FY 2016-17: DEPARTMENT OF NATURAL RESOURCES
Summary: As Reported by the House Subcommittee
House Bill 5269 (H-1) Draft 4

Analyst: Austin Scott

	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	*Difference: House From FY 2015-16 YTD* Amount	%
IDG/IDT	$1,352,700	$1,375,900	$1,375,900			*$23,200*	*1.7*
Federal	77,128,000	72,365,400	72,365,400			*(4,762,600)*	*(6.2)*
Local	0	0	0			*0*	*--*
Private	8,157,700	7,446,400	7,446,400			*(711,300)*	*(8.7)*
Restricted	277,765,000	277,156,400	277,156,500			*(608,500)*	*(0.2)*
GF/GP	39,597,800	39,560,000	38,560,000			*(1,037,800)*	*(2.6)*
Gross	**$404,001,200**	**$397,904,100**	**$396,904,200**			***($7,097,000)***	***(1.8)***
FTEs	2,235.8	2,242.8	2,242.8			*7.0*	*(0.3)*

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Natural Resources (DNR) manages Michigan's natural and cultural resources through conservation and protection. State parks, wildlife, fisheries, forests, and minerals management are all administered by DNR.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
1. Land Ownership Tracking System (one-time)	**Gross**	**N/A**	**$4,000,000**
Executive provides $4.0 million Gross to convert outdated land management IT system to a web-based system that can interact with current databases. House concurs with Executive.	Federal	N/A	100,000
	Restricted	N/A	3,900,000
	GF/GP	N/A	$0
2. Forestry Investment – Vegetative Management System (one-time)	**Gross**	**N/A**	**$2,100,000**
Executive provides $2.1 million from the Forest Development Fund to continue the replacement of the old timber sale system with the new Vegetative Management System which tracks timber sales, catalogs inventory, and interfaces with the Land Ownership Tracking System. House concurs with Executive.	Restricted	N/A	2,100,000
	GF/GP	N/A	$0
3. Invasive Species (one-time)	**Gross**	**N/A**	**$1,000,000**
Executive provides $1.0 million GF/GP to prevent invasive carp from migrating into state waterways from outside of Michigan. House concurs with Executive.	GF/GP	N/A	$1,000,000
4. Fisheries Resource Management (one-time)	**Gross**	**N/A**	**$600,000**
Executive provides $600,000 Gross ($300,000 GF/GP) for two web-based systems to replace current paper-based system for real-time fish harvest reporting by state-licensed commercial anglers, tribal fishers, and wholesale dealers. House concurs with Executive.	Restricted	N/A	300,000
	GF/GP	N/A	$300,000
5. Forest Management and Timber Market Development	FTE	169.0	7.0
Executive increases by 7.0 FTEs and $2.1 million from the Forest Development Fund to increase the state's sustainable timber supply. The additional FTEs include foresters, technicians, and forest economists. This funding will help DNR assess the impact of spruce budworm on 100,000 at-risk acres and develop the state's forest products economy. House concurs with Executive.	**Gross**	**$29,108,100**	**$2,125,000**
	Federal	2,193,300	0
	Private	914,600	0
	Restricted	26,000,200	2,125,000
	GF/GP	$0	$0

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
6. Forest Fire Equipment Replacement	**Gross**	**$431,500**	**$1,150,000**
Executive increases restricted funding for forest fire equipment replacement by $1.2 million ($150,000 ongoing and $1.0 million one-time). Departmental inventory includes 350 total pieces of forest fire equipment, over half of which are more than 20 years old. House concurs with Executive.	Restricted	431,500	1,150,000
	GF/GP	$0	$0
7. Recreation Passport Local Grants	**Gross**	**$1,000,000**	**$500,000**
Executive increases restricted authorization by $500,000 on a one-time basis. Recreation passport local grants are awarded by DNR to local units of government for the development of public recreation facilities. House concurs with Executive.	Restricted	1,000,000	500,000
	GF/GP	$0	$0
8. Capital Outlay Project Adjustments	**Gross**	**N/A**	**$2,654,600**
Executive makes current services baseline adjustments to capital outlay projects by reducing federal funding and increasing restricted and GF/GP funding for a net increase of $2.7 million. House concurs with Executive.	Federal	N/A	(1,970,500)
	Restricted	N/A	4,375,100
	GF/GP	N/A	$250,000
9. Removal of FY 2015-16 one-time appropriations	**Gross**	**N/A**	**($20,537,000)**
Executive removes $20 million Gross ($1.1 million GF/GP) for one-time projects included in the previous fiscal year's budget. House concurs with Executive.	Federal	N/A	(3,000,000)
	Private	N/A	(750,000)
	Restricted	N/A	(15,712,000)
	GF/GP	N/A	($1,075,000)
10. Five-Year Early Out Sick Leave Payments	**Gross**	**N/A**	**($816,800)**
Executive recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over 5 years; removes $816,800 Gross ($22,900 GF/GP). House concurs with Executive.	IDG	N/A	(900)
	Restricted	N/A	(793,000)
	GF/GP	N/A	($22,900)
11. Revenue Adjustments	**Gross**	**N/A**	**($4,240,800)**
Executive reduces federal and restricted authorization by a combined $4.2 million to reflect available funds. Major adjustments include changes to state park improvement fund and game and fish protection fund authorization. House concurs with Executive.	Federal	N/A	(619,200)
	Restricted	N/A	(3,621,600)
	GF/GP	N/A	$0
12. Economic Adjustments	**Gross**	**N/A**	**$5,367,900**
Executive reflects increased costs of $5.4 million Gross ($710,100 GF/GP) for negotiated salary and wage increases (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, and other economic adjustments. House concurs with Executive.	IDG	N/A	24,100
	Federal	N/A	727,100
	Private	N/A	38,700
	Restricted	N/A	3,867,900
	GF/GP	N/A	$710,100
13. Michigan Conservation Corps	**Gross**	**$1,000,000**	**($1,000,000)**
House removes funding for the Michigan Conservation Corps (MCC). The MCC is a statewide summer employment program for at-risk youth and returning veterans up to 27 years of age. Funding is provided to partner organizations to hire individuals for work that is approved or managed by DNR employees.	GF/GP	$1,000,000	($1,000,000)
14. Detroit Boat Club	**Gross**	**N/A**	**$100**
House adds a $100 placeholder from the Michigan State Waterways Fund for capital outlay improvements to the Detroit Boat Club facility.	Restricted	N/A	100

Major Boilerplate Changes From FY 2015-16

***Sec. 204. Performance Benchmarks* – DELETED**
Requires report of benchmarks to measure performance or return for each new program or program increase of $500,000 or more; includes intent language that any future new program include list of benchmarks. Executive deletes, House concurs.

***Sec. 212. Disciplinary Action Against State Employees* – RETAINED**
Prohibits DNR from disciplining state employees for communicating with the Legislature. Executive deletes, House retains.

***Sec. 217. Retention of Reports* – DELETED**
Requires DNR to retain copies of all reports funded from appropriations. Executive deletes, House concurs.

Major Boilerplate Changes From FY 2015-16

***Sec. 223. Waterways Fund Projects* – RETAINED**
Requires DNR to report on activities of Waterways Commission during the previous fiscal year and provide list of completed Waterways Fund projects to the Legislature and State Budget Director by January 31, 2016 Executive deletes, House retains.

***Sec. 251. Invasive Species Initiative* – RETAINED**
Requires $3.6 million of funding for the Invasive Species Initiative be allocated for grants for prevention, detection, eradication, and control of invasive species. Executive deletes, House retains.

***Sec. 408. Land Transactions* – RETAINED**
Requires detailed report to Legislature on land purchases, sales, and exchanges. Executive deletes, House retains.

***Sec. 501. Wildlife Management* – DELETED**
Requires DNR to use increased federal funding available from increased firearm and ammunition sales for the purpose of wildlife management which includes habitat restoration, conservation, and enhancement. Executive deletes, House concurs.

***Sec. 503. Invasive Species Order Enforcement* – DELETED**
Requires report on efforts taken to enforce the Natural Resources Commission's invasive species order concerning raising feral swine in Michigan. Executive deletes, House concurs.

***Sec. 504. Cervid Operation Fees* – RETAINED**
Requires report on the use of registration fees from privately owned cervid operations. Executive deletes, House retains.

***Sec. 602. Water Control Structure Certification* – DELETED**
Directs Fisheries Division to not interfere with the certification process for dams and other water control structures. Executive deletes, House concurs.

***Sec. 603. Cormorant Management* – REVISED**
Requires quarterly report on the use of cormorant management funding; provides that the DNR must submit funding to the USDA to pay for increased taking of cormorants and their nests; any retained or additional funds for cormorant control must be used for program. Executive revises requirement from quarterly report to annual report, House concurs.

***Sec. 705. State Parks Capital Outlay and Maintenance Report* – DELETED**
Requires DNR to produce a report detailing its five-year plan for capital outlay and maintenance in state parks. Executive deletes, House concurs.

***Sec. 801. Forest Management and Timber Market Development* – REVISED**
Requires DNR to use increased funding available from the increased timber harvest for the purpose of forest management and timber market development, including investments in technology and equipment aimed at growing the timber economy. Executive renumbers section to 808 and revises to exclude technology and equipment enhancements and include a departmental requirement to develop corresponding metrics to assess performance, House concurs.

***Sec. 802. Timber Marking* – DELETED**
Directs DNR, subject to forest certification process, to mark and prescribe treatment on 79,000 acres, prepare 76,500 acres for harvest at an average rate of 12.5 to 15.0 cords per acre; requires that the impact of timber harvest on wildlife habitat and recreation uses be considered; requires quarterly report. Executive deletes, House concurs.

***Sec. 805. Contract Foresters* – DELETED**
Allows DNR to hire sufficient contract foresters to mark timber. Executive deletes, House concurs.

***Sec. 808. Gas and Oil Lease Development* – DELETED**
Requires DNR to develop a plan to motivate state-land oil and gas lessees to undertake warranted new operations. Executive deletes, House concurs.

***Sec. 809. Forest Fire Equipment Replacement* – NEW**
Requires DNR to use increased funding available for forest fire equipment and forestry investment for the replacement of aging forest fire equipment. The department is also required to develop corresponding metrics to assess performance. Executive adds new section, House concurs.

***Sec. 901. Snowmobile Law Enforcement Grants* – RETAINED**
Provides snowmobile law enforcement grant funds to county law enforcement agencies in counties with state snowmobile trails. Executive deletes, House retains.

***Sec. 902. Marine Safety Grants* – RETAINED**
Requires report on the Marine Safety Grant Program. Report to include watercraft registrations revenues, revenues and expenditures of the Marine Safety Fund, grant distribution methodology, and a list of grant awards by county. Executive deletes, House retains.

Major Boilerplate Changes From FY 2015-16

***Sec. 1201. Forest Management and Timber Market Development* Technology – NEW**
Requires DNR to use increased funding available for the increased timber harvest for the purpose of forest management and timber market development which includes investments in technology aimed at growing the timber economy. The department is also required to develop corresponding metrics to assess performance. Executive adds new section, House concurs.

***Sec. 1202. Land Ownership Tracking System* – NEW**
Requires DNR to use increased funding available for the land ownership tracking system to implement a new electronic system to facilitate state land records management for the purpose of increasing access to public land records and updating systems. The department is also required to develop corresponding metrics to assess performance. Executive adds new section, House concurs.

***Sec. 1203. Invasive Species* – NEW**
Requires DNR to use increased funding available for invasive species and control to prevent, detect, eradicate, and control invasive species. Executive adds new section, House concurs.

***Sec. 2001. FY 2016-17 Anticipated Appropriations* – DELETED**
States legislative intent that FY 2016-17 line item appropriations will be the same as those for FY 2015-16 with certain economic adjustments. Executive deletes, House concurs.