
Clean Water					
Current Appropriation	6,690	11,835	11,835	11,835	23,670
Technical Adjustments					
Current Law Base Change			1,000	0	1,000
One-time Appropriations			(11,835)	(11,835)	(23,670)
Subtotal - Forecast Base	6,690	11,835	1,000	0	1,000
Governor's Recommendations					
Clean Water Fund		0	11,522	9,092	20,614
Total	**6,690**	**11,835**	**12,522**	**9,092**	**21,614**

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Expenditures by Fund					
Direct Appropriations					
Environment & Natural Resource	6,056	7,689	0	0	0
General	16,481	17,301	10,478	10,478	20,956
Natural Resources	3,980	4,669	8,736	8,836	17,572
Game And Fish (Operations)	3,223	4,096	3,699	3,699	7,398
Outdoor Heritage	0	3,263	0	0	0
Clean Water	5,055	12,185	12,522	9,092	21,614
Open Appropriations					
Natural Resources	16	22	22	22	44
Statutory Appropriations					
Natural Resources	20	97	5,027	5,027	10,054
Miscellaneous Special Revenue	5,365	4,390	3,880	3,880	7,760
Federal	4,658	6,007	6,143	4,502	10,645
Remediation Fund	790	381	381	381	762
Reinvest In Minnesota	1,369	2,908	1,912	1,912	3,824
Gift	113	69	61	61	122
Total	**47,126**	**63,077**	**52,861**	**47,890**	**100,751**
Expenditures by Category					
Total Compensation	21,786	28,359	28,197	27,225	55,422
Other Operating Expenses	18,767	28,495	22,507	19,014	41,521
Capital Outlay & Real Property	2,426	2,828	150	150	300
Local Assistance	4,147	3,395	2,007	1,501	3,508
Other Financial Transactions	0	98	98	98	196
Non-Cash Transactions	0	(98)	(98)	(98)	(196)
Total	**47,126**	**63,077**	**52,861**	**47,890**	**100,751**
Expenditures by Activity					
Ecological And Water Resources	47,126	63,077	52,861	47,890	100,751
Total	**47,126**	**63,077**	**52,861**	**47,890**	**100,751**
Full-Time Equivalents (FTE)	**313.8**	**347.4**	**349.7**	**351.6**	

Program Description

The purpose of the Forest Management Program is to:

- Provide leadership and technical assistance for forest land management activities in the state;
- Manage state forests for multiple forest values, including quality timber, wildlife habitat, and recreation 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.

Budget Activities

This program includes the following budget activities:

- Forest Management
- Fire Fighting

Dollars in Thousands

	Current FY2010	Current FY2011	Governor Recomm. FY2012	Governor Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Environment & Natural Resource					
Current Appropriation	0	300	300	300	600
Technical Adjustments					
One-time Appropriations			(300)	(300)	(600)
Subtotal - Forecast Base	0	300	0	0	0
Total	**0**	**300**	**0**	**0**	**0**
General					
Current Appropriation	25,094	24,360	24,360	24,360	48,720
Technical Adjustments					
Approved Transfer Between Appr			49	49	98
Current Law Base Change			(240)	(240)	(480)
One-time Appropriations			(1,868)	(1,868)	(3,736)
Operating Budget Reduction			(14)	(14)	(28)
Subtotal - Forecast Base	25,094	24,360	22,287	22,287	44,574
Governor's Recommendations					
General Fund Reduction		0	(3,147)	(3,147)	(6,294)
Total	**25,094**	**24,360**	**19,140**	**19,140**	**38,280**
Natural Resources					
Current Appropriation	12,193	11,093	11,093	11,093	22,186
Subtotal - Forecast Base	12,193	11,093	11,093	11,093	22,186
Governor's Recommendations					
Maint of Min-Maint Forest Roads		0	200	200	400
State Forest Land Management		0	(11,093)	(11,093)	(22,186)
Total	**12,193**	**11,093**	**200**	**200**	**400**
Game And Fish (operations)					
Current Appropriation	1,464	1,464	1,464	1,464	2,928
Technical Adjustments					
One-time Appropriations			(1,200)	(1,200)	(2,400)
Subtotal - Forecast Base	1,464	1,464	264	264	528
Governor's Recommendations					
Native Plant Community Mapping		0	1,000	1,000	2,000
Total	**1,464**	**1,464**	**1,264**	**1,264**	**2,528**
Outdoor Heritage					
Current Appropriation	18,000	18,000	18,000	18,000	36,000
Technical Adjustments					
One-time Appropriations			(18,000)	(18,000)	(36,000)
Subtotal - Forecast Base	18,000	18,000	0	0	0
Governor's Recommendations					
MN Forests for Future Easmnt Stwrdshp		(750)	0	0	0
Total	**18,000**	**17,250**	**0**	**0**	**0**

Dollars in Thousands

	Current FY2010	Current FY2011	Governor Recomm. FY2012	Governor Recomm. FY2013	Biennium 2012-13
Expenditures by Fund					
Direct Appropriations					
Environment & Natural Resource	1,956	300	0	0	0
General	23,626	25,418	19,140	19,140	38,280
Natural Resources	11,104	11,132	200	200	400
Game And Fish (Operations)	1,380	1,548	1,264	1,264	2,528
Outdoor Heritage	17,942	17,308	0	0	0
Open Appropriations					
General	14,636	11,000	13,000	13,000	26,000
Natural Resources	62	65	65	65	130
Statutory Appropriations					
Natural Resources	1,610	2,777	15,341	15,341	30,682
Miscellaneous Special Revenue	7,538	9,122	8,675	8,751	17,426
Federal	3,430	16,496	14,233	7,640	21,873
Gift	75	94	27	27	54
Total	**83,359**	**95,260**	**71,945**	**65,428**	**137,373**
Expenditures by Category					
Total Compensation	33,735	35,208	33,675	33,509	67,184
Other Operating Expenses	27,199	31,254	29,246	27,352	56,598
Capital Outlay & Real Property	19,887	27,173	6,525	3,525	10,050
Local Assistance	2,519	1,550	2,469	1,012	3,481
Other Financial Transactions	19	75	30	30	60
Total	**83,359**	**95,260**	**71,945**	**65,428**	**137,373**
Expenditures by Activity					
Forest Management	59,920	74,242	49,005	42,488	91,493
Fire Fighting	23,439	21,018	22,940	22,940	45,880
Total	**83,359**	**95,260**	**71,945**	**65,428**	**137,373**
Full-Time Equivalents (FTE)	**495.7**	**494.8**	**485.7**	**485.7**	

Activity at a Glance

- Provide statewide leadership in forest management, coordinate management across multiple ownerships, and manage 4.2 million acres of state-owned forest land for multiple values.
- Assure sustainable management of 5.7 million acres of non-industrial private forestland.
- Monitor and report on forest condition and implementation of forest management guidelines
- Maintain a diverse mix of forest types and ages that are home for game and non-game fish and wildlife.
- Provide recreational access to public lands.
- Help keep the state's forest products industry vigorous by supplying about 30% of the wood fiber used in the state.
- Help keep Minnesota's forest industry competitive via certification

Activity Description

The Department of Natural Resources' (DNR) forest management activity helps sustain the high quality of life Minnesotans enjoy by improving the health, productivity, accessibility, and use of Minnesota's forests. The DNR:

- Provides leadership in management and policy development for forests and influences and enhances forest management of all Minnesota forestland;
- Manages 4.2 million acres of state-owned forest lands for a sustainable supply of forest resources (as defined in M.S. 89.001) including clean water, abundant wildlife habitat and populations, quality timber, outdoor recreation, and biological diversity;
- Collaborates with other forest landowners and natural resource professionals to protect working forests from encroaching development;
- Supports the commercial use and public enjoyment of forest resources and maintains a cost-effective means to accomplish forest resource management via public lands, public access, forest roads, and recreational trails.
- Advises the governor and federal, state, and local governments on forest policy and practices, as required by the Sustainable Forest Resources Act, M.S.89A, through the Minnesota Forest Resources Council (MFRC), a forum of diverse forest stakeholders.

Population Served

Forest stakeholders include forest landowners; conservation groups; hunters, anglers, and other outdoor enthusiasts; school teachers, pupils, and parents; loggers and other forest operators; employees of forest industries; consulting foresters and other forestry professionals.

Ongoing forums, such as the Minnesota Forest Resources Council (MFRC) and its regional committees, Minnesota Forest Resources Partnership (MFRP), State Forest Stewardship Committee, Minnesota Forests for the Future Advisory Committee, allow citizens to influence forest management. DNR also solicits public input via public meetings on forest management, the DNR and MFRC web sites, and at area offices in many communities.

Services Provided

This activity contributes to the three elements of DNR's conservation mission (outdoor recreation, economic development, and natural resources protection) through the following:

- Management of state forest lands, by improving the health and productivity state forest lands in order to sustain clean water, abundant wildlife habitat, timber, and outdoor recreation opportunities;
- Cooperative forest management, by providing technical assistance and supporting the efforts of private landowners and communities to maintain and enhance forest resources;
- Forest information, planning, and outreach, by managing forest insects and disease, promoting responsible use of forest products, and gathering and sharing information vital to sustaining the management of state forests; and
- Implementation of the Sustainable Forest Resources Act (SFRA) (M.S. 89A).

Substantial public and private investments over the past three decades have strengthened the forest products industry and the supporting infrastructure (i.e., productive forests, forest roads, and skilled forest operators) needed to use an abundant and renewable natural resource - wood fiber. These investments have made the forest products industry the fourth largest manufacturing sector in Minnesota. DNR and MFRC leadership in

developing the policies and practices of the evolving woody biomass industry are helping to insure that energy production from biomass is sustainable.

Many game (e.g., grouse, woodcock, deer) and non-game species (e.g. song birds, raptors, amphibians) depend on forest habitats created and maintained by disturbance. For the most part, timber harvesting and other forest management actions have replaced natural disturbances, such as fire, in Minnesota's forests. Thus, habitat needs of Minnesota's diverse wildlife populations are a primary consideration in forest management in the state.

State forest roads and trails provide public access to forested lands for fish and wildlife-based outdoor recreation.

Historical Perspective

DNR's Division of Forestry will celebrate its 100th anniversary in 2011. The primary purposes of the Division of Forestry remains essentially the same today as it was 100 years ago:

- Protect lives, property and natural resources from wildfires (see Fire Fighting BACT narrative);
- Sustainably manage state-owned forest lands; and
- Provide forest management assistance to others.

However, strategies for sustaining Minnesota's forest lands have been changed over time by state statute (e.g., 1982 Forest Resources Management Act; 1995 Sustainable Forest Resources Act), comprehensives studies (e.g., the GEIS on Timber Harvesting and Forest Management in Minnesota), and most recently, third-party forest management certification systems.

DNR vigorously pursues innovative ways to sustain Minnesota's forests. For example, the Division of Forestry is examining the benefits and implications of 1) leasing state forest lands for management by other entities; 2) alternative ways of offering state timber for sale; and 3) coordinated, multi-owner forest management and protection efforts. Recent changes to the DNR Forest Stewardship Program allow the division to partially recover the cost of preparing stewardship plans.

In 2007-2009, the annual timber harvest in Minnesota was about 2.9 million cords, down from 3.6-3.8 million cords per year in 2000-2007 in large part due to the economic recession. Forest products mill shut downs and logging businesses that are struggling to survive require that the DNR address the immediate, critical needs of forest industry within the bounds of sustainable forest management.

The DNR's Forest Stewardship Program provides professional natural resource management expertise and cost sharing (for tree planting and other actions) to private landowners. Incentive payments for landowners that follow a professionally prepared forest management plan (Sustainable Forestry Incentives Act, M.S. 290C) and the new Managed Forestland property tax classification have increased the demand for forest management plan preparation and other assistance for private forestland owners.

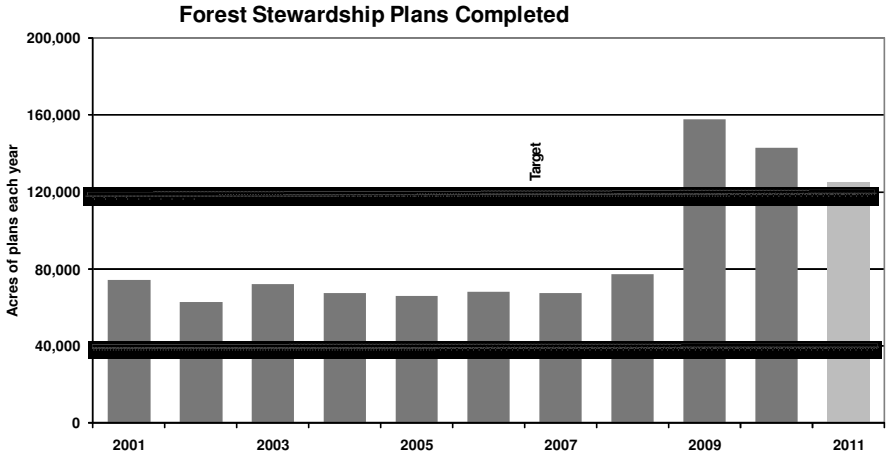
The 1995 Sustainable Forest Resources Act (M.S. 89A.03) created the MFRC to develop and oversee programs to address impacts of timber harvesting and forest management and to coordinate landscape-level forest resource planning. Recent MFRC efforts include an assessment of the feasibility of meeting Next Gen Energy Act greenhouse gas emission reduction goals via forestation; recommendations for retaining the working forest land base in face of parcelization and development pressure; regional, multi-owner forest management plans; and ongoing improvements and monitoring of forest management guidelines designed to protect water quality, soil fertility, and wildlife populations.

Key Activity Goals & Measures

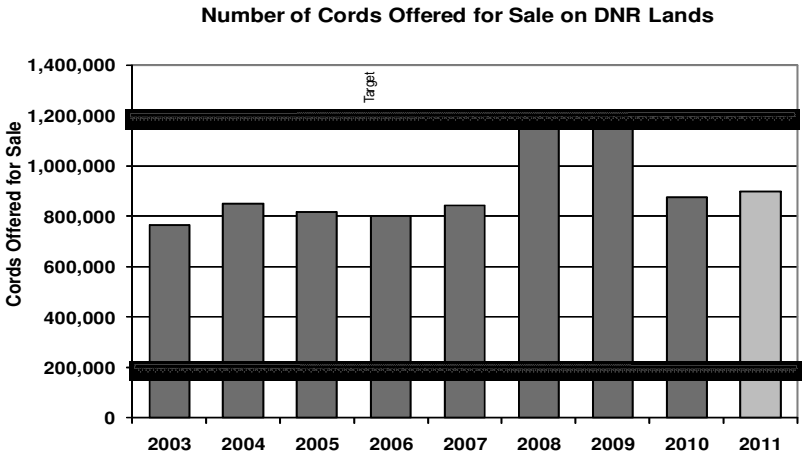
Sustaining Minnesota's forest ecosystems in a healthy, resilient, and productive state will ensure that current and future generations enjoy a full range of forest benefits, a primary goal of the DNR's *A Strategic Conservation Agenda 2009 – 2013.* DNR's forest management efforts foster economic development within the forest products industry by providing a sustainable supply of raw materials; encourage forest-based outdoor recreation by

providing high quality opportunities and ready access; and secure our forest resources by expanding sustainable practices and protecting large blocks of working forest from development.

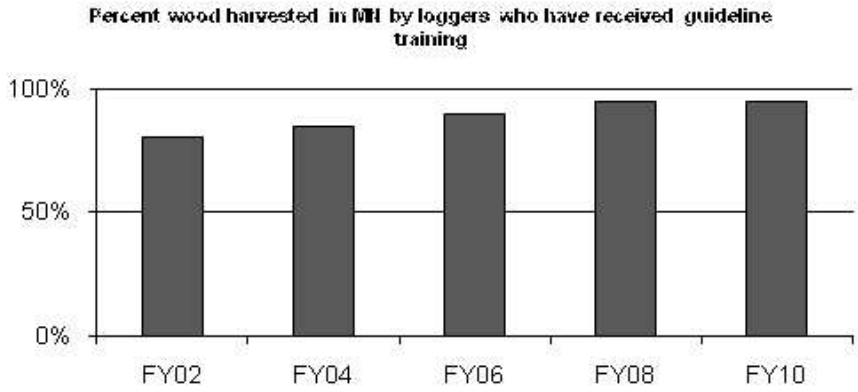
- *Performance Measure: Acres of private forestlands with stewardship plans.*
  More than 140,000 individuals and organizations (excluding corporations and forest industry) own 40% of Minnesota's forestland. These forestlands provide 30-50% of the timber harvested in the state. The Forest Stewardship Program prepares sustainable management plans for non-industrial, private forest owners that facilitate retention and sustainable management of these forestlands despite increasing development pressure. DNR's target is to complete 125,000 acres of forest stewardship plans in FY2011 with 25,000 acres completed by DNR staff and the remainder by the private sector.



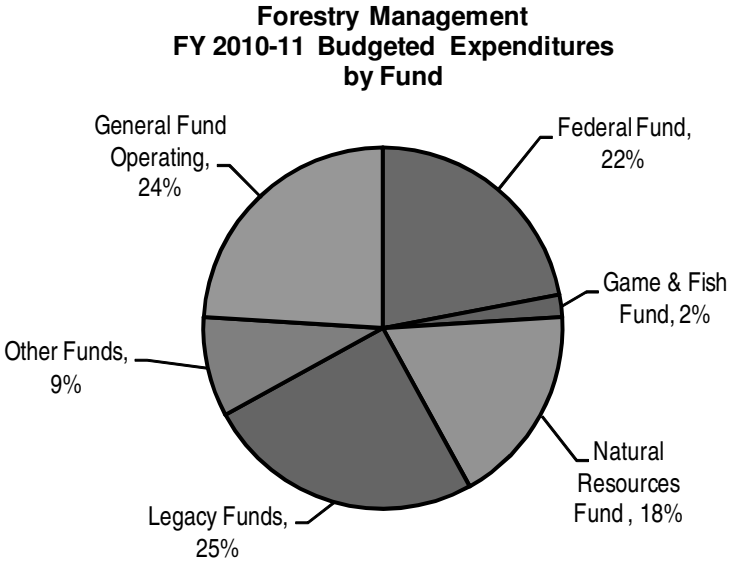
- *Performance Measure: Number of cords of wood offered for sale on DNR lands.*
  With 28% of the state's forest land, DNR is a significant source of raw materials for forest products industries and energy production. Harvesting imitates the natural disturbances of the past that created habitat for many kinds of wildlife. DNR integrates timber production with maintaining wildlife populations, water quality, and biodiversity, and providing recreational opportunities with guidance from citizens and the legislature.



- *Performance Measure: Percent of wood harvested by loggers who have received guideline training*
  MFRC guidelines help protect water quality, soil fertility, wildlife populations, and other forest values. Ongoing monitoring and education efforts increase the effectiveness of the guidelines. DNR's target is trained loggers harvest over 95% of Minnesota's wood.



Activity Funding



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Dollars in Thousands

	Current FY2010	Current FY2011	Governor's Recomm. FY2012	Governor's Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Environment & Natural Resource					
Current Appropriation	0	300	300	300	600
Technical Adjustments					
One-time Appropriations			(300)	(300)	(600)
Subtotal - Forecast Base	0	300	0	0	0
Total	**0**	**300**	**0**	**0**	**0**
General					
Current Appropriation	17,949	17,215	17,215	17,215	34,430
Technical Adjustments					
Approved Transfer Between Appr			49	49	98
Current Law Base Change			(240)	(240)	(480)
One-time Appropriations			(1,868)	(1,868)	(3,736)
Operating Budget Reduction			(14)	(14)	(28)
Subtotal - Forecast Base	17,949	17,215	15,142	15,142	30,284
Governor's Recommendations					
General Fund Reduction		0	(3,147)	(3,147)	(6,294)
Total	**17,949**	**17,215**	**11,995**	**11,995**	**23,990**
Natural Resources					
Current Appropriation	12,193	11,093	11,093	11,093	22,186
Subtotal - Forecast Base	12,193	11,093	11,093	11,093	22,186
Governor's Recommendations					
Maint of Min-Maint Forest Roads		0	200	200	400
State Forest Land Management		0	(11,093)	(11,093)	(22,186)
Total	**12,193**	**11,093**	**200**	**200**	**400**
Game And Fish (operations)					
Current Appropriation	1,464	1,464	1,464	1,464	2,928
Technical Adjustments					
One-time Appropriations			(1,200)	(1,200)	(2,400)
Subtotal - Forecast Base	1,464	1,464	264	264	528
Governor's Recommendations					
Native Plant Community Mapping		0	1,000	1,000	2,000
Total	**1,464**	**1,464**	**1,264**	**1,264**	**2,528**
Outdoor Heritage					
Current Appropriation	18,000	18,000	18,000	18,000	36,000
Technical Adjustments					
One-time Appropriations			(18,000)	(18,000)	(36,000)
Subtotal - Forecast Base	18,000	18,000	0	0	0
Governor's Recommendations					
MN Forests for Future Easmnt Stwrdshp		(750)	0	0	0
Total	**18,000**	**17,250**	**0**	**0**	**0**

NATURAL RESOURCES DEPT
Program: FOREST MANAGEMENT
Activity: FOREST MANAGEMENT

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Expenditures by Fund					
Direct Appropriations					
Environment & Natural Resource	1,956	300	0	0	0
General	16,511	18,243	11,995	11,995	23,990
Natural Resources	11,104	11,132	200	200	400
Game And Fish (Operations)	1,380	1,548	1,264	1,264	2,528
Outdoor Heritage	17,942	17,308	0	0	0
Open Appropriations					
Natural Resources	62	65	65	65	130
Statutory Appropriations					
Natural Resources	1,610	2,777	15,341	15,341	30,682
Miscellaneous Special Revenue	5,850	6,279	5,880	5,956	11,836
Federal	3,430	16,496	14,233	7,640	21,873
Gift	75	94	27	27	54
Total	**59,920**	**74,242**	**49,005**	**42,488**	**91,493**
Expenditures by Category					
Total Compensation	22,989	25,492	21,516	21,350	42,866
Other Operating Expenses	14,562	20,034	18,547	16,653	35,200
Capital Outlay & Real Property	19,887	27,173	6,525	3,525	10,050
Local Assistance	2,463	1,468	2,387	930	3,317
Other Financial Transactions	19	75	30	30	60
Total	**59,920**	**74,242**	**49,005**	**42,488**	**91,493**
Full-Time Equivalents (FTE)	**326.0**	**325.1**	**305.7**	**305.7**	

Activity at a Glance

- Protect people, property, natural resources from wildfire on 45.5 million acres of land in Minnesota
- Respond to about 1,400 fires reported to the DNR each year
- Oversee open burning and issue 60,000-70,000 burning permits each year
- Coordinate firefighting activities and equipment in Minnesota and provide out-of-state reciprocal assistance via the Minnesota Interagency Fire Center
- Provide equipment and trained staff for emergency response

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. The DNR:

- Protects against wildfire to avoid loss of life;
- Minimizes loss of property and natural resources;
- Responds to fire and natural disaster emergencies in Minnesota and cooperates with Federal and regional fire fighting organizations;
- Prevents wildfires through education and regulation;
- Supports the 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. In 1976, the legislature created an open appropriation account to fund emergency fire suppression efforts. The division's efforts assure accountability in state fire suppression costs and foster cooperation with Federal and regional fire fighting organizations that reduces the our reliance on state resources alone.

Population Served

The population served by this activity includes most Minnesotans, but especially:

- 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

This activity contributes to the three elements of DNR's conservation mission (outdoor recreation, economic development, and natural resources protection) 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.

- *Prevention* includes public education, regulation of open burning, enforcement of state wildfire and open burning laws, investigation of wildland arson, and training for homeowners, developers, and communities that reduces the risk of wildfire.
- *Pre-suppression* includes training firefighters and support personnel, operating the Minnesota Interagency Fire Center, maintaining partnerships and mutual aid agreements with other fire protection agencies, ensuring that specialized heavy ground and aerial suppression equipment are available statewide, and maintaining an emergency communications network.
- *Suppression* requires trained firefighters, support personnel, and aerial and ground-based equipment. Activities include locating wildfires using aerial patrols, public reports, and lookout towers; pre-positioning fire-fighting resources to shorten response times; and controlling the spread of wildfires and minimizing the damage they cause.
- *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.

Historical Perspective

As the state's population increases and the wildland-urban interface expands, maintaining wildfire suppression capability will require greater reliance on aircraft, temporary emergency firefighters, sharing of resources from partner agencies, and other innovative approaches.

DNR augments its wildfire management capacity with cooperative agreements with its statewide and regional partners (e.g., Minnesota National Guard, Superior and Chippewa National Forests, Minnesota Indian Tribes, the states of Wisconsin and Michigan, and the Provinces of Ontario and Manitoba). In addition, DNR maintains cooperative agreements with over 600 Rural Fire Departments in the state. DNR needs an aggressive training program to impart knowledge and skills to the generation of foresters replacing retiring employees.

Although rural fire departments have long been reliable partners, many rural are having difficulty recruiting, training, and retaining volunteer personnel. In addition, they tend to focus on fighting fires in buildings and rely heavily on the DNR for expertise in wildland-urban interface fires.

Key Activity Goals & Measures

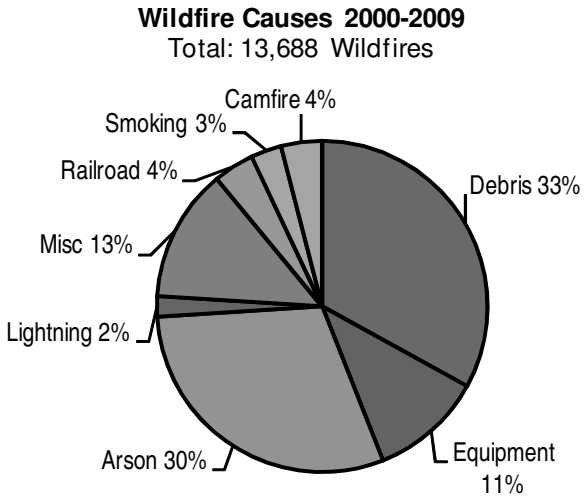
Although protecting the lives and property of citizens is the DNR's primary goal, protecting forests from wildfire is essential to sustaining the economies of rural communities, supplying biomass for renewable energy production, and maintaining habitat for Minnesota's native plants and animals.

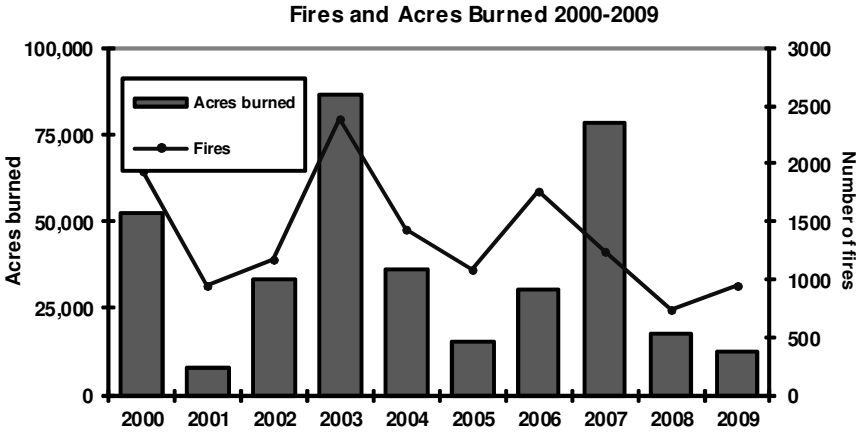
Key goals include:

- Protection from wildfire for Minnesotans.
- Minimal loss of property and natural resources.
- Fewer wildfires through education and regulation.
- Enhanced forest regeneration and native plant communities via appropriate use of prescribed fire.

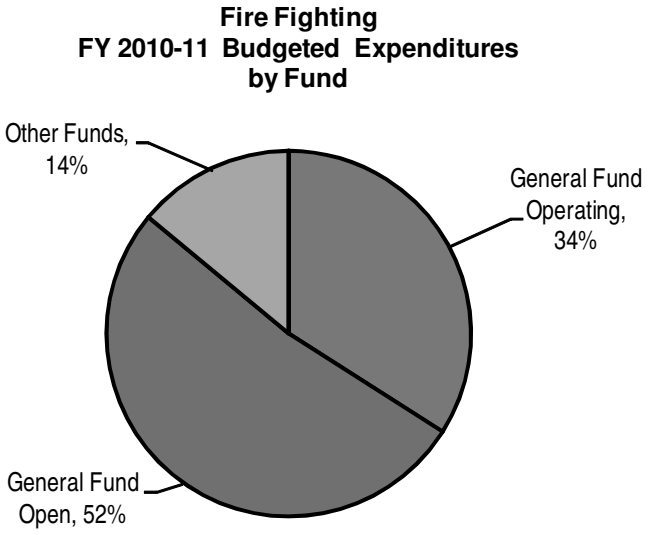
Performance Measure: Wildfire protection

The charts below describe the causes, frequency, and size of fires suppressed by the DNR or reported to the DNR by other fire departments. Wildfire protection is significant workload on that is unpredictable from year to year, as illustrated in the graph below.





Activity Funding



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NATURAL RESOURCES DEPT
Program: FOREST MANAGEMENT
Activity: FIRE FIGHTING

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Direct Appropriations by Fund					
General					
Current Appropriation	7,145	7,145	7,145	7,145	14,290
Subtotal - Forecast Base	7,145	7,145	7,145	7,145	14,290
Total	**7,145**	**7,145**	**7,145**	**7,145**	**14,290**
Expenditures by Fund					
Direct Appropriations					
General	7,115	7,175	7,145	7,145	14,290
Open Appropriations					
General	14,636	11,000	13,000	13,000	26,000
Statutory Appropriations					
Miscellaneous Special Revenue	1,688	2,843	2,795	2,795	5,590
Total	**23,439**	**21,018**	**22,940**	**22,940**	**45,880**
Expenditures by Category					
Total Compensation	10,746	9,716	12,159	12,159	24,318
Other Operating Expenses	12,637	11,220	10,699	10,699	21,398
Local Assistance	56	82	82	82	164
Total	**23,439**	**21,018**	**22,940**	**22,940**	**45,880**
Full-Time Equivalents (FTE)	**169.7**	**169.7**	**180.0**	**180.0**	

Program at a Glance

- 67 state parks, seven state recreation areas, and eight state waysides with almost 5,000 campsites
- 54 state forest day and overnight recreation areas
- 3,640 miles of trails, including:
  - 1,270 miles on 21 state trails (500 miles of paved bike trails)
  - 1,280 miles of state park trails
  - 1,090 miles of state forest trails
- 22,000 miles of snowmobile trails
- 32 water trails
- 1,600 boat launches
- 8 safe harbors on Lake Superior
- 340 fishing piers and shore fishing areas
- People using snowmobile trails and state park facilities contribute $373 million in direct spending annually

The above amount is a portion of the $2.6 billion in economic benefits derived from all outdoor recreation activities in Minnesota

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, fosters stewardship of the state's natural resources, and conserves Minnesota's scenic, natural, and cultural resources for current and future generations. This program manages Minnesota state parks, state recreation areas, state trails, water trails, boat launches, and state forest recreation. People are drawn to these places because they represent Minnesota's most scenic landscapes and provide access to some of Minnesota's most popular lakes.

Population Served

The Parks and Trails Program serves state park and recreation area customers; motorized and non-motorized trail customers; and water recreationists who access Minnesota's lakes and rivers to boat, canoe, kayak, or fish. Last year, Minnesota's state parks hosted 1.1 million campers and overnight guests. Some 30% of all Minnesotans visit a state park each year – over 1.5 million residents. Parks and trails draw local, national, and international tourists. Likewise, Minnesota ranks first in the nation in the number of boats per capita (one boat for every six people) and third in the nation for total boats registered (866,000). All Minnesotans benefit from a high quality system of state parks and trails that offer recreation opportunities within 30 miles of almost every Minnesotan. With the passage of the Clean Water, Land, and Legacy amendment, this program has been able to achieve more success in connecting people to the outdoors, managing and improving natural resources, and accelerating maintenance and rehabilitation of outdoor recreation facilities.

Services Provided

This program contributes to the three elements of the Department of Natural Resources (DNR) conservation mission (outdoor recreation, economic development, and natural resources protection) by connecting people to the outdoors through unforgettable park, trail, and water recreation experiences that inspire people to pass along the love for the outdoors to current and future generations. Outdoor recreation opportunities promote personal wellness, a high quality of life, natural resource stewardship, tourism, and economic development. Safe and diverse nature-based recreation opportunities are provided, from ATV'ing and snowmobiling, to bicycling and camping. Some of the most scenic places in Minnesota are managed in their natural state along with significant historic and cultural resources. This program maintains and develops strong partnerships with local units of government, chambers of commerce, and the private sector, which support vital communities around the state. With nature-based recreation experiences creating a major draw for tourism throughout the state, the Minnesota State Parks and Trails program contributes to a nearly $3 billion outdoor recreation economic engine.

Historical Perspective

The Parks and Trails programs were integrated in 2008 with the goal of providing exceptional outdoor recreation opportunities to *all* Minnesotans by developing broader strategies to better serve existing patrons and reach out to new ones. The integrated program focuses on increasing outdoor recreation participation; promotes efficiencies through shared administration and management activities; and garners support for environmental stewardship while promoting economic vitality. The program has used a marketing approach to increase per capita and next generation engagement in outdoor recreation. There was a conscious change in the business model from "build it and they will come," to analyzing the motivations and barriers to outdoor recreation participation and developing strategies to help people overcome obstacles. The strategies have included innovating products, creative pricing, increased paid and public promotion and adaptive placement of information (i.e. interactive kiosk placement at the IDS center). The program has leveraged partnerships with private sector partners that share in the objective of

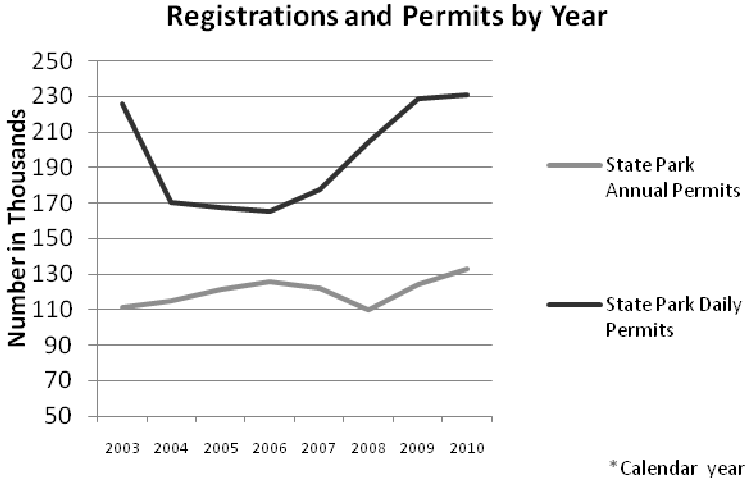
increasing outdoor recreation participation (REI), share environmental goals (Minnesota Twins), or provide a better connection with our target market (Best Buy Corporation and Minnesota Public Radio). Examples of specific activities include partnering with Explore Minnesota Tourism to present the first ever statewide bicycling conference and developing six outreach touch screen kiosks placed in areas frequented by our target market. The resource management and outreach activities have been greatly expanded through the legacy-funded Conservation Corps of Minnesota program. In FY 2010-11, legacy funds became available and there was a concerted effort to support local communities through legacy grants, connect people to the outdoors, and accelerate natural resource management, maintenance, and rehabilitation of an aging system to meet customer needs and incorporate ADA standards and improve energy efficiency.

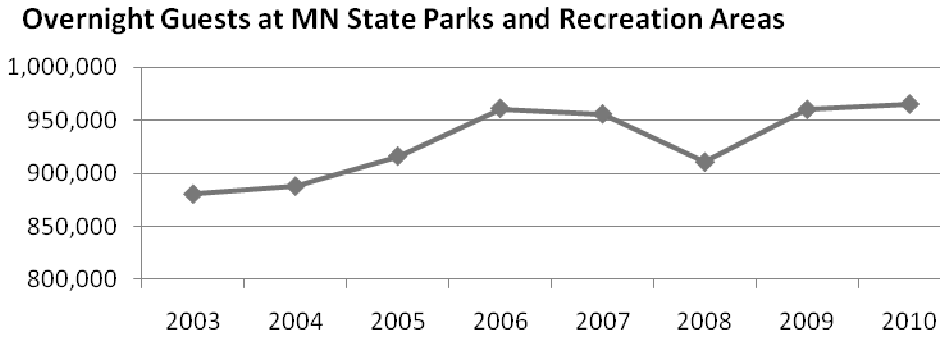
Key Program Goals and Measures

Minnesota State Parks and Trails are a vital part of the state's tourism attraction base, and between snowmobiling and state park visits, create over $373 million in direct economic benefit through visitor spending and contributes to the $2.6 billion generated by state parks and all trail recreation activities in Minnesota. It is important to the state's economic future that citizens continue to utilize recreation destinations. In order to provide a sustainable future for this economic driver, the outdoor recreation experiential product needs to be relevant to the next generation. The core functions of providing a state park and trail system and grants linking this state system to local communities will continue to be provided. Product innovation is imperative along with conservation education experiences, including skill-building programs, to engage new and returning customers in the enjoyment of the outdoors. The use of technology is becoming increasingly important in supporting the delivery of these services – enhanced websites, geo-caching, touch screens for interactive information and education, and Wi-Fi accessibility are examples of how the department is striving to meet these new needs. A 10 year parks and trails strategic plan and a 10-25 year state and regional outdoor recreation plan will guide future investments in developing and improving state and regional parks and trails to meet the changing needs and expectations of Minnesotans. Natural lands and waters are conserved and enhanced through resources management activities such as prairie restoration and shoreline protection. The division works to ensure the effective and efficient delivery of recreational services that continue to meet public expectations and promote state parks and trails as high-quality destinations for all Minnesotans.

- **Connecting People to the Outdoors:** Minnesota State Parks and Trails have increased awareness efforts and motivation for visiting state parks and trails for day use as well as overnight. The number of web page views, sale of state park vehicle permits, and overnight visitor numbers are an indicator of the success of outreach efforts to attract more visitors. A partnership with the Minnesota Twins leveraged nearly $300,000 in promotion benefits for an investment by the DNR of around $40,000. A cooperative agreement with Minnesota Public Radio (MPR) resulted in the sale of almost 5,000 annual permits and an estimated $130,000 in promotional value.

  Many of the outreach activities have been accelerated by the Clean Water, Land and Legacy amendment, allowing the division to reach out to new customers.





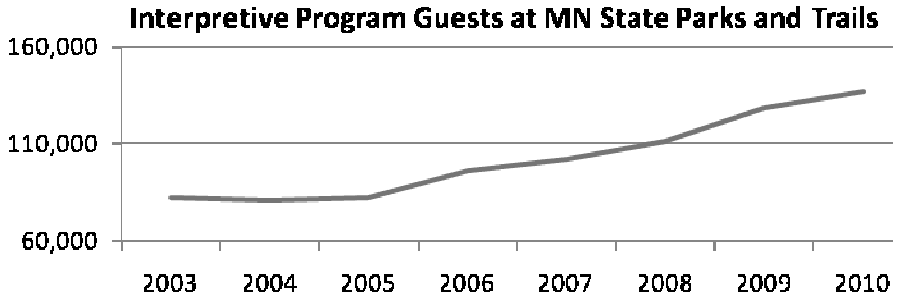
Recreational opportunities: This program provides a host of outdoor recreation activities, both non-motorized and motorized, including camping, picnicking, hiking, biking, in-line skating, horseback riding, climbing, scuba diving, cross-country skiing, wildlife viewing, geocaching, paddling, fishing, off-highway vehicle (OHV) riding, and snowmobiling. The units managed by this program provide year-around recreation opportunities which support Minnesota's quality of life and its state, regional, and local economies. Developing and sustaining a diverse park and trail system helps the DNR meet the needs of a variety of outdoor recreationists. In particular, demand continues to grow for additional opportunities for mountain biking, a use that is just starting to be addressed.

Minnesota's motorized trails are in large part maintained and groomed through partnerships with local units of government and local snowmobile and motorized club volunteers. More than 20,000 miles of snowmobile trails in Minnesota would not exist without the snowmobile grant-in-aid program. The annual economic impact of snowmobiling in Minnesota has been estimated at $173 million. Roughly 1,600 miles of grant-in-aid OHV trails could not exist without local government cooperation and the work of thousands of club volunteers. In FY 2010, $9.3 million was granted to over 200 local units of government for pass-through to club recipients.

DNR's fishing pier and shore fishing program provides water access to children, the elderly, those who do not own a boat and people with disabilities in more than 340 locations throughout the state.

- **Conservation Education:** Programs that connect people to the outdoors through skill building, special events, and natural and cultural resource interpretation are critical to building the next generation of stewards for Minnesota's great outdoors. These programs are often the reason why people visit Minnesota State Parks and Trails. Minnesota State Parks and Trails serve as the "Gateway" to all DNR messages and programs.

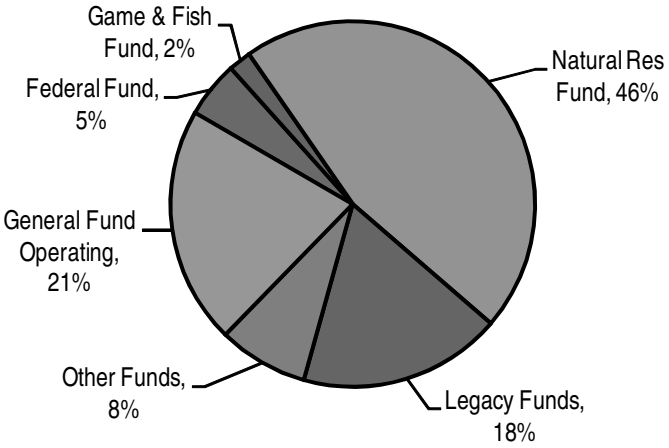
  There has been much innovation in this program area in the last couple of years to include the development of skill building series, "I can camp!" and "I can fish!", a special program series – Outdoors Extra!, educational touch screen computers, podcasts, geocaching, Kids Discovery Kits, DNR Gateway programs and special events such as "Geology Days" , candlelight walks and snowshoeing that draw thousands of people out, even in sub-zero temperatures. We have leveraged corporate partnerships in order to expand our outreach and services in a cost-effective way.



- **Protecting critical natural landscapes:** State residents and visitors choose to visit Minnesota state parks, state trails, state recreation areas, water trails and other units managed by the Parks and Trails program in large part because of their settings – unmatched natural and cultural resources and high quality recreation facilities. By improving the quality of native plant communities, wildlife habitat and regional landscape integrity, visitor experiences are enhanced. The program protects, preserves, and restores representative examples of the natural and cultural landscapes of the state. These places are unique in Minnesota because they have over 280 federal or state endangered, threatened or special concern species, 80 types of important native plant communities, and 66 historic districts, sites and landmarks. Management activities include prescribed fire in prairie and woodland communities, native plant community restoration, hardwood and pine reforestation, invasive species control, archaeological investigations, and repair of visitor impacts. These activities are required to ensure that important natural and cultural features on state park and trail lands are maintained at a high quality level. Approximately 13,000 acres of land are restored and enhanced each year.

Program Funding

Park and Trails Management
FY 2010-11 Budgeted Expenditures
by Fund



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Dollars in Thousands

	Current FY2010	Current FY2011	Governor Recomm. FY2012	Governor Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Environment & Natural Resource					
Current Appropriation	1,590	2,317	2,317	2,317	4,634
Technical Adjustments					
One-time Appropriations			(2,317)	(2,317)	(4,634)
Subtotal - Forecast Base	1,590	2,317	0	0	0
Total	**1,590**	**2,317**	**0**	**0**	**0**
General					
Current Appropriation	21,017	20,455	20,455	20,455	40,910
Technical Adjustments					
Approved Transfer Between Appr			32	32	64
Operating Budget Reduction			(16)	(16)	(32)
Subtotal - Forecast Base	21,017	20,455	20,471	20,471	40,942
Governor's Recommendations					
Forest Campground Income		0	(195)	(200)	(395)
General Fund Reduction		0	(949)	(949)	(1,898)
Total	**21,017**	**20,455**	**19,327**	**19,322**	**38,649**
Natural Resources					
Current Appropriation	43,721	43,781	43,781	43,781	87,562
Technical Adjustments					
Approved Transfer Between Appr			29	29	58
One-time Appropriations			(660)	(660)	(1,320)
Subtotal - Forecast Base	43,721	43,781	43,150	43,150	86,300
Governor's Recommendations					
ATV Fund		0	400	400	800
Local Trail Grants-Lottery in Lieu		0	100	100	200
Snowmobile Fund		0	200	200	400
State Park Dedicated Account		0	(10,620)	(10,620)	(21,240)
State Parks and Trails Lottery in-Lieu		0	300	300	600
Water Recreation Program		0	1,000	1,000	2,000
Total	**43,721**	**43,781**	**34,530**	**34,530**	**69,060**
Game And Fish (operations)					
Current Appropriation	2,194	2,194	2,194	2,194	4,388
Subtotal - Forecast Base	2,194	2,194	2,194	2,194	4,388
Total	**2,194**	**2,194**	**2,194**	**2,194**	**4,388**
Parks And Trails					
Current Appropriation	16,611	20,040	20,040	20,040	40,080
Technical Adjustments					
One-time Appropriations			(20,040)	(20,040)	(40,080)
Subtotal - Forecast Base	16,611	20,040	0	0	0
Governor's Recommendations					
Investing in our State Parks and Trails		0	16,201	16,201	32,402
Parks and Trails Fund Grant Program		0	6,165	6,165	12,330
Total	**16,611**	**20,040**	**22,366**	**22,366**	**44,732**

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Expenditures by Fund					
Direct Appropriations					
Environment & Natural Resource	1,894	4,074	0	0	0
General	21,017	20,502	19,327	19,322	38,649
Minnesota Resources	1	131	0	0	0
Natural Resources	41,095	49,410	34,530	34,530	69,060
Game And Fish (Operations)	1,632	2,756	2,194	2,194	4,388
Parks And Trails	10,851	25,800	22,366	22,366	44,732
Open Appropriations					
Natural Resources	561	523	430	430	860
Statutory Appropriations					
Natural Resources	430	1,291	12,276	12,416	24,692
Miscellaneous Special Revenue	9,252	6,881	6,729	6,905	13,634
Federal	2,719	2,832	4,500	3,800	8,300
Federal Stimulus	700	0	0	0	0
Gift	211	177	177	177	354
Total	**90,363**	**114,377**	**102,529**	**102,140**	**204,669**
Expenditures by Category					
Total Compensation	36,567	40,853	38,870	38,870	77,740
Other Operating Expenses	26,871	36,663	29,989	30,165	60,154
Capital Outlay & Real Property	10,839	18,337	13,166	13,166	26,332
Local Assistance	16,086	18,737	20,496	19,931	40,427
Transfers	0	(213)	8	8	16
Total	**90,363**	**114,377**	**102,529**	**102,140**	**204,669**

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Expenditures by Activity					
Parks And Trails Management	75,697	96,958	85,050	84,526	169,576
Community Partnerships	14,666	17,419	17,479	17,614	35,093
Total	**90,363**	**114,377**	**102,529**	**102,140**	**204,669**
Full-Time Equivalents (FTE)	**580.4**	**600.6**	**598.3**	**598.3**	

Activity at a Glance

- Manage state parks and recreation areas
- Manage state trails and water trails for both non-motorized and motorized recreation use
- Provide access to boating and fishing opportunities with boat launches, fishing piers and shore-fishing sites
- Provide conservation education and outreach programs
- Protect and restore natural and cultural resources

Activity Description

This activity provides for the management of Minnesota's state parks, state recreation areas, state trails, water trails, boat launches, and state forest recreation areas. The purpose of this activity is to provide an integrated recreation system that connects people to the outdoors, conserves Minnesota's scenic, natural, and cultural resources, and fosters stewardship of these important resources.

Population Served

The Parks and Trails Management Activity serves state park and recreation area customers; motorized and non-motorized trail customers; and water recreationists who access Minnesota's lakes and rivers to boat, canoe, kayak, or fish. Parks and trails draw local, national, and international tourists. Approximately 30% of all Minnesotans visit a state park each year. Last year, state parks hosted 1.1 million campers and overnight guests. Likewise, Minnesota ranks first in the nation in the number of boats per capita (one boat for every six people) and third in the nation for total boats registered (866,000).

Services Provided

This activity provides for the operation and maintenance of state parks and trails; state park and trail visitor services, including conservation education and interpretive programs; and natural and cultural resource management. Park and trail facilities are a critical economic driver in rural Minnesota. With nature-based recreation experiences creating a major draw for tourism throughout the state, state parks and trails contribute to a nearly $3 billion outdoor recreation economy in Minnesota.

Historical Perspective

Parks and Trails Management activities were integrated in 2008 with the goal of providing exceptional outdoor recreation opportunities to all Minnesotans by developing broader strategies to better serve existing patrons and reach out to new ones. This activity focuses on increasing outdoor recreation participation; promotes efficiencies through shared administration and management activities; and garners support for environmental stewardship while promoting economic vitality. This activity has leveraged partnerships with private sector partners that share in the objective of increasing outdoor recreation participation and share environmental goals. See the Parks and Trails Program narrative for more information.

Key Activity Goals & Measures

This activity includes program efforts that address departmental goals and outcomes from the DNR's *A Strategic Conservation Agenda 2009-2013*. Key measures and outcomes are described in detail in the Parks and Trails Program narrative.

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NATURAL RESOURCES DEPT
Program: PARKS AND TRAILS MANAGEMENT
Activity: PARKS AND TRAILS MANAGEMENT

Budget Activity Summary

Dollars in Thousands

	Current FY2010	Current FY2011	Governor's Recomm. FY2012	Governor's Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Environment & Natural Resource					
Current Appropriation	1,590	2,317	2,317	2,317	4,634
Technical Adjustments					
One-time Appropriations			(2,317)	(2,317)	(4,634)
Subtotal - Forecast Base	1,590	2,317	0	0	0
Total	**1,590**	**2,317**	**0**	**0**	**0**
General					
Current Appropriation	21,017	20,455	20,455	20,455	40,910
Technical Adjustments					
Approved Transfer Between Appr			32	32	64
Operating Budget Reduction			(16)	(16)	(32)
Subtotal - Forecast Base	21,017	20,455	20,471	20,471	40,942
Governor's Recommendations					
Forest Campground Income		0	(195)	(200)	(395)
General Fund Reduction		0	(949)	(949)	(1,898)
Total	**21,017**	**20,455**	**19,327**	**19,322**	**38,649**
Natural Resources					
Current Appropriation	33,092	33,052	33,052	33,052	66,104
Technical Adjustments					
Approved Transfer Between Appr			29	29	58
One-time Appropriations			(560)	(560)	(1,120)
Subtotal - Forecast Base	33,092	33,052	32,521	32,521	65,042
Governor's Recommendations					
ATV Fund		0	400	400	800
Snowmobile Fund		0	200	200	400
State Park Dedicated Account		0	(10,620)	(10,620)	(21,240)
State Parks and Trails Lottery in-Lieu		0	300	300	600
Water Recreation Program		0	1,000	1,000	2,000
Total	**33,092**	**33,052**	**23,801**	**23,801**	**47,602**
Game And Fish (operations)					
Current Appropriation	2,194	2,194	2,194	2,194	4,388
Subtotal - Forecast Base	2,194	2,194	2,194	2,194	4,388
Total	**2,194**	**2,194**	**2,194**	**2,194**	**4,388**
Parks And Trails					
Current Appropriation	12,641	15,140	15,140	15,140	30,280
Technical Adjustments					
One-time Appropriations			(15,140)	(15,140)	(30,280)
Subtotal - Forecast Base	12,641	15,140	0	0	0
Governor's Recommendations					
Investing in our State Parks and Trails		0	16,201	16,201	32,402
Total	**12,641**	**15,140**	**16,201**	**16,201**	**32,402**

NATURAL RESOURCES DEPT
Program: PARKS AND TRAILS MANAGEMENT
Activity: PARKS AND TRAILS MANAGEMENT

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Expenditures by Fund					
Direct Appropriations					
Environment & Natural Resource	1,894	4,074	0	0	0
General	21,017	20,502	19,327	19,322	38,649
Minnesota Resources	1	34	0	0	0
Natural Resources	30,557	38,141	23,801	23,801	47,602
Game And Fish (Operations)	1,632	2,756	2,194	2,194	4,388
Parks And Trails	7,032	20,624	16,201	16,201	32,402
Open Appropriations					
Natural Resources	561	523	430	430	860
Statutory Appropriations					
Natural Resources	157	474	11,751	11,756	23,507
Miscellaneous Special Revenue	9,252	6,881	6,729	6,905	13,634
Federal	2,683	2,772	4,440	3,740	8,180
Federal Stimulus	700	0	0	0	0
Gift	211	177	177	177	354
Total	**75,697**	**96,958**	**85,050**	**84,526**	**169,576**
Expenditures by Category					
Total Compensation	36,176	40,285	38,670	38,670	77,340
Other Operating Expenses	26,747	36,476	29,930	30,106	60,036
Capital Outlay & Real Property	10,734	18,337	13,166	13,166	26,332
Local Assistance	2,040	2,073	3,276	2,576	5,852
Transfers	0	(213)	8	8	16
Total	**75,697**	**96,958**	**85,050**	**84,526**	**169,576**
Full-Time Equivalents (FTE)	**577.5**	**597.0**	**596.7**	**596.7**	

Activity at a Glance

The Division of Parks and Trails distributes approximately $17 million annually to local government units and organizations for park and trail assistance.

- Provide grants to 40 ski clubs through local government units.
- Provide 50 grants to Off-highway vehicle clubs through local government units.
- Provide 185 grants to snowmobile clubs through local government units.
- Provide 12 grants to local government units for parks and trails.
- Provide ten solar grants to local government units.
- Provide eight grants to parks of regional or statewide significance.
- Provide eight grants to trails of regional or statewide significance.

Activity Description

The Community Partnership activity cooperates with volunteers and local communities to provide a system of local and regional parks and trails.

Population Served

All Minnesota residents and visitors benefit from a high quality outdoor recreation system. Community assistance grants enable local units of government to help meet close-to-home outdoor recreational demands. In 2008, for instance, more than 208 million person-days were spent in trail activities statewide, with local trail users (within 30 minutes of home) accounting for nearly three-quarters of the walker/hiker total days. Providing outdoor recreation opportunities benefits communities and local economies by increasing tourism and promotes public health by providing people quick and accessible opportunities to exercise.

Services Provided

This activity provides grants to local units of government and organizations to supplement their efforts to increase local and regional outdoor recreational opportunities in parks and trails throughout the state. These grants, which require a match, provide funding for parks and trail acquisition, development, and maintenance and include the protection of high-quality natural resources through acquisition of critical lands, the on-going maintenance of cross country ski and snowmobile grant-in-aid trails, and the development and maintenance of designated off-highway vehicles (OHV) trails. The community partnership activity depends on successful partnerships with local government, organizations, and public and private landowners to build and maintain high-quality local and regional parks and trails.

Local and regional parks and trails provide important economic benefits to communities throughout the state. For instance, in 2008, trail users in Minnesota spent $3.3 billion, contributed $2.8 million in local taxes, and accounted for 43,000 jobs according to a 2010 study conducted by the University of Minnesota. In this same study, from June 2007 through May 2008, 670 public and private campgrounds in Minnesota sold two million site nights, and campers spent a total of $627 million.

Through the Minnesota Trail Assistance Program (Grant-in-Aid), the division provides about $200,000 annually for the maintenance of cross country ski trails by local clubs; about $1.5 million annually for the development and maintenance of designated off-highway vehicle trails on public and private lands; $8 million annually for the maintenance of Minnesota's 22,000 mile snowmobile trail system. These trail assistance programs are accomplished through partnerships with local units of government and by working with public and private landowners and over 200 local clubs.

Historical Perspective

The Department of Natural Resources (DNR's) community partnership program and local grant program continue to grow. In 2008, the Division of Parks and Trails awarded approximately $8.8 million in grants to local governments. In 2010, approximately $17 million was awarded to local units of government of the nearly $70 million in requests received.

Key Activity Goals and Measures

This activity will support the acquisition and enhancement of natural lands and key habitats through partnerships with local units of government. Collaboration with local government and organizations will improve the delivery of recreational services statewide, particularly in rural Minnesota communities. Sound financial management practices will be employed. Innovation will be encouraged and support provided to motivated and dedicated volunteers, local government units, and clubs. Programs will be designed to promote user and visitor safety. An enterprise approach will be designed to manage information, utilizing the web, and other electronic media.

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NATURAL RESOURCES DEPT
Program: PARKS AND TRAILS MANAGEMENT
Activity: COMMUNITY PARTNERSHIPS

Budget Activity Summary

Dollars in Thousands

	Current FY2010	Current FY2011	Governor's Recomm. FY2012	Governor's Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Natural Resources					
Current Appropriation	10,629	10,729	10,729	10,729	21,458
Technical Adjustments					
One-time Appropriations			(100)	(100)	(200)
Subtotal - Forecast Base	10,629	10,729	10,629	10,629	21,258
Governor's Recommendations					
Local Trail Grants-Lottery in Lieu		0	100	100	200
Total	**10,629**	**10,729**	**10,729**	**10,729**	**21,458**
Parks And Trails					
Current Appropriation	3,970	4,900	4,900	4,900	9,800
Technical Adjustments					
One-time Appropriations			(4,900)	(4,900)	(9,800)
Subtotal - Forecast Base	3,970	4,900	0	0	0
Governor's Recommendations					
Parks and Trails Fund Grant Program		0	6,165	6,165	12,330
Total	**3,970**	**4,900**	**6,165**	**6,165**	**12,330**
Expenditures by Fund					
Direct Appropriations					
Minnesota Resources	0	97	0	0	0
Natural Resources	10,538	11,269	10,729	10,729	21,458
Parks And Trails	3,819	5,176	6,165	6,165	12,330
Statutory Appropriations					
Natural Resources	273	817	525	660	1,185
Federal	36	60	60	60	120
Total	**14,666**	**17,419**	**17,479**	**17,614**	**35,093**
Expenditures by Category					
Total Compensation	391	568	200	200	400
Other Operating Expenses	124	187	59	59	118
Capital Outlay & Real Property	105	0	0	0	0
Local Assistance	14,046	16,664	17,220	17,355	34,575
Total	**14,666**	**17,419**	**17,479**	**17,614**	**35,093**
Full-Time Equivalents (FTE)	**2.9**	**3.6**	**1.6**	**1.6**	

Program at a Glance

- Serves 1.5 million licensed anglers, 600,000 hunters and trappers, and 2.1 million wildlife watchers
- Generates $4.3 billion in annual expenditures in Minnesota from fishing, hunting, wildlife watching, and trapping
- Manages 1,430 wildlife management areas (WMAs) with 1.3 million acres of habitat and 840 shoreland miles administered as aquatic management areas (AMAs)
- Manages over 50 wildlife game species in Minnesota
- In Minnesota, annual fishing and hunting expenditures support an estimated 55,700 jobs

Program Description

The purpose of the Fish and Wildlife Management Program is to manage the state's fish and wildlife populations, their habitats, and public use, including fishing, hunting, and trapping. It is the policy of the state of Minnesota that the ownership of wild animals is in the state's sovereign capacity for the benefit of all the people of the state and that fish and wildlife are renewable natural resources to be conserved and enhanced through scientific management, protection, and use (M.S. 97A.025; M.S. 84.941). In addition, hunting, fishing and the taking of game and fish are recognized in the Minnesota State Constitution as a valued part of Minnesota's heritage that shall be forever preserved for the people and managed by law and regulation for the public good (Article XIII, Sec. 12).

Population Served

The primary population served by this program includes the state's two million anglers, 600,000 hunters, fishing and hunting-related businesses and tourism, trappers, 2.1 million wildlife viewers, wildlife photographers, and others who enjoy and benefit from abundant fish and wildlife populations and high quality habitat. Other key stakeholders include national and state conservation organizations, local conservation clubs, landowners and communities that benefit from the coordination, information, and technical assistance that the program provides.

For many of Minnesota's citizens, the quality of life in this state is largely defined by the abundance and quality of outdoor experiences and recreation opportunities, and healthy fish and wildlife populations and high-quality habitat are integral to Minnesota's identity as a great outdoors state. Outdoor recreation also promotes personal wellness and directly benefits Minnesota businesses through tourism and recreation. Minnesotans continue to build on this legacy of a strong, outdoor heritage through their ongoing support for policies that conserve the state's fish and wildlife populations and the natural and cultural resources that define Minnesota. In the past decade, citizens have passed two constitutional amendments related to preserving Minnesota's outdoor heritage. In November 1998, 78% of voters affirmed the importance of hunting and fishing and the taking of game and fish. In November 2008, 56% voters approved an increase in the state sales and use tax dedicated to restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife, as well as for clean water, parks and trails, and arts and culture.

Services Provided

This program contributes to the three elements of the Department of Natural Resources (DNR's) conservation mission (outdoor recreation, economic development, and natural resources protection) with the following activities:

- **Fish and Wildlife Population Management**, which results in healthy fish and wildlife populations that are maintained on a sustained basis and support high quality and abundant fishing, hunting, trapping, and wildlife viewing opportunities that generate billions of dollars in annual expenditures.
- **Fish and Wildlife Habitat Management**, which results in productive aquatic and terrestrial fish and wildlife habitats that are maintained on a sustained basis and support high quality and abundant fishing, hunting, trapping, and other wildlife related recreation opportunities and access.
- **Technical Assistance, Planning, and Public Participation**, which results in application of effective fish and wildlife habitat management projects and practices by landowners, organizations and agencies; provides state, regional, and national leadership in resource stewardship; and produces effective citizen partnerships to manage fish and wildlife resources.
- **Outreach**, which results in increased participation and appreciation of outdoor activities and heritage by under-represented groups including multicultural, urban, and youth populations.

- **Public Information and Customer Service**, which results in clear and effective public information and communications; ensures high quality customer service and satisfaction; and fosters an engaged public knowledgeable about the ecological and social values of a healthy environment and supportive of the conservation of natural resources and ecological systems.

The Fish and Wildlife Management Program integrates and sustains the three elements of the DNR mission — recreational use, economic development, and natural resources conservation. Fishing, hunting, trapping, and wildlife watching annually provide an estimated 38.9 million days of fish and wildlife related outdoor recreation, including 24.4 million fishing days, 6.5 million hunting days, and eight million wildlife watching away from home days. These activities combine to generate direct annual expenditures of $4.3 billion in Minnesota, and hunting and fishing activities support 55,700 jobs in the state. These recreational opportunities and the economic benefits that derive from them are directly linked to the habitat conservation work conducted and supported by staff and programs in the fish and wildlife division.

Historical Perspective

The Fish and Wildlife Management Program is funded largely through dedicated sources of funding consisting of user fees, including fishing and hunting license fees and state allotments of federal excise taxes from the sale of fishing and hunting related products and equipment. These revenues are deposited in the game and fish fund in the state treasury (M.S. 97A.055). Revenue from fees charged for hunting and angling licenses may not be used for any purpose other than game and fish activities and related activities under the administration of the commissioner (M.S. 97A.057). The game and fish fund currently comprises more than two-thirds of the Fish and Wildlife Management Program's operating budget.

The Fish and Wildlife Management Program has a history of adaptation and innovation in its program in response to changing public needs and demands for fish and wildlife conservation delivery. Given the current trends affecting fish and wildlife resources and the increasing demand for specialized services from our customers, the need for new and innovative approaches has never been greater. In that context, the program has launched a continuous improvement process called Long Range Organizational Planning (LROP) that is re-examining the ways in which the program is organized to deliver fish and wildlife conservation services. The program has organized its wildlife research and populations staff into research groups around the state's major habitat types (wetlands, forests, farmland/prairies) and its fisheries research staff into research groups around major functions (habitat, populations, human dimensions). This restructuring reinforces an adaptive management approach that bases decision-making on the best available science, then collects data to monitor and evaluate the impacts of these decisions, and adjusts future decision-making based on the outcomes achieved and lessons learned.

The Fish and Wildlife Management Program leverages benefits to fish and wildlife resources and recreation by integrating with other related DNR efforts. Examples include participation in forest planning to incorporate wildlife habitat goals and objectives, participation in landscape level planning efforts of federal and state agencies, engaging in the forest certification process.

With professional field staff located throughout the state, the Fish and Wildlife Management Program provides critical infrastructure for the state's habitat conservation efforts, providing coordination, technical assistance, and support to leverage partner activities. For instance, with the passage of the Clean Water, Land, and Legacy constitutional amendment in 2008, program staff work closely with agency and nongovernmental partners to develop and implement projects that conserve the state's wetlands, prairies, forests, and fish and wildlife habitat, and also coordinate and award grants to external groups for local projects throughout the state. The program also leverages resources by integrating with other related efforts, such as forest planning and certification, clean water initiatives, and farm policy. This program also partners with the Board of Soil and Water Resources and other organizations on a farm bill assistance program that directly works with private landowners to improve wildlife habitat as part of federal farm program implementation and also works with coalitions of organizations, agencies and landowners to promote creation and improvement of wetland/prairie complexes through a "working lands" initiative. More recently the program has begun looking at innovative uses of prairie grasses and brush as potential biomass to accomplish the dual objectives of achieving needed habitat management while providing support for the developing renewable fuels industry. The program also has initiated innovative outreach programs,

including MinnAqua aquatic and fishing education, hunter recruitment and retention, mentoring, Becoming an Outdoors Woman and Becoming an Outdoor Family programs, and a Southeast Asian program.

Key Program Goals & Measures

This program includes activities that address all of the department's overarching goals from the DNR's *A Strategic Conservation Agenda 2009-2013*. The program conserves and enhances natural lands and habitats by acquiring and managing wildlife and aquatic management areas, creating and enhancing prairie wetland complexes in partnership with private landowners, and providing technical assistance. The program conserves water resources and watersheds through the restoration and enhancement of wetlands and shallow lakes, protection and restoration of shorelines and stream habitat, the restoration and enhancement of natural vegetation within watersheds, and aquatic plant management. The program contributes to healthy fish and wildlife populations and recreation through fish and wildlife population research, monitoring, and assessment; the regulation of fishing, hunting and trapping seasons; and the monitoring and management of fish and wildlife health. The program contributes to a high quality and diverse outdoor recreation system by acquiring and managing wildlife and aquatic management areas for public hunting, wildlife viewing, and trout stream access. The program contributes to sustainable economic use of natural resources by providing for fishing, hunting and wildlife viewing opportunities that support an estimated 55,700 jobs in the state. The program contributes to effective and efficient service delivery through the sale of more than two million fishing and hunting licenses annually.

- *Performance Measure: Walleye population levels and numbers of walleye stocked.*
  Maintain walleye population levels within normal range of variability for all categories of walleye lakes.

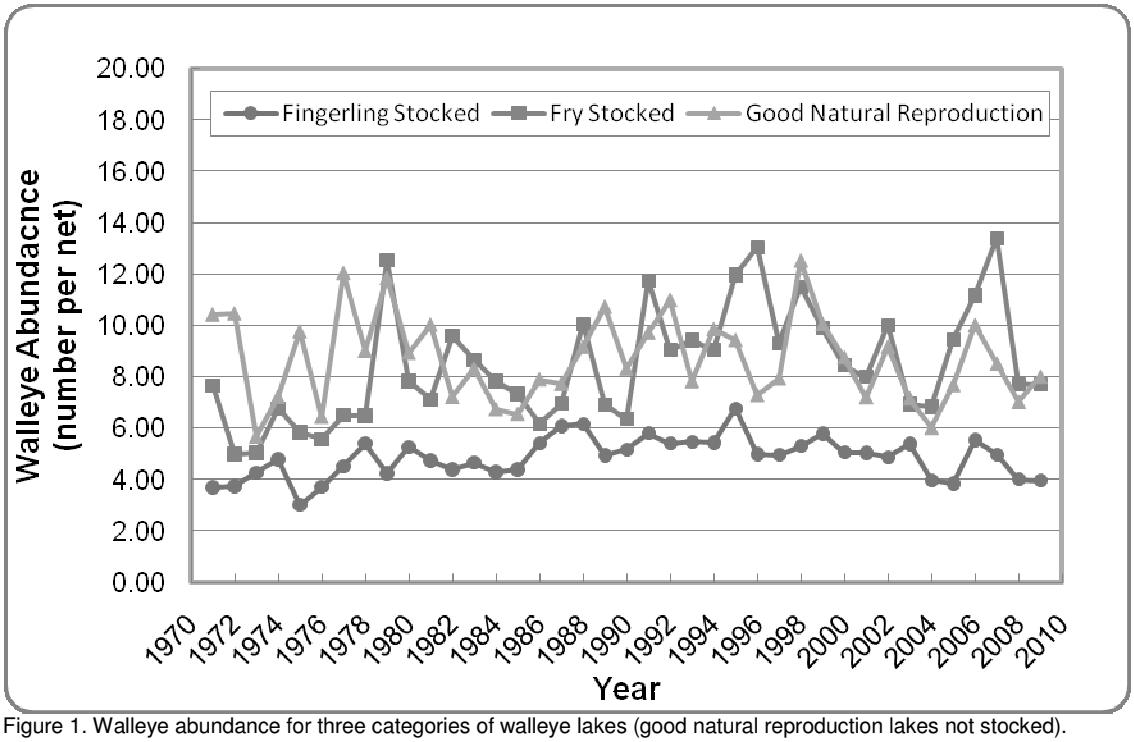


Figure 1. Walleye abundance for three categories of walleye lakes (good natural reproduction lakes not stocked).

- *Performance Measure: Fish and wildlife health.*
  Over the past four biennia, the program has reallocated existing resources and successfully leveraged federal and other state resources to address disease threats such as chronic wasting disease of cervids (CWD); bovine tuberculosis (TB) in deer associated with positive cattle herds; surveillance for highly pathogenic avian influenza (AI); and surveillance and implementation of preventive regulations for viral hemorraghic septicemia (VHS) in fish. The goal is complete eradication (zero prevalence) of bovine TB in wild deer, and significant progress has been made towards that goal (see Figure 2).

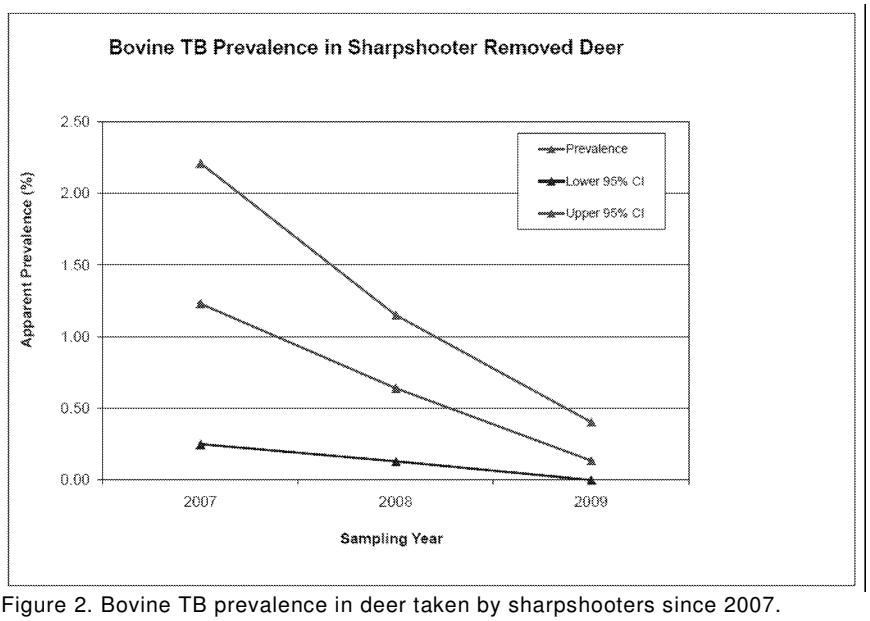


Figure 2. Bovine TB prevalence in deer taken by sharpshooters since 2007.

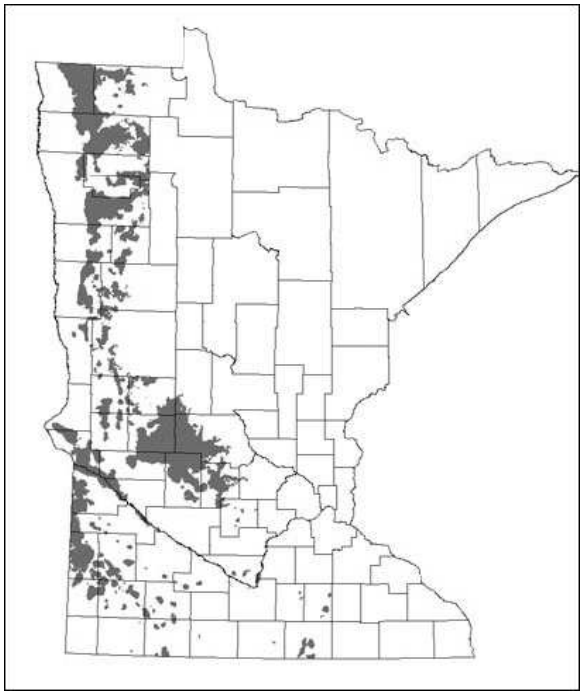


Figure 3. The map shading represents areas with the best opportunities for restoring and protecting prairie-wetland complexes.

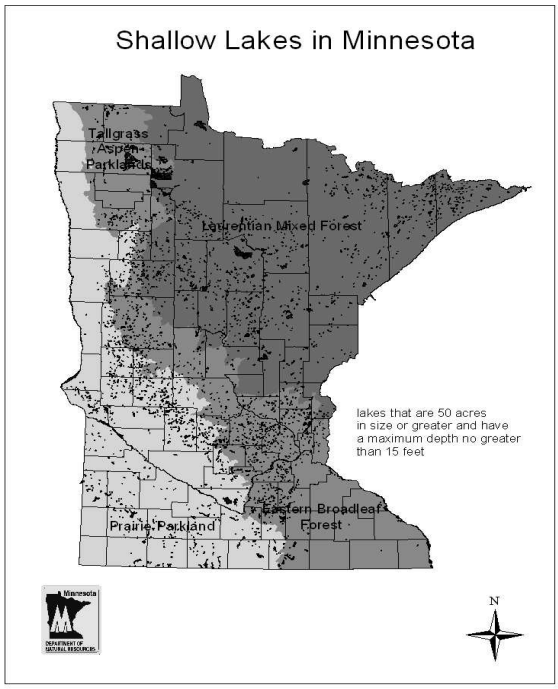


Figure 4. Shallow lakes are distributed through the forest, transition and prairie portions of the state.

- *Performance Measure: Gray wolf management.*
  Since listing under the Endangered Species Act of 1973, the Minnesota wolf population has increased and expanded into Wisconsin and Michigan, resulting in a Western Great Lakes regional population of 4,000 wolves. The population in this region has greatly exceeded all measures of recovery called for in federal wolf recovery plans.

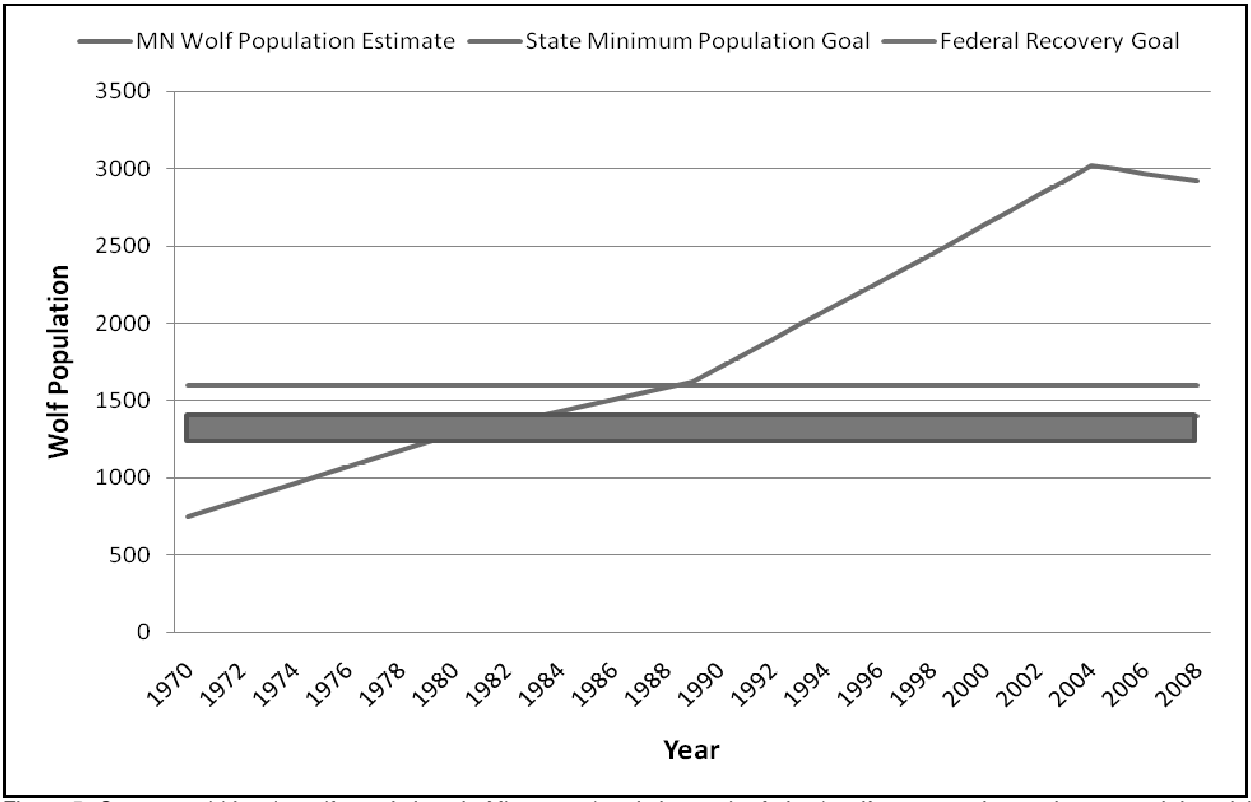
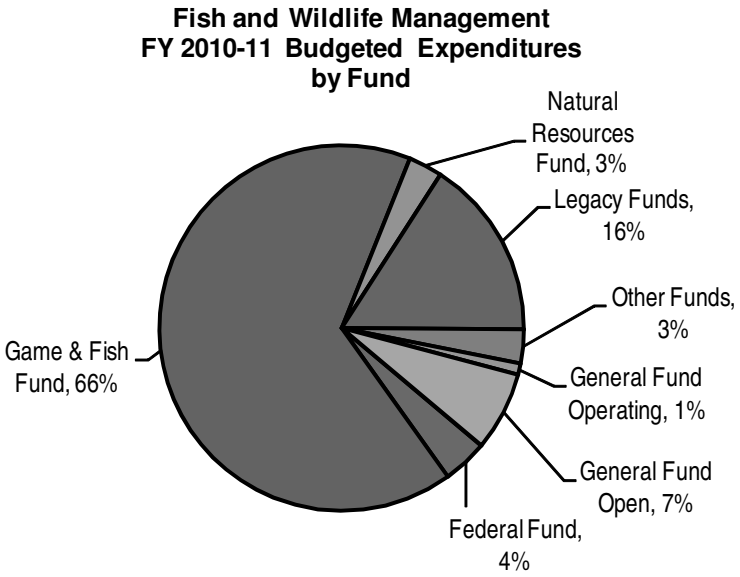


Figure 5. Current and historic wolf populations in Minnesota in relation to the federal wolf recovery plan goal range and the minimum population goal established in Minnesota's Wolf Management Plan.

Program Funding



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Dollars in Thousands

	Current FY2010	Current FY2011	Governor Recomm. FY2012	Governor Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Environment & Natural Resource					
Current Appropriation	1,445	507	507	507	1,014
Technical Adjustments					
One-time Appropriations			(507)	(507)	(1,014)
Subtotal - Forecast Base	1,445	507	0	0	0
Total	**1,445**	**507**	**0**	**0**	**0**
General					
Current Appropriation	1,075	850	850	850	1,700
Technical Adjustments					
Current Law Base Change			(205)	(205)	(410)
One-time Appropriations			(375)	(375)	(750)
Operating Budget Reduction			(8)	(8)	(16)
Subtotal - Forecast Base	1,075	850	262	262	524
Governor's Recommendations					
General Fund Reduction		0	(60)	(60)	(120)
Wildlife Health Appropriation		0	975	975	1,950
Total	**1,075**	**850**	**1,177**	**1,177**	**2,354**
Natural Resources					
Current Appropriation	1,976	1,976	1,976	1,976	3,952
Technical Adjustments					
Approved Transfer Between Appr			(77)	(77)	(154)
Subtotal - Forecast Base	1,976	1,976	1,899	1,899	3,798
Total	**1,976**	**1,976**	**1,899**	**1,899**	**3,798**
Game And Fish (operations)					
Current Appropriation	64,423	64,258	64,258	64,258	128,516
Technical Adjustments					
Approved Transfer Between Appr			300	300	600
One-time Appropriations			(150)	(150)	(300)
Subtotal - Forecast Base	64,423	64,258	64,408	64,408	128,816
Governor's Recommendations					
Hunting and Fishing Heritage Initiative		0	4,908	6,155	11,063
Dedicated Accounts Adjustment		0	(6,345)	(6,345)	(12,690)
Lamprey Pass		0	600	0	600
Total	**64,423**	**64,258**	**63,571**	**64,218**	**127,789**
Outdoor Heritage					
Current Appropriation	18,261	17,889	17,889	17,889	35,778
Technical Adjustments					
One-time Appropriations			(17,889)	(17,889)	(35,778)
Subtotal - Forecast Base	18,261	17,889	0	0	0
Total	**18,261**	**17,889**	**0**	**0**	**0**

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Expenditures by Fund					
Direct Appropriations					
Environment & Natural Resource	902	1,794	0	0	0
General	869	646	1,177	1,177	2,354
Natural Resources	1,413	2,458	1,899	1,899	3,798
Game And Fish (Operations)	60,583	69,522	63,579	64,226	127,805
Outdoor Heritage	11,437	21,632	0	0	0
Clean Water	0	1,145	0	0	0
Open Appropriations					
General	7,985	8,010	7,815	7,908	15,723
Game And Fish (Operations)	717	793	793	793	1,586
Statutory Appropriations					
Natural Resources	1,460	1,322	1,211	1,216	2,427
Miscellaneous Special Revenue	2,506	2,343	2,282	2,282	4,564
Game And Fish (Operations)	3,740	3,514	9,321	9,330	18,651
Federal	1,335	2,866	3,796	990	4,786
Reinvest In Minnesota	2,590	2,229	3,478	3,479	6,957
Gift	107	210	210	210	420
Total	**95,644**	**118,484**	**95,561**	**93,510**	**189,071**
Expenditures by Category					
Total Compensation	42,626	44,341	45,842	47,090	92,932
Other Operating Expenses	34,172	55,277	39,851	39,386	79,237
Capital Outlay & Real Property	11,612	11,220	5,503	4,903	10,406
Payments To Individuals	3	0	0	0	0
Local Assistance	7,231	7,646	4,365	2,131	6,496
Total	**95,644**	**118,484**	**95,561**	**93,510**	**189,071**
Expenditures by Activity					
Fish And Wildlife Management	88,093	109,320	87,306	85,207	172,513
Licensing	7,551	9,164	8,255	8,303	16,558
Total	**95,644**	**118,484**	**95,561**	**93,510**	**189,071**
Full-Time Equivalents (FTE)	**596.6**	**597.5**	**636.3**	**636.1**	

Activity at a Glance

- Serves 1.5 million licensed anglers, 600,000 licensed hunters and trappers, and 2.1 million wildlife watchers
- Generates $4.3 billion in annual expenditures in Minnesota from fishing, hunting, wildlife watching, and trapping
- Manages fisheries in Minnesota's lakes, streams, and rivers
- Manages over 50 wildlife game species in Minnesota

Activity Description

The purpose of the Fish and Wildlife Management Activity is to manage fish and wildlife populations and habitat and to provide for the public use of fish and wildlife in the state, including fishing, hunting, and trapping opportunities. This activity provides for the coordination and delivery of comprehensive fish and wildlife management services through regional offices, area offices, and fish hatcheries throughout the state.

Population Served

This activity improves the quality of life for all Minnesotans and visitors. It ensures public access to enjoyable hunting, fishing, trapping, and wildlife-watching opportunities through a system of wildlife management areas (WMAs) and aquatic management areas (AMAs). These outdoor recreation opportunities promote personal health and benefit Minnesota's economy. For instance, annual fishing and hunting expenditures in Minnesota support an estimated 55,700 jobs.

Services Provided

The Fish and Wildlife Management Activity contributes to the Department of Natural Resources' (DNR) conservation mission by managing fish and wildlife populations, conserving fish and wildlife habitats, responding to fish and wildlife disease, and providing recreational opportunities that also support the state's economy through the use and development of these opportunities. See the Fish and Wildlife Program for descriptions of the primary services provided by this activity:

- Fish and Wildlife Population Management
- Fish and Wildlife Habitat Management
- Technical Assistance, Planning, and Public Participation
- Outreach
- Public Information and Customer Service

Historical Perspective

The Fish and Wildlife Management Activity is funded largely through dedicated sources of funding consisting of user fees, including fishing and hunting license fees and state allotments of federal excise taxes from the sale of fishing and hunting related products and equipment. These revenues are deposited in the game and fish fund in the state treasury (M.S. 97A.055).

The Fish and Wildlife Management Activity has a history of adaptation and innovation in its program in response to changing public needs and demands for fish and wildlife conservation delivery. However, given the current trends affecting fish and wildlife resources and the increasing demand for specialized services from our customers, the need for new and innovative approaches has never been greater. With professional field staff and equipment located throughout the state, the Fish and Wildlfie Management Activity provides critical infrastructure for the state's habitat conservation efforts and also leverages resources by integrating with other related efforts, including outdoor heritage and clean water fund initiatives and farm bill programs.

Key Activity Goals and Measures

This activity addresses the department's overarching goals from the DNR's *A Strategic Conservation Agenda 2009-2013*. The department 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 the Fish and Wildlife Management program narrative for specific examples of fish and wildlife measures.

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Dollars in Thousands

	Current FY2010	Current FY2011	Governor's Recomm. FY2012	Governor's Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Environment & Natural Resource					
Current Appropriation	1,445	507	507	507	1,014
Technical Adjustments					
One-time Appropriations			(507)	(507)	(1,014)
Subtotal - Forecast Base	1,445	507	0	0	0
Total	**1,445**	**507**	**0**	**0**	**0**
General					
Current Appropriation	1,075	850	850	850	1,700
Technical Adjustments					
Current Law Base Change			(205)	(205)	(410)
One-time Appropriations			(375)	(375)	(750)
Operating Budget Reduction			(8)	(8)	(16)
Subtotal - Forecast Base	1,075	850	262	262	524
Governor's Recommendations					
General Fund Reduction		0	(60)	(60)	(120)
Wildlife Health Appropriation		0	975	975	1,950
Total	**1,075**	**850**	**1,177**	**1,177**	**2,354**
Natural Resources					
Current Appropriation	726	726	726	726	1,452
Technical Adjustments					
Approved Transfer Between Appr			3	3	6
Subtotal - Forecast Base	726	726	729	729	1,458
Total	**726**	**726**	**729**	**729**	**1,458**
Game And Fish (operations)					
Current Appropriation	63,074	62,909	62,909	62,909	125,818
Technical Adjustments					
Approved Transfer Between Appr			324	324	648
One-time Appropriations			(150)	(150)	(300)
Subtotal - Forecast Base	63,074	62,909	63,083	63,083	126,166
Governor's Recommendations					
Hunting and Fishing Heritage Initiative		0	4,884	6,097	10,981
Dedicated Accounts Adjustment		0	(6,345)	(6,345)	(12,690)
Lamprey Pass		0	600	0	600
Total	**63,074**	**62,909**	**62,222**	**62,835**	**125,057**
Outdoor Heritage					
Current Appropriation	18,261	17,889	17,889	17,889	35,778
Technical Adjustments					
One-time Appropriations			(17,889)	(17,889)	(35,778)
Subtotal - Forecast Base	18,261	17,889	0	0	0
Total	**18,261**	**17,889**	**0**	**0**	**0**

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

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Expenditures by Fund					
Direct Appropriations					
Environment & Natural Resource	902	1,794	0	0	0
General	869	646	1,177	1,177	2,354
Natural Resources	699	752	729	729	1,458
Game And Fish (Operations)	59,702	67,798	62,230	62,843	125,073
Outdoor Heritage	11,437	21,632	0	0	0
Clean Water	0	1,145	0	0	0
Open Appropriations					
General	7,985	8,010	7,815	7,908	15,723
Game And Fish (Operations)	717	793	793	793	1,586
Statutory Appropriations					
Natural Resources	91	122	14	14	28
Miscellaneous Special Revenue	1,178	993	932	932	1,864
Game And Fish (Operations)	482	406	6,207	6,207	12,414
Federal	1,334	2,790	3,721	915	4,636
Reinvest In Minnesota	2,590	2,229	3,478	3,479	6,957
Gift	107	210	210	210	420
Total	**88,093**	**109,320**	**87,306**	**85,207**	**172,513**
Expenditures by Category					
Total Compensation	41,075	42,807	44,283	45,496	89,779
Other Operating Expenses	28,172	47,647	33,155	32,677	65,832
Capital Outlay & Real Property	11,612	11,220	5,503	4,903	10,406
Payments To Individuals	3	0	0	0	0
Local Assistance	7,231	7,646	4,365	2,131	6,496
Total	**88,093**	**109,320**	**87,306**	**85,207**	**172,513**
Full-Time Equivalents (FTE)	**571.1**	**572.0**	**610.8**	**610.6**	

Activity at a Glance

- Manage the 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 1,600 point-of-sale hunting and fishing license agents and 173 registration and titling agents
- Collect $63 million in receipts annually
- Process over 500,000 pieces of mail annually
- Answer over 100,000 questions via telephone each year

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), off-highway motorcycles (OHMs), and snowmobiles through an electronic licensing system (ELS) developed specifically for the state of Minnesota.

Population Served

This activity serves the general public, licensing agents, deputy registrars, and management within the Department of Natural Resources (DNR).

Services Provided

Licensing supports DNR's three-part mission by ensuring easy access to licenses is provided to outdoors enthusiasts. Most agent sites include retail sales of outdoor sporting equipment at locations throughout the state that are also near recreation opportunities, such as hunting, hiking, or fishing.

DNR's License Center is responsible for the development, implementation, and maintenance of the statewide ELS. Hunting and fishing licenses can be purchased at any of the 1,600 ELS agent locations, by phone, or online. License Center responsibilities also include commercial licenses (e.g., minnow dealers, game farms, and shooting preserves) and the lottery system for issuing controlled hunt permits (e.g., turkey, antlerless deer, bear, moose, and elk). The License Center issues all watercraft registration and titles and the registration of ATVs, snowmobiles, off-road vehicles (ORVs), and OHMs through the 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. This includes hunting regulations, fishing regulations, waterfowl supplements, boating guides, snowmobile regulations, and OHV regulations.

Historical Perspective

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. In addition, the ELS system accelerates the collection of revenues from license, registration, and title sales.

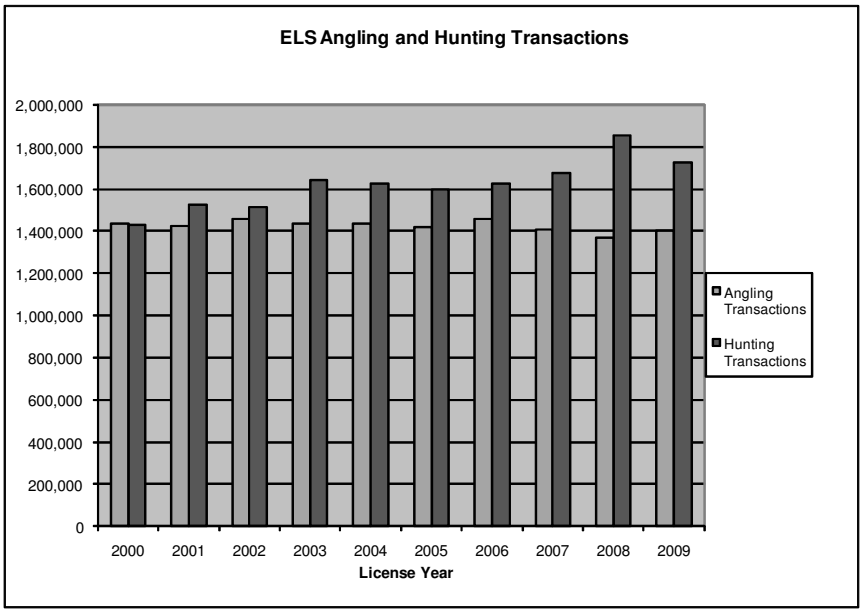
In February 2010, the DNR rolled out an enhanced version of the ELS system using the latest technology available. The system is now web-integrated, has a Windows operating system which is touch screen and user friendly, and has barcode readability to make more accurate data entry. Usability and pricing improvements were also made to the online sale system.

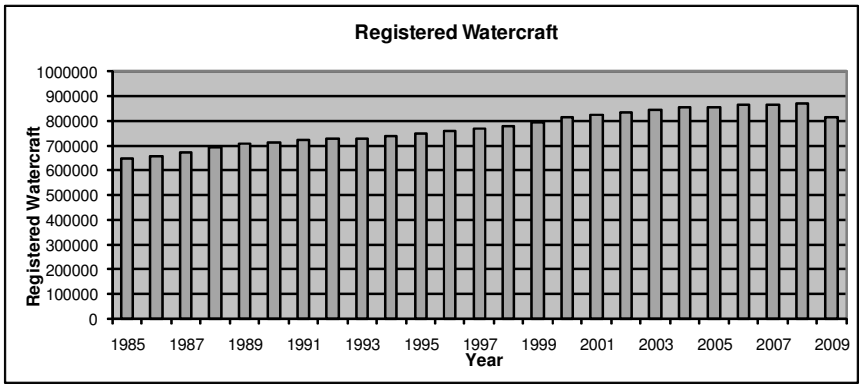
Purchase of licenses can be made from a local agent, by phone, or online. Hunting and fishing licenses can be purchased electronically any time of the day, any day of the week. ELS has also streamlined business practices and cut administrative costs. Currently 135 different transactions are available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

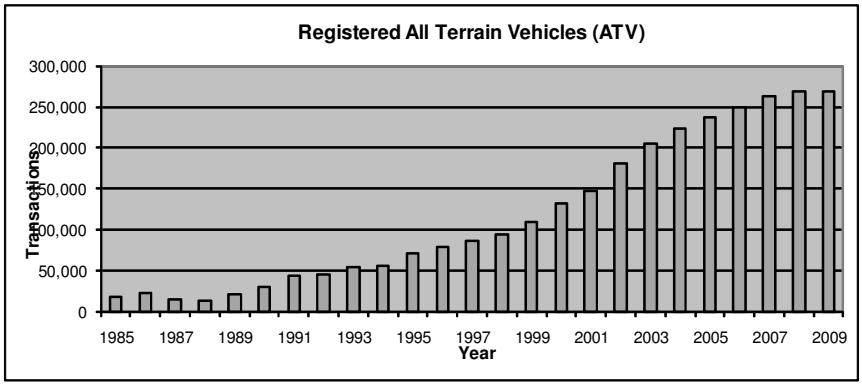
Key Activity Goals and Measures

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

- DNR will support local economies by making licenses available at 1,600 locations statewide;
- DNR will provide license services in an efficient and cost effective manner;
- License vendors will provide accurate regulation information to customers purchasing licenses; and
- ELS data will be used as appropriate for analysis for resource management and recreational trends.







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

Budget Activity Summary

Dollars in Thousands

	Current FY2010	Current FY2011	Governor's Recomm. FY2012	Governor's Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Natural Resources					
Current Appropriation	1,250	1,250	1,250	1,250	2,500
Technical Adjustments					
Approved Transfer Between Appr			(80)	(80)	(160)
Subtotal - Forecast Base	1,250	1,250	1,170	1,170	2,340
Total	**1,250**	**1,250**	**1,170**	**1,170**	**2,340**
Game And Fish (operations)					
Current Appropriation	1,349	1,349	1,349	1,349	2,698
Technical Adjustments					
Approved Transfer Between Appr			(24)	(24)	(48)
Subtotal - Forecast Base	1,349	1,349	1,325	1,325	2,650
Governor's Recommendations					
Hunting and Fishing Heritage Initiative		0	24	58	82
Total	**1,349**	**1,349**	**1,349**	**1,383**	**2,732**
Expenditures by Fund					
Direct Appropriations					
Natural Resources	714	1,706	1,170	1,170	2,340
Game And Fish (Operations)	881	1,724	1,349	1,383	2,732
Statutory Appropriations					
Natural Resources	1,369	1,200	1,197	1,202	2,399
Miscellaneous Special Revenue	1,328	1,350	1,350	1,350	2,700
Game And Fish (Operations)	3,258	3,108	3,114	3,123	6,237
Federal	1	76	75	75	150
Total	**7,551**	**9,164**	**8,255**	**8,303**	**16,558**
Expenditures by Category					
Total Compensation	1,551	1,534	1,559	1,594	3,153
Other Operating Expenses	6,000	7,630	6,696	6,709	13,405
Total	**7,551**	**9,164**	**8,255**	**8,303**	**16,558**
Full-Time Equivalents (FTE)	**25.5**	**25.5**	**25.5**	**25.5**	

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 the tourism industry and the state's economy. FY 2010 highlights include:

- Protected public safety by responding to emergencies such as floods, fires, and tornadoes
- Documented 26,500 violations
- Provided education and safety classes to 25,400 citizens
- Enforced the Wetlands Conservation Act (WCA)
- Partnered with other division and bureau staff in support of the law enforcement mission
- Administered $1.9 million in grants to local law enforcement agencies for enforcement work in boat and water, snowmobile, Off-Highway Vehicles (OHV), and also administered matching dollars for the improvement of public shooting and archery ranges

Program Description

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

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

- hunting and fishing seasons, methods of taking wild animals, and possession limits;
- public safety, including regulating Off-Highway Vehicle (OHV) and watercraft operation, alcohol impaired operation, and response to natural disasters;
- regulating commercial use and exploitation of natural resources and products;
- protection of the state's land, air, and water quality; and
- safety training and hunter education for youth and adults.

Population Served

The division serves all Minnesotans both directly and indirectly by safeguarding the public safety through our education and enforcement efforts and maintaining the quality of the state's game and fish populations and the environment. This work has a direct impact on the economic health of the state and results in the creation and retention of tourism and outdoor recreation related jobs. Protecting the environment adds to the quality of life for all Minnesotans, as well as for tourists and other visitors enjoying our abundant natural resources and recreational opportunities. Protecting the quality of Minnesota's natural resources and maintaining the safety of our trails and waterways is essential in keeping Minnesota a desirable destination for outdoor enthusiasts from throughout the nation.

Services Provided

The Division of Enforcement supports the department's three-part mission – outdoor recreation, economic development, and natural resources protection – by protecting natural resources, ensuring safe and enjoyable recreational experiences, and protecting public safety. The Division of Enforcement provides services to the state through the use of community-based conservation officers and specially trained officers assigned for support. Services currently provided through the division include:

- 154 officer stations at full complement, assigned to communities for field operations (14 vacancies currently);
- Special Investigation Unit (SIU), targeting unlawful commercial activity;
- Water Resource Enforcement Officers (WREOs), specifically trained in the complexities of state and federal wetland issues dealing with unlawful activity related to wetlands and wetlands destruction, and also serve as the lead unit addressing invasive species enforcement and education;
- Training and Standards Unit, concentrating on officer training, academy training, professionalism, and promoting safe recreational use of the state's lands and waters;
- Information and Education program, administering mandated safety training and education programs delivered through volunteer instructors, regional training officers, and local conservation officers; and
- Administration of grants to counties for additional work in recreational vehicle enforcement.

Historical Perspective

Natural resource commercial and recreational use has increased many-fold in the last half-century; however, the Division of Enforcement currently has the same number of field officer positions that were present in 1940. In addition to the exponential increase in the number of traditional hunters – for instance, the number of deer hunters has increased over 650% and the number of anglers has increased over 400% since 1940 – the state has many new user groups. Responsibilities that have been added to the division since the 1940s include:

- Wetlands drainage/Wetlands Conservation Act (WCA) enforcement;
- Invasive species enforcement and education;
- State/grants-in-aid (GIA) trails (20,000 miles);
- All-Terrain Vehicles (ATV's), Off-Road Vehicles (ORV's), Off-Highway Motorcycles (OHM's), Snowmobiles (540,619 registered);
- Firearm Safety Education (23,221), Snowmobile Safety Education (9930), OHV Safety Education (4131), Adult Hunter Education (2182 students), and Boat and Water Safety Enforcement (812,325 registered watercraft);
- Water quality and pollution issues;
- Commercial enterprises such as shooting preserves, taxidermists, and game farms;
- State parks and trails enforcement;
- Forest Arson Investigations, Timber Trespass, and Bough Harvest;
- New seasons for wildlife species, e.g., metro goose, light geese, turkey, moose, muzzleloader deer, archery deer, mourning doves, crows, and prairie chicken;
- Indian Treaty issues including those pertaining to the 1837,1854, and 1855 Treaties;
- Cross-Country Ski Passes and horse passes;
- Shoreline Protection and Aquatic Plant Management; and
- Impaired operation of recreational vehicles and hunting while impaired.

While the traditional role of conservation officer patrol and the apprehension of violators is a key factor in effective management, specialized training and skills are required for a more comprehensive approach to wildlife and environmental protection.

Key Program Goals & Measures

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's role in the preservation of key wetlands is integral to the habitat needs of many of Minnesota's important species. Likewise, enforcement efforts on special regulation/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 2009-2013*. As little as a 10% violation rate in these waters can negate the research efforts of these programs and can result in a neutralization of management efforts.

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 to inform and influence citizens to increase voluntary compliance and report more violations, and educational efforts will be enhanced. As part of the division's efforts to provide greater access to safety training education programs, the Youth Hunter Education course is now available online through an interactive internet format. 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 2009-2013*.

- *Performance Measure: Game and fish protection*
  Compliance with natural resource laws is difficult to measure. Our goal is to increase the compliance rate as well as maintain levels of service hours in the following priority areas:
  - Environmental Protection: Wetlands Conservation Act (WCA) and related water quality enforcement. Due to increased support from Ecological Resources, the division will continue enforcement and education efforts in invasive species. During 2009, more than 9,900 hours were spent on WCA enforcement and

training, and approximately 10,900 hours were spent on water quality, aquatic vegetation, alter cross-section of a lake/stream and invasive species enforcement.
  - Experimental/Special Regulation Waters: Conservation Officers will maintain our core efforts on these waters. Approximately 98,250 hours were spent on fisheries enforcement in 2009.
  - Waterfowl Task Force: Although still a priority, dropping waterfowl stamp license sales and a reduction in the number of available field officers will result in a reduction of Task Force operations. During 2009, more than 15,800 hours were spent on waterfowl enforcement.

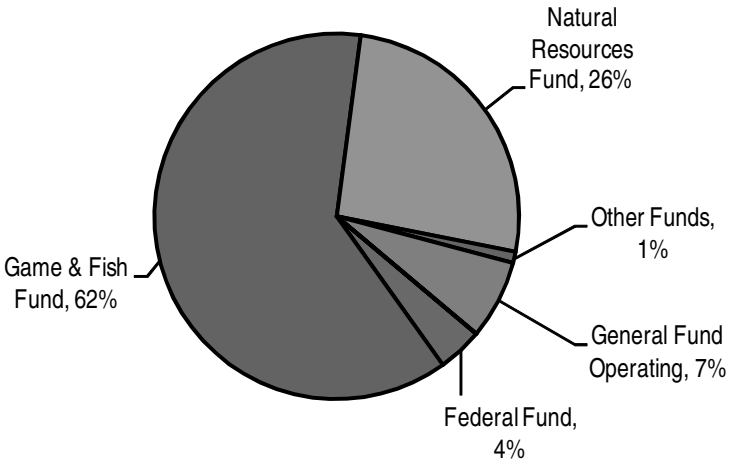
- *Performance Measure: Recreational vehicle law enforcement*
  - Hours spent in law enforcement activities addressing boating, snowmobiles, ATVs, OHM and OHV will be maintained in FY 2012.
  - The division will continue all enforcement efforts including information, education, and training at current levels with a goal of maintaining compliance and reducing injuries and fatalities associated with the unlawful operation of recreational vehicles. Administration of a Trail Ambassador program will continue to provide for ATV trail monitoring by trained volunteers.

- *Performance Measure: Safety education*
  - Outreach efforts will be increased by partnering with the Hunting Recruitment and Retention Program to provide expanded hunter education opportunities as well as the launch of an online Youth Hunter Safety course option. In FY 2009, the Enforcement division trained more than 23,200 students in firearms safety and approximately 2,200 students in advance hunter education (including bear clinics and turkey clinics) with the goal of reducing the injuries/fatalities associated with firearms hunting incidents.

- *Performance Measure: Fuel consumption*
  - The division continues its efforts to reduce fuel consumption. From FY 2008 to FY 2010, the division reduced its gasoline consumption by more than 30%, increasing the use of diesel trucks and reducing overall fuel consumption.

Program Funding

Enforcement NR Laws and Rules
FY 2010-11 Budgeted Expenditures
by Fund



Contact

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Dollars in Thousands

	Current FY2010	Current FY2011	Governor Recomm. FY2012	Governor Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
General					
Current Appropriation	2,659	2,179	2,179	2,179	4,358
Technical Adjustments					
Approved Transfer Between Appr			(94)	(94)	(188)
Biennial Appropriations			135	135	270
Operating Budget Reduction			(4)	(4)	(8)
Subtotal - Forecast Base	2,659	2,179	2,216	2,216	4,432
Total	**2,659**	**2,179**	**2,216**	**2,216**	**4,432**
Natural Resources					
Current Appropriation	8,551	8,531	8,531	8,531	17,062
Technical Adjustments					
Approved Transfer Between Appr			27	27	54
Subtotal - Forecast Base	8,551	8,531	8,558	8,558	17,116
Governor's Recommendations					
Maint. of NR Enf/Educ/Public Safety		0	290	1,033	1,323
Total	**8,551**	**8,531**	**8,848**	**9,591**	**18,439**
Game And Fish (operations)					
Current Appropriation	19,970	20,115	20,115	20,115	40,230
Technical Adjustments					
Approved Transfer Between Appr			84	84	168
One-time Appropriations			(145)	(145)	(290)
Subtotal - Forecast Base	19,970	20,115	20,054	20,054	40,108
Governor's Recommendations					
Hunting and Fishing Heritage Initiative		0	1,534	3,206	4,740
Maint. of NR Enf/Educ/Public Safety		0	390	1,390	1,780
Total	**19,970**	**20,115**	**21,978**	**24,650**	**46,628**
Remediation Fund					
Current Appropriation	100	100	100	100	200
Subtotal - Forecast Base	100	100	100	100	200
Total	**100**	**100**	**100**	**100**	**200**

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Expenditures by Fund					
Direct Appropriations					
General	2,729	2,085	2,216	2,216	4,432
Natural Resources	8,137	8,807	8,848	9,591	18,439
Game And Fish (Operations)	19,726	20,486	21,978	24,650	46,628
Remediation Fund	100	100	100	100	200
Statutory Appropriations					
Natural Resources	105	63	295	197	492
Miscellaneous Special Revenue	174	7	7	7	14
Game And Fish (Operations)	200	286	400	400	800
Federal	1,355	1,630	1,043	1,043	2,086
Gift	14	16	15	15	30
Total	**32,540**	**33,480**	**34,902**	**38,219**	**73,121**
Expenditures by Category					
Total Compensation	21,904	20,320	21,924	24,407	46,331
Other Operating Expenses	7,599	9,894	9,779	10,613	20,392
Local Assistance	3,037	3,266	3,199	3,199	6,398
Total	**32,540**	**33,480**	**34,902**	**38,219**	**73,121**
Expenditures by Activity					
Enforcement Nr Laws & Rules	32,540	33,480	34,902	38,219	73,121
Total	**32,540**	**33,480**	**34,902**	**38,219**	**73,121**
Full-Time Equivalents (FTE)	**244.7**	**244.7**	**259.7**	**283.1**	

Program Description

The purpose of the Operations Support Program is to provide direction and coordination of Department of Natural Resources (DNR) programs and operations, provide local services to the public across the state through regional operations, manage pass-through grants, and direct the management of school and university trust fund lands and mineral rights.

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
- Trust Land Management

Dollars in Thousands

	Current FY2010	Current FY2011	Governor Recomm. FY2012	Governor Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Environment & Natural Resource					
Current Appropriation	7,148	7,187	7,187	7,187	14,374
Technical Adjustments					
One-time Appropriations			(7,187)	(7,187)	(14,374)
Subtotal - Forecast Base	7,148	7,187	0	0	0
Total	**7,148**	**7,187**	**0**	**0**	**0**
General					
Current Appropriation	1,166	1,581	1,581	1,581	3,162
Technical Adjustments					
Approved Transfer Between Appr			(2)	(2)	(4)
Current Law Base Change			445	445	890
One-time Appropriations			(500)	(500)	(1,000)
Operating Budget Reduction			(2)	(2)	(4)
Subtotal - Forecast Base	1,166	1,581	1,522	1,522	3,044
Governor's Recommendations					
General Fund Reduction		0	(634)	(634)	(1,268)
Total	**1,166**	**1,581**	**888**	**888**	**1,776**
Natural Resources					
Current Appropriation	534	534	534	534	1,068
Technical Adjustments					
Approved Transfer Between Appr			(53)	(53)	(106)
Subtotal - Forecast Base	534	534	481	481	962
Governor's Recommendations					
General Fund Reduction		0	324	324	648
Total	**534**	**534**	**805**	**805**	**1,610**
Game And Fish (operations)					
Current Appropriation	1,089	1,089	1,089	1,089	2,178
Technical Adjustments					
Approved Transfer Between Appr			(148)	(148)	(296)
Subtotal - Forecast Base	1,089	1,089	941	941	1,882
Total	**1,089**	**1,089**	**941**	**941**	**1,882**
Outdoor Heritage					
Current Appropriation	21,508	33,555	33,555	33,555	67,110
Technical Adjustments					
One-time Appropriations			(33,555)	(33,555)	(67,110)
Subtotal - Forecast Base	21,508	33,555	0	0	0
Total	**21,508**	**33,555**	**0**	**0**	**0**
Parks And Trails					
Current Appropriation	250	0	0	0	0
Subtotal - Forecast Base	250	0	0	0	0
Total	**250**	**0**	**0**	**0**	**0**

Expenditures by Fund

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Direct Appropriations					
Environment & Natural Resource	5,496	7,844	0	0	0
General	1,452	2,174	888	888	1,776
Natural Resources	453	520	805	805	1,610
Game And Fish (Operations)	804	1,139	941	941	1,882
Outdoor Heritage	21,250	33,631	0	0	0
Parks And Trails	174	76	0	0	0
Statutory Appropriations					
General	26	158	25	0	25
Natural Resources	0	0	310	310	620
Miscellaneous Special Revenue	609	1,530	643	482	1,125
Federal	2,667	4,029	3,637	1,850	5,487
Gift	1,166	1,016	1,118	1,118	2,236
Total	**34,097**	**52,117**	**8,367**	**6,394**	**14,761**
Expenditures by Category					
Total Compensation	2,719	3,022	3,087	2,677	5,764
Other Operating Expenses	3,450	6,273	4,144	2,922	7,066
Capital Outlay & Real Property	1,081	2,752	816	475	1,291
Local Assistance	26,848	40,070	320	320	640
Other Financial Transactions	(1)	0	0	0	0
Total	**34,097**	**52,117**	**8,367**	**6,394**	**14,761**

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Expenditures by Activity					
Operations Support	34,097	52,117	8,367	6,394	14,761
Total	**34,097**	**52,117**	**8,367**	**6,394**	**14,761**
Full-Time Equivalents (FTE)	**31.1**	**29.4**	**28.7**	**28.7**	

Activity at a Glance

- Execute the direction and policy of the executive branch and legislature
- Direct budget and accounting policy for effective use for approximately $450 million per year
- Manage Federal Emergency Management Agency (FEMA) public assistance grants for damage to DNR properties and facilities from natural disasters
- Provide technical assistance and outreach to local communities, stakeholders, and elected officials

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; managing pass-through grants; and delivering services at the local level across the state through regional operations. DNR's Regional Operations include 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, the Environment and Natural Resources Fund, and the Clean Water, Land, and Legacy funds.

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

DNR has a three-part mission, based on the interrelated values of economic development, recreational use, and natural resources protection. This activity provides leadership to the department by integrating department operations and formulating and establishing department policies and procedures to enable DNR programs to deliver conservation services by harnessing the energy of partnerships, using the power of the market place, and connecting citizens with the environment.

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 and outreach to local communities, stakeholders, and elected officials; and
  - coordination of the department's emergency response assistance in the event of a non-fire emergency.

Historical Perspective

During the past several years, DNR has been strategically reorganizing its operations to better address critical natural resource trends and increase operational efficiencies. Recent changes in the department's Regional Operations reflect these efforts. For example, Information Officers are now programmed under the department's Office of Communications and Outreach in order to more effectively align departmental communications. Likewise, the community assistance program is now contained within the Division of Ecological and Water Resources to enable the department to better coordinate and manage this work and ensure these activities align the new division's strategic direction. Regional Operations continue to deliver services and provide integrated natural resource management at the local level.

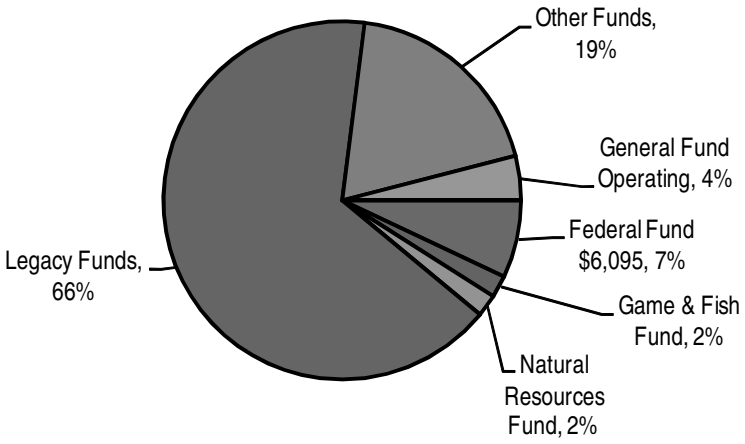
Key Activity Goals & Measures

Recent trends are changing the nature of the state's natural resources and their contribution to Minnesota's quality of life. DNR is responding with innovative and collaborative approaches to address 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.

- *Performance Measure: DNR's performance management system*
  DNR manages an agency-wide performance management system that connects the department's mission and goals to budgets and uses performance indicators and targets to measure conservation results. Performance indicators serve to clearly define the agency's natural resource priorities, measure progress, and provide accountability toward results. DNR's *A Strategic Conservation Agenda 2009 – 2013* reports on approximately 90 indicators and associated targets that reflect the range and reach of DNR's mission. DNR's *Budgeting for Results* summarizes budgets, performance measures, and outcomes for the department's program-level strategic objectives. DNR's Outcomes Tracking System is an agency-wide system that provides up-to-date and integrated performance reporting of DNR programs and projects supported by dedicated funding sources.
- *Performance Measure: Drive department to operational efficiency*
  DNR manages a state-wide staff of approximately 2,700 full-time equivalents, fleet, and facilities – including 2,500 buildings at 180 locations and 5,000 pieces of fleet equipment worth more than $1 billion. Setting the standard for a high level of safety performance ensures department employees get home safely every day. DNR has tailored safety training, improved communications, and implemented a department-wide safety strategy, resulting in a 50% decrease in recordable injuries over the last ten years and savings in workers compensation claims. DNR's fleet transports staff more than 17 million driving miles each year. By optimizing inventory and reducing fuel consumption, DNR has its annual debt payment and saved approximately $10 million over the last five years. Lastly, DNR is improving the energy performance of its facilities and working across units of government to determine opportunities for co-location to reduce costs.

Activity Funding

Operations Support
FY 2010-11 Budgeted Expenditures
by Fund



95% of "Other Funds" and "Legacy Funds" are pass through grants

Contact

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Dollars in Thousands

	Current FY2010	Current FY2011	Governor's Recomm. FY2012	Governor's Recomm. FY2013	Biennium 2012-13
Direct Appropriations by Fund					
Environment & Natural Resource					
Current Appropriation	7,148	7,187	7,187	7,187	14,374
Technical Adjustments					
One-time Appropriations			(7,187)	(7,187)	(14,374)
Subtotal - Forecast Base	7,148	7,187	0	0	0
Total	**7,148**	**7,187**	**0**	**0**	**0**
General					
Current Appropriation	1,166	1,581	1,581	1,581	3,162
Technical Adjustments					
Approved Transfer Between Appr			(2)	(2)	(4)
Current Law Base Change			445	445	890
One-time Appropriations			(500)	(500)	(1,000)
Operating Budget Reduction			(2)	(2)	(4)
Subtotal - Forecast Base	1,166	1,581	1,522	1,522	3,044
Governor's Recommendations					
General Fund Reduction		0	(634)	(634)	(1,268)
Total	**1,166**	**1,581**	**888**	**888**	**1,776**
Natural Resources					
Current Appropriation	534	534	534	534	1,068
Technical Adjustments					
Approved Transfer Between Appr			(53)	(53)	(106)
Subtotal - Forecast Base	534	534	481	481	962
Governor's Recommendations					
General Fund Reduction		0	324	324	648
Total	**534**	**534**	**805**	**805**	**1,610**
Game And Fish (operations)					
Current Appropriation	1,089	1,089	1,089	1,089	2,178
Technical Adjustments					
Approved Transfer Between Appr			(148)	(148)	(296)
Subtotal - Forecast Base	1,089	1,089	941	941	1,882
Total	**1,089**	**1,089**	**941**	**941**	**1,882**
Outdoor Heritage					
Current Appropriation	21,508	33,555	33,555	33,555	67,110
Technical Adjustments					
One-time Appropriations			(33,555)	(33,555)	(67,110)
Subtotal - Forecast Base	21,508	33,555	0	0	0
Total	**21,508**	**33,555**	**0**	**0**	**0**
Parks And Trails					
Current Appropriation	250	0	0	0	0

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Subtotal - Forecast Base	250	0	0	0	0
Total	**250**	**0**	**0**	**0**	**0**
Expenditures by Fund					
Direct Appropriations					
Environment & Natural Resource	5,496	7,844	0	0	0
General	1,452	2,174	888	888	1,776
Natural Resources	453	520	805	805	1,610
Game And Fish (Operations)	804	1,139	941	941	1,882
Outdoor Heritage	21,250	33,631	0	0	0
Parks And Trails	174	76	0	0	0
Statutory Appropriations					
General	26	158	25	0	25
Natural Resources	0	0	310	310	620
Miscellaneous Special Revenue	609	1,530	643	482	1,125
Federal	2,667	4,029	3,637	1,850	5,487
Gift	1,166	1,016	1,118	1,118	2,236
Total	**34,097**	**52,117**	**8,367**	**6,394**	**14,761**
Expenditures by Category					
Total Compensation	2,719	3,022	3,087	2,677	5,764
Other Operating Expenses	3,450	6,273	4,144	2,922	7,066
Capital Outlay & Real Property	1,081	2,752	816	475	1,291
Local Assistance	26,848	40,070	320	320	640
Other Financial Transactions	(1)	0	0	0	0
Total	**34,097**	**52,117**	**8,367**	**6,394**	**14,761**
Full-Time Equivalents (FTE)	**31.1**	**29.4**	**28.7**	**28.7**	

Activity at a Glance

- Approximately 2.5 million acres of school trust lands and an additional 1 million acres of mineral rights are estimated to generate nearly $37.0 million in FY2010-11.
- Approximately 1.5 million acres of school and university trust lands are considered commercial forest lands capable of supporting the production of timber.
- Budgeted receipts for timber production are estimated to be $17.2 million, and $22.5 million for minerals production for FY2010-11.
- Approximately 26,000 acres of university fund lands and an additional 21,000 acres of mineral rights are estimated to generate nearly $6.2 million in revenue in FY2010-11.
-

Activity Description

The Department of Natural Resources (DNR) administers approximately 2.5 million acres of school and university trust fund lands and an additional 1 million acres of mineral rights for the benefit of public schools and the University of Minnesota. These lands were granted by the United States government at the time of Minnesota's application for statehood and are held in trust by the state for the purpose of generating a long-term source of funding for public education in the state. DNR administers these lands consistent with legislative direction (M.S. 84.027; 127A.31; 137.022) to maximize revenue to the Permanent School Fund (PSF) and Permanent University Fund (PUF) and ensure the long-term viability of these resources.

Population Served

The income generated by the management of school and university trust fund lands is added to the principal of the PSF and PUF, respectively, and the interest and dividends earned from investment of the principal of these funds is used to benefit public schools and for student scholarships, minerals-related research, and endowment support for professorial chairs at the university.

Services Provided

This activity provides revenue from the land and mineral management of school and university trust fund lands for the PSF and PUF consistent with M.S. 127A.31. Some of the services that provide revenue include the sale of timber, rents and royalties on taconite iron ore, non-ferrous metallic mineral leases, leases to remove peat, wild rice leases, aggregate mining leases, state forest campground fees, lakeshore leases, easements across state trust land, the sale of land, and other types of use.

Historical Perspective

School Trust Lands and the Permanent School Fund

The PSF, as established in the Minnesota Constitution, Article XI, Section 8, consists of the proceeds derived from management of school trust lands, the sale of these lands, and mineral rights, which are invested by the State Board of Investment to secure the maximum return consistent with maintaining the perpetuity of the fund.

The land base for the PSF was started in 1849 when Minnesota became a territory and two sections of every township were set aside to support schools. More land was added after Minnesota became a state in 1858, resulting in a total of more than 8.1 million acres originally granted by the federal government. But in 1862, Minnesota, like other states seeking cash for schools, began selling its trust fund lands. Today, the DNR manages about 2.5 million acres of school trust lands, of which nearly 1.5 million acres provide harvestable timber, plus about 1 million acres of minerals rights on lands already sold. DNR works closely with the Permanent School Fund Advisory Committee (PSFAC), which is responsible for overseeing the department's management of school trust land.

University Trust Lands and the Permanent University Fund

The PUF, as established in the Minnesota Constitution, Article XI, Section 9, likewise consists of revenues generated from the management and sale of PUF lands and mineral rights. Investment of the PUF is under the management of the University of Minnesota's Board of Regents, with restrictions provided in the state constitution and law.

The PUF was founded when Congress granted 46,000 acres of land to support a state university in 1851 and an additional 46,000 acres in 1857. Most of those lands were sold to pay off debt from constructing the four state universities. Today, about 26,000 acres remain under DNR management, with about 21,000 acres of additional mineral rights. A significant portion of the PUF lands contain valuable deposits of iron ore and taconite, which have been mined over the years by LTV Steel Mining Company, National Steel Pellet Company, and United States Steel Corporation.

Key Activity Goals & Measures

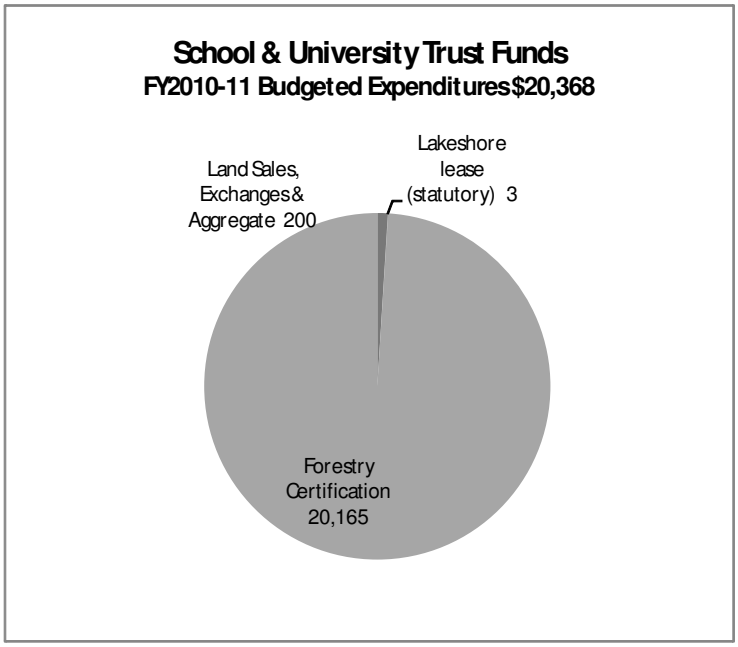
Minnesota will provide for sustainable economic use of its abundant natural resources
DNR is committed to maximizing the long-term income earned from the sound management of trust fund land and mineral resources. To help ensure the goals of the school trust lands are met, DNR and the PSFAC are working with the federal government on a combined land sale and land exchange of school trust lands within the Boundary Waters Canoe Area Wilderness.

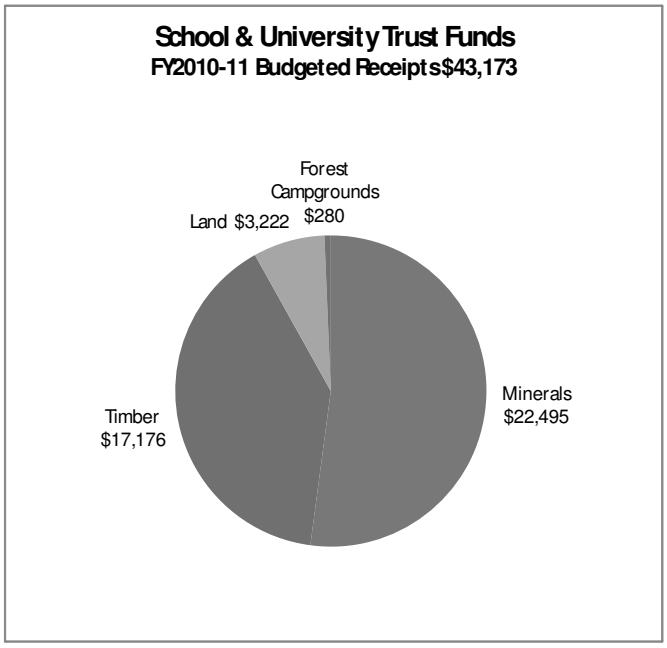
DNR will effectively and efficiently deliver services to meet our mission
Over the past several years, DNR has begun looking at the management of school and university trust lands and clarifying additional options to meet fiduciary obligations in generating revenue from the lands. One accomplishment was the removal of all remaining school trust lands from state parks and state recreation areas where management prevented the generation of revenue. DNR is continuing to work with partners to exchange land parcels where management prevents the generation of revenue.

Performance Measure: Revenue provided through the management of school and university trust fund lands
DNR is responsible for administering school and university trust fund lands to maximize revenue while maintaining sound natural resource conservation and management principles. In FY 2009, approximately 400,000 cords of wood were harvested on school trust lands. As of June 2010, there were approximately 51,600 acres of school trust land under mineral leases. DNR also leases school trust land for agricultural, commercial, governmental, recreational, and other purposes. There are current contracts, including leases, easements, and licenses, on approximately 24,600 acres of school trust land.

Activity Funding

Forest management expenditures occur in the Forest Management Investment Account (FMIA). They are certified through the certification process. A transfer of funds is made from the school and university funds to the FMIA and general fund to cover forest management costs certified through the certification process.





The "Other" expenditures shown above are related to minerals management work on trust fund lands. Additional expenditures related to minerals management are incurred in the minerals management account - $2.696 million per year in FY 2010-11.

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Narrative

This Federal Funds Summary lists anticipated receipts for incoming federal funds in the same sequence as the budget program in the biennial budget. The end of the list includes information about anticipated reimbursements of federal funds into non-federal accounts. Federal funds include continuing programs, funds based on funding formulas, competitive grants, and project grants. Federal funds are accepted when they support the department's mission, strategies, goals and objectives as found in DNR's Strategic Conservation Agenda 2009-2013.

Federal Fund accounts include:

- Incoming federal grant or federal cooperative agreement revenue deposited directly to a federal (300 fund) account.
- Federal grant or cooperative agreement revenue passed through another state agency to DNR. If the federal funds are passed through another state agency that other state agency has also include this amount in their 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 Sport Fish Restoration, and the Wildlife Restoration programs to meet Minn. Stat. 97A.055 subd.2a.Federal Land and Conservations Fund reimbursements deposited to the 18E Fund to meet Minn. Stat. 116P.14 subd.2

Changing funding levels or trends that may impact future awards:

- The Root River Trail project funded with federal stimulus (ARRA) dollars received through the MINNESOTA Department of Transportation will be completed in state fiscal year 2011, and therefore does not appear on this list. This is the only project for which DNR received stimulus dollars.
- Participation in some federally funded programs will be reduced by diminishing staff resources. Examples are: North American Waterfowl Conservation Program (NAWCA) and the Cooperative Forestry National Conservation Services, Soil and Water.
- The Maps Modernization Management Support Program (listed in the previous budget) has merged with the Cooperating Technical Partners (CTP) program.
- The Great Lakes Restoration Initiative (GLRI) is a new source of funding for DNR.
- We have separately listed programs previously included in a more general title, such as "wildlife federal grants", to more clearly list grants by source of funding here. Those programs are not necessarily identified as a "new" program if they were included under another title during the last biennial budget.
- The Landowner Incentive Program (LIP) will end after state fiscal year 2013.
- The Federal Transportation Act is up for five year reauthorization. This impacts federal programs whose funding is derived from federal fuel taxes; An example is the Recreational Boating Safety Program These programs may experience delays in allocation of federal funds to the state until the bill is passed.
- Generally, continuing forestry programs will stay at current levels or increase only 1-2% in the next biennium.
- A decrease in Federal funding available in this program warranted a redesign in the State's Stewardship Program. We anticipate the State Stewardship Program to improve over the coming years.

Basis for Estimates:

- Outgoing grants funded from federal dollars are estimated throughout the spending period of the grant, rather than estimated in the first year of the grant award.
- Estimates are based on the best federal funding information available at the time this report is prepared. Most new federal awards that impact state fiscal years 2012-2013 have not yet been confirmed. Therefore we use historical trend information from recent years.

Table

Federal Award Name + Brief Purpose	New grant	Required state match/MOE? Yes/No		SFY 2010 Revenues	SFY 2011 Revenues	Estimated SFY 2012 Revenues	Estimated SFY 2013 Revenues
		Match	MOE				
Taconite Mercury Control-Great Lakes Restoration Initiative (GLRI): Evaluate multiple methods to control mercury emissions.		N	N	0	786	786	0
US Geological Service External Research Program	Y	N	N	0	30	52	0
Coastal Zone Management: Program requires a balance between economic development and resource protection within the coastal zone. Projects must preserve, protect, develop, and where possible, restore and enhance coastal resources.	C	Y	N	1253	1346	1145	1200
Cooperating Technical Partners: Increase local involvement in the production development and maintenance of Digital Flood Insurance Maps(DFIRMS)	C	N	N	266	880	943	682
Community Assistance Program-State Support Services Element: Provide technical assistance to National Flood Insurance. Program communities, to monitor and evaluate performance of floodplain management activities.	C	Y	N	112	30	200	200
National Dam Safety program: To strengthen and improve the state dam safety program.	C	N	N	74	135	150	150
EWR Fed Agreements for Invasive: Implementation of state plan for invasive prevention, invasive species research and monitoring, and mercury testing in fish.	Y	N	Determined by Coop agreement	134	792	1208	0
ECO Fed Agreements-Pesticide Enf.: Monitor on behalf of the Dept of Agriculture the application of pesticides to aquatic systems in Minnesota to insure that products are used appropriately and safely.	C	N	N	24	59	60	60
ECO Fed White Nose Syndrome: Monitor bat populations for the occurrence of white nosed syndrome and educate the public about this disease.	C	N	N	0	18	3	0
ECO Landowner Incentive Program: Habitat management on private lands to benefit rare species.	C	Y	N	329	250	24	0
EWR State Wildlife Grants (SWG): Implement, coordinate and monitor implementation of the state wildlife action plan to benefit species in greatest conservation need.	C	Y	N	1420	1400	1600	1500
EWR Comprehensive Conservation Plan: Coordinate and monitor state wildlife.	C			305	300	300	200
EWR US EPA agreement (wetlands program development grant): Pass through grant under a cooperative agreement with MPCA for wetland monitoring.	'06-'10	Y	N	71	0	0	0

		Required state match/MOE? Yes/No					
EWR Endangered Species Reimbursement: Research and monitoring to support endangered species recovery.	C	Y	N	50	50	50	50
ECO Long Term Resource Monitoring: Monitor long-term trends of water quality, aquatic vegetation, and fish on Pool 4 of the Mississippi River; analyze and summarize the data and provide that information to decision makers.	C	N	N	450	450	450	450
Cooperative Fire Protection –Volunteer Fire Assistance: Provide financial, technical and related assistance to State Foresters, for organizing, training and equipping rural fire departments.	C	Y	N	292	423	948	350
Cooperative Fire Protection-State Fire Assistance: Provide financial, technical and related assistance to State foresters, and other agencies and individuals.	C	Y	N	671	2058	670	670
Cooperative Fire Protection-National Fish & Wildlife Foundation: Restore150 acres of flood plain forest through tree planting and direct seeding.	C	N	N	0	38	0	0
Cooperative Forestry Assistance-Urban & Community Forestry, Education: Connect MINNESOTA specific forestry information with nationally recognized Project Learning Tree materials, school forest activities & other educational initiatives.	C	Y	N	4	0	0	0
Cooperative Forestry Assistance-Natural Resources Conservation Service, Conservation Reserve Program: Address national, state, and local resource concerns and provide conservation technical assistance to landowners and operators.	C	N	N	7	45	60	60
Cooperative Forestry Assistance-Natural Resources Conservation Service, Soil and Water conservation: Address national, state, and local economic concerns, assure common goals are realized and further mutual interests by contributing substantial resources to achieve conservation objectives and program accountability.	C	Y	N	37	17	20	20
Forest Health Management-Oak Wilt: Suppression activities on oak wilt, including cost share assistance to communities, a website that provides residents information concerning terrestrial invasive species, educational efforts.	C	Y	N	249	126	0	0

		Required state match/MOE? Yes/No					
Cooperative Forestry Assistance – Conservation Reserve Program: Set aside highly erodible cropland acres & establish more suitable covers to promote other resource values, including improved air and water quality and wildlife habitat.	**C**	**N**	**N**	**119**	**451**	**482**	**250**
Cooperative Forestry Assistance-Urban & Community Forest: To improve the protection and management of community forests and expand the resource by building capacity of local programs and private vendors across the state. To characterize the abundance, size and health of neighborhood trees across the state.	**C**	**Y**	**N**	**327**	**742**	**950**	**750**
Forest Health Management-Forest Health: Protect non-federal forest and tree resources from damaging forest insects, disease causing agents and invasive plants. Develop and improve forest health protection technologies and monitor the health of forests. This includes garlic mustard, ash borer, buckthorn projects.	**C**	**Y**	**N**	**182**	**646**	**921**	**290**
Cooperative Fire Protection-Firewise: Provide information & education targeting prevention and mitigation in the wildland urban interface. Community based projects providing fiscal and program coordination. Implement the application of Firewise principles to residents and commercial operations along the Gunflint Trail.	**C**	**Y**	**N**	**416**	**604**	**1057**	**300**
Cooperative Forestry Assistance-Forest Stewardship: To promote and enable the long term active management of non-industrial private and other non-federal forest land to sustain the multiple values and uses that depend on these lands. Projects include geospatial analysis education and information materials, landscape planning.	**C**	**Y**	**N**	**645**	**620**	**1150**	**550**
Cooperative Forestry Assistance – Forest Stewardship, Forest Land Enhancement Program: Encourage long term sustainability of non-industrial private forest lands in the U.S by assisting landowners, through state foresters.	**C**	**Y**	**N**	**16**	**16**	**0**	**0**

		Required state match/MOE? Yes/No					
Cooperative Forestry Assistance-Forest Legacy Program: Contract specific acquisition activities and provide a portion of salaries for employees involved in the administration of the program. To acquire a perpetual working forest conservation easement on private forest land for access to state forest land, public recreation access. Promote sustainable forestry practices in the management of the property and protect environmental values.	C	Y	N	45	9997	6600	3550
Cooperative Forestry Assistance, Northern Research Station; Forest Inventory and Analysis: Collaborate with the Northern Research station to complete the forest Inventory and Analysis Project to report on the health of the state's forests.	C	N	N	352	444	650	350
Cooperative Forestry Assistance National Fish and Wildlife Foundation: Establish an education program for landowners that encourage them to complete prescribed burning operations on their Conservation Reserve program areas. This will benefit wildlife and reduce fuel loading.	C	Y	N	66	9	0	0
Cooperative Forestry Assistance-MINNESOTA Forestry Resource Council: Increase private forest management in a collaborative manner by addressing regionally significant forest management concerns and opportunities.	C	N	N	0	225	725	500
Clean Vessel Act: Provide pump out of marinas.	C	N	N	38	125	200	200
Recreational Trail Program: Trail enhancement.	C	Y	N	1689	1000	2500	2000
Sports Fishing and Boating Safety Act: Harbor and marine enhancement.	C	N	N	4	200	400	200
Inter-jurisdictional Fisheries Act: fish disease research	C	Y	N	0	677	215	70
Multistate Conservation Grant Program-USFWS Interior Fish & Wildlife Service	Y	Y	N	0	0	225	175
USDA APHIS – Fish: Fish disease research,	C		N	0	60	160	160
Wildlife Federal Agreements Research	C	N	N	188	190	0	0
USDA APHIS-Wildlife – Wildlife Plant and animal disease research, pest and animal care	C	Y	N	0	70	70	70
Voluntary Public Access-Habitat: provide the public with new opportunities for hunting on private lands by developing a new walk in program.	Y	Y	N	0	582	2103	0
Wolf Depredation	Y	N	N	0	100	0	0
Fisheries Federal Agreements	C	Y	N	212	100	700	440

		Required state match/MOE? Yes/No					
Port Security: Protection of critical port infrastructure from terrorism-equipment such as air surveillance capacity and airboats to do so.	C	Y	N	311	520	0	0
Underage Alcohol prevention: Annual monitoring by DNR enforcement officers as part community enforcement effort.	C	N	N	0	2	4	4
Bulletproof Vests: Purchase of vests for enforcement officer protection during conservation enforcement duties.	C	N	N	0	3	14	14
Army Compatible Use Buffer Zone; Protect lands surrounding Camp Ripley from development and other encroachment that would impair the Camp's function. This is achieved through DNR fee title and conservation easement acquisition from willing land owners.	Y	Y	N	701	543	250	250
FEMA Public Assistance –pass through from Public Safety: Funds emergency response, debris clearance, and repair and restoration of facilities damages as the result of a federally declared disaster.	C	Y	N	398	1026	1500	0
LIDAR Projects US Geological Service: Minnesota Elevation Mapping Project.	C	N	N	0	265	100	0
LIDAR Project NATIONAL Resource Conservation Service: Minnesota Elevation Mapping Project.	Y	N	N	0	0	171	0
Public Safety Inoperable Communications: Purchase 800 MHz Radios pass through from Public Safety	Y	N	N	0	20	0	0
Recreational Boating Safety: Fund boating safety programs including enforcement, education and outreach, aids to navigation, registration and &titling, public access and administration of the boating safety program.	C	Y		3408	4300	4100	4100
MINNESOTA Master Naturalist Program: Promote awareness, understanding & stewardship of MINNESOTA natural environment by developing a corps of well-informed citizens dedicated to conservation education & service within their communities.	C	N	N	40	20	16	0
Subtotal Federal Fund*:				14,905	32,790	33,932	19,815
NON FEDERAL FUND							
Sport Fish Restoration (230 fund)		Y	Y	15,001	13,000	14,686	14,686
Wildlife Restoration (230 fund)		Y	N	11,212	10,000	10,900	10,900
Land & Water Conservation(18E)		Y	N	238	654	209	209
Sub Total Non- Federal funds:				26,451	23,654	25795	2,5795
Grand Total Federal Funds:				41,356	56,444	59,727	45,610

* The SFY 2010 federal fund subtotal reflects receipts at closing ,therefore they may be understated because most have requests to deposit receipts after close of FY 2010 approved until February 2011.Also those programs that do not continue to 2012-2013, but may have been active in 2010 are not listed here.

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2010	Budgeted FY 2011
Environment and Natural Resources Trust Fund Grants	Funds appropriated to DNR, as recommended by the Legislative-Citizen Commission on Minnesota Resources, 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	4,805	7,187
Outdoor Heritage Fund Grants	Funds appropriated to DNR, as recommended by the Lessard-Sams Outdoor Heritage Council, 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	25,073	33,155
Parks and Trails Fund Grants	For the acquisition, development, restoration and maintenance of parks and trails of regional or statewide significance.	Counties, Cities, Local Governmental Units	3,970	4,900
Flood Hazard Mitigation Grants	Funds to help address local units of government identify their flood damage reduction and other local water resources management issues and needs.	Cities, Local Governmental Units	371	264
Upper Mississippi River Grants	To implement the comprehensive plan for the upper Mississippi River.	Other Government Units, Indian Band	58	58
Boat and Water Safety Grant Program MS 86B.706	To assist in funding boat and water safety programs carried out through the county sheriff's office. The goal is to reduce deaths, injuries and property damage on state waters.	Counties	1,082	1,082
Snowmobile Safety Enforcement Grant Program	To assist with enforcement of state laws and rules for snowmobile use and provide snowmobile safety training.	Counties	315	315
Off-Highway Vehicle (OHV) Safety & Conservation Grant Program MS 84.9011	To assist with enforcement of state laws and rules and provide safety training for all-terrain vehicles, off-highway motorcycles and off-road vehicles.	Counties	485	485
Trail Ambassador Program Grants MS 84.9011	Funding to organizations that sponsor individuals to assist in safety and environmental education, and monitoring trails on state forest and other public lands.	Non-government Organizations	225	225
Snowmobile Trails Grant-in-Aid Program MS 84.83	The purpose of this program is the creation and maintenance of locally initiated trails that were financially assisted by the state.	Counties, Cities and Towns	8,424	8,424
Off-Highway Vehicle (OHV) Trails: Grant-in-Aid Program MS 84.724, MS 84.803, MS 84.927	To encourage maintenance, development and acquisition of public, locally controlled trails for all-terrain vehicles, off-highway motorcycles and off-road vehicles.	Counties, Cities and Towns	1,360	1,360

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2010	Budgeted FY 2011
Cross Country Ski Grant-in-Aid Program MS 085.44	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	264	266
Horse Trails Grants MS 085.46	For maintenance and rehabilitation of horse trails in State Parks, Recreation Areas and State Forests.	Non-Governmental Organizations	100	100
Lottery- in Lieu of: Local Trail Grants	Maintenance of local trails	Counties, Cities and Towns	705	705
Lottery- in- Lieu Zoo Grants	Pass –through appropriations to support activities related to specific zoos, specified by law.	Cities (Duluth and St. Paul)	320	320
Off Highway Vehicle Damage Account MS 084.780	To repair damage to private or public lands caused by off-highway vehicle operation in unauthorized or unpermitted areas.	Cities and towns		93
Trails Local Assistance	To encourage the maintenance and development of non-motorized trail opportunities within state forests.	Counties, Other State agencies	87	87
Land and Water Conservation (LAWCON) Local Grants MS 116P.14.003	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.		209
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	6	6
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.	56	82
Forestry Interagency Information	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 on the state's family forest ownership.	Higher Education	197	197

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2010	Budgeted FY 2011
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	100	100
Private Forest Management PFM (200 fund)	Forestry Sustainable Woodlands assists landowner cost sharing and provides informational books and pamphlets.	Non-Government Organizations	31	4
County Forest Roads Grants MS 089.70	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	424	450
Fish (MINNAQUA)	Education program grants to teach angling recreation and stewardship, as well as the ecology and conservation of aquatic habitats.	Non-governmental organizations	24	18
Fish (MINNAQUA)	Let's Go Fishing Program grants	Non-governmental organizations	150	150
Prairie Wetlands: General Fund	Grants for prairie wetlands restoration and protection.	Non-governmental organizations, Local Governments, Cities and Towns,	270	31
Roadsides for Wildlife Grant Program	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 so that there is reduction in the disturbance of nesting wildlife. Re-vegetation of roadsides with native grass and forb seed, demonstration plots on biological weed control, and native seed planting and harvesting equipment.	Public road authorities, conservation groups, and private landowners	3	18
Aquatic Plant Restoration	Shoreland restoration, improve natural wild rice production.	Non-Governmental Organizations.	34	39
Waterfowl Habitat Improvement (233)	Development of Wetlands and lakes and designated waterfowl management lakes	Other Governmental Units	67	15
Pheasant Habitat Improvement (235)	To provide cost sharing to landowners for management practices that improve pheasant habitat. 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.	Public and private landowners in 64 counties in southern, western and central Minnesota	291	20
Wildlife Acquisition Surcharge (237)	Development and Maintenance of wildlife Lands	Non-governmental organizations.	15	15

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2010	Budgeted FY 2011
Turkey Enhancement (238)	Provide wild turkey habitat on public and private lands	Non-governmental organizations	17	20
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.	1,199	1,282
Reinvest In MN (RIM)	To encourage private citizens and organizations to help fund the acquisition and development of critical fish and wildlife habitat by having their donations of land or cash matched from a special state fund. Grants to acquire and enhance critical habitat, which includes 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.	Private Individuals and Groups	79	
Remediation Fund Grants	To acquire, protect and restore natural resources, compensating the State of Minnesota for damage to those resources. 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.	Counties, Cities Townships	500	100
DNR Total			**51,107**	**61,782**

Dollars in Thousands

	Actual FY2010	Budgeted FY2011	Governor's Recomm. FY2012	Governor's Recomm. FY2013	Biennium 2012-13
Non Dedicated Revenue:					
Departmental Earnings:					
General	6,862	6,175	980	975	1,955
Natural Resources	37,893	41,773	32,166	33,856	66,022
Game And Fish (operations)	80,697	79,077	78,782	86,184	164,966
Grants:					
Natural Resources	238	90	200	249	449
Other Revenues:					
General	1,824	747	347	347	694
Natural Resources	1,394	1,271	1,322	1,445	2,767
Game And Fish (operations)	573	273	477	758	1,235
Other Sources:					
General	20	25	6	6	12
Taxes:					
General	2,386	2,263	2,263	2,263	4,526
Total Non-Dedicated Receipts	**131,887**	**131,694**	**116,543**	**126,083**	**242,626**
Dedicated Receipts:					
Departmental Earnings (Inter-Agency):					
Natural Resources	995	2,020	2,020	2,020	4,040
Miscellaneous Special Revenue	128	111	111	111	222
Departmental Earnings:					
General	10	0	0	0	0
Natural Resources	2,459	2,569	23,572	23,812	47,384
Miscellaneous Special Revenue	20,822	22,131	22,943	24,486	47,429
Game And Fish (operations)	4,426	4,348	10,169	10,169	20,338
Miscellaneous Agency	2,551	9,017	9,325	9,325	18,650
Gift	-4	2	2	2	4
Permanent School	18,944	25,426	31,869	32,379	64,248
Grants:					
Natural Resources	0	209	200	335	535
Miscellaneous Special Revenue	0	104	0	0	0
Federal	15,480	33,440	33,932	19,815	53,747
Federal Stimulus	700	0	0	0	0
Other Revenues:					
General	114	90	25	0	25
Natural Resources	100	29	54	67	121
Miscellaneous Special Revenue	4,049	2,595	1,856	1,767	3,623
Game And Fish (operations)	8	8	150	159	309
Remediation Fund	635	300	300	300	600
Reinvest In Minnesota	827	1,472	1,480	1,491	2,971
Miscellaneous Agency	8	37	81	128	209
Gift	1,162	1,212	1,227	1,247	2,474
Permanent School	275	258	287	324	611
Other Sources:					
Natural Resources	2	0	0	0	0
Miscellaneous Special Revenue	1,379	1,394	1,275	1,275	2,550
Miscellaneous Agency	-11	0	0	0	0
Total Dedicated Receipts	**75,059**	**106,772**	**140,878**	**129,212**	**270,090**
Agency Total Revenue	**206,946**	**238,466**	**257,421**	**255,295**	**512,716**