

**FY 2025-26: NATURAL RESOURCES**  
**Summary: As Passed by the Senate**  
**Senate Bill 172 (S-2)**



**Analyst: Austin Scott**

	<b>FY 2024-25 Year-to-Date as of 2/5/25</b>	<b>FY 2025-26 Executive</b>	<b>FY 2025-26 Senate</b>	<b>Difference: FY 2025-26 vs. FY 2024-25</b>	
				<b>Amount</b>	<b>%</b>
<b>IDG/IDT</b>	\$207,000	\$208,100	\$208,100	\$1,100	0.5
<b>Federal</b>	96,140,700	100,214,800	100,214,800	4,074,100	4.2
<b>Local</b>	0	0	0	0	--
<b>Private</b>	7,609,200	7,609,200	7,609,200	0	0.0
<b>Restricted</b>	353,865,900	408,296,400	446,485,300	92,619,400	26.2
<b>GF/GP</b>	76,757,000	88,201,200	81,809,600	5,052,600	6.6
<b>Gross</b>	<b>\$534,579,800</b>	<b>\$604,529,700</b>	<b>\$636,327,000</b>	<b>\$101,747,200</b>	<b>19.0</b>
<b>FTEs</b>	2,545.3	2,635.1	2,575.2	29.9	1.2

*Note: 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.

<b>Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations</b>		<b>FY 2024-25 YTD (as of 2/5/25)</b>	<b>Senate Change from YTD</b>
<b>1. Fee increase – Hunting Licenses, Fishing Licenses, and Watercraft Registrations</b>	<b>FTE</b>	<b>NA</b>	<b>19.0</b>
<u>Executive</u> includes \$28.9 million in state restricted funding and authorizes 79.3 new FTE positions from proposed 30% to 50% price increases for hunting licenses and fishing licenses and a proposed 60% price increase for watercraft registrations. Most of this new funding would go toward expanding the Wildlife Division, Fisheries Division, and Law Enforcement Division.	<b>Gross</b>	<b>NA</b>	<b>\$40,787,000</b>
<u>Senate</u> includes \$40.8 million in state restricted funding and authorizes 19.0 new FTE positions from proposed price increases for hunting licenses, fishing licenses, and watercraft registrations. Portions would establish new programs including Hunters Feeding Michigan (\$1.4 million), Hunting and Fishing Recruitment, Education, and Safety (\$2.8 million), and Cold Water Management (\$2.2 million).	<b>Restricted</b>	<b>NA</b>	<b>40,787,000</b>
	<b>GF/GP</b>	<b>NA</b>	<b>\$0</b>
<b>2. Recreation Passport Process Change Revenue</b>	<b>Gross</b>	<b>NA</b>	<b>\$43,520,500</b>
<u>Executive</u> includes \$17.2 million in new restricted authorization in anticipation of Recreation Passport sales changing from an opt-in model to an opt-out model. Motorists would purchase a passport by default unless they choose to opt-out when renewing motor vehicle registration. Passports would be provided free of charge to resident military veterans.	<b>Restricted</b>	<b>NA</b>	<b>43,520,500</b>
<u>Senate</u> includes \$43.5 million in new restricted authorization in anticipation of Recreation Passport sales changing from an opt-in model to a mandatory \$10 charge on all eligible vehicle registrations. A portion would establish a new program for local water trail grants (\$2.1 million).	<b>GF/GP</b>	<b>NA</b>	<b>\$0</b>
<b>3. Dam Safety and Management (One-time)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$15,000,000</b>
<u>Executive</u> appropriates \$15.0 million GF/GP for removal, maintenance, and study of dams in accordance with dam management and land strategy policies.	<b>GF/GP</b>	<b>\$0</b>	<b>\$15,000,000</b>
<u>Senate</u> concurs.			

<b>Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations</b>		<b>FY 2024-25 YTD (as of 2/5/25)</b>	<b>Senate Change from YTD</b>
<b>4. Asset Management Solution (One-time)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> provides \$6.4 million GF/GP to continue implementation of the departmental digital asset management system.		GF/GP	\$0
<u>Senate</u> does not provide.			
<b>5. Nature Awaits</b>	FTE	13.8	0.0
<u>Executive</u> reduces GF/GP authorization by \$1.8 million for grants to schools to cover transportation and other costs related to connecting all Michigan fourth grades to the state park system; this funding is included in the FY 2025-26 executive budget proposal for School Aid.		<b>Gross</b>	<b>(\$1,800,000)</b>
<u>Senate</u> concurs.		GF/GP	(\$1,800,000)
<b>6. Off-road Vehicle Trail Improvement Fund Revenue</b>	<b>Gross</b>	<b>NA</b>	<b>\$3,965,900</b>
<u>Executive</u> appropriates \$4.0 million in additional revenue from the Off-road Vehicle Trail Improvement Fund according to revenue distribution defined in the Natural Resources and Environmental Protection Act.		Restricted	3,965,900
<u>Senate</u> concurs.		GF/GP	\$0
<b>7. Federal High-speed Internet Infrastructure Funding</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,417,500</b>
<u>Executive</u> appropriates \$1.4 million in available federal funding for the installation of high-speed internet infrastructure on DNR lands.		Federal	1,417,500
<u>Senate</u> concurs.		GF/GP	\$0
<b>8. Capital Outlay Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,317,400</b>
<u>Executive</u> provides a net increase of \$1.3 million Gross (\$0 GF/GP) for funding increases to State Game and Wildlife Area Infrastructure and State Parks Repair and Maintenance. Funding decreases are included to Wetlands Restoration, Enhancement, and Acquisition; Local Boating Infrastructure and Maintenance; and State Boating Infrastructure and Maintenance.		Federal	1,292,400
<u>Senate</u> concurs.		Restricted	25,000
		GF/GP	\$0
<b>9. Marketing and Outreach – Shooting Range Operations and Maintenance</b>	FTE	88.8	7.5
<u>Executive</u> includes \$481,300 in available federal funding and authorizes 7.5 new FTE positions for the operation and maintenance of state shooting range facilities.		<b>Gross</b>	<b>\$481,300</b>
<u>Senate</u> concurs.		Federal	481,300
		Restricted	0
		GF/GP	\$0
<b>10. Parks and Recreation Division – Park Supervisors</b>	FTE	NA	3.4
<u>Executive</u> appropriates \$355,000 in state restricted funding and authorizes 3.0 new FTE positions for park supervisors.		<b>Gross</b>	<b>\$355,000</b>
<u>Senate</u> appropriates \$355,000 in state restricted funding and authorizes 3.4 new FTE positions.		Restricted	355,000
		GF/GP	\$0
<b>11. Technical Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$763,600</b>
<u>Executive</u> provides \$763,600 Gross (\$0 GF/GP) for technical adjustments to align expenditures and increased available state restricted and federal revenues.		Federal	352,200
<u>Senate</u> concurs.		Restricted	411,400
		GF/GP	\$0
<b>12. Wildlife Management – Pheasant Release Program</b>	FTE	221.5	0.0
<u>Senate</u> appropriates \$25,000 from the Game and Fish Protection Account to expand the Pheasant Release Program.		<b>Gross</b>	<b>\$25,000</b>
		Federal	0
		Private	0
		Restricted	25,000
		GF/GP	\$0
<b>13. Elberta Waterfront Community Conservation Project (One-time)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100</b>
<u>Senate</u> includes a \$100 GF/GP placeholder for a waterfront community conservation project in Elberta.		GF/GP	\$100

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<b>14. Extreme Weather Forestry Restoration Activities (One-time)</b>		<b>Gross</b>	<b>\$0</b>
<u>Senate</u> includes a \$100 GF/GP placeholder to support forest restoration after extreme weather.		GF/GP	\$0
<b>15. Forest Resources Division Rollup</b>		FTE	19.5
<u>Executive</u> rolls funding for Adopt-A-Forest Program (\$25,000 Gross), cooperative resource programs (\$1.7 million Gross and 11.0 FTE positions), forest fire equipment (\$931,500 Gross), and forest management initiative (\$944,200 Gross and 8.5 FTE positions) into forest management and timber market development (\$2.6 million Gross and 19.5 FTE positions) and wildfire protection (\$931,500 Gross) for a net zero change.		<b>Gross</b>	<b>\$3,551,300</b>
<u>Senate</u> concurs.		Federal	736,700
		Private	124,500
		Restricted	2,351,700
		GF/GP	\$338,400
<b>16. Finance and Operations Rollup</b>		FTE	2.0
<u>Executive</u> rolls funding for minerals management (\$159,600 state restricted funding and 1.0 FTE position) and marketing and outreach (\$199,000 in state restricted funding and 1.0 FTE position) into departmental finance and operations for a net zero change.		<b>Gross</b>	<b>\$358,600</b>
<u>Senate</u> concurs.		Restricted	358,600
		GF/GP	\$0
<b>17. Removal of FY 2024-25 One-time Appropriations</b>		<b>Gross</b>	<b>\$9,000,000</b>
<u>Executive</u> removes \$9.0 million GF/GP of one-time funding that was included in the FY 2024-25 budget to support the following:		GF/GP	\$9,000,000
<ul style="list-style-type: none"> <li>America 250 Commission grants (\$5.0 million)</li> <li>American chestnut restoration initiative (\$500,000)</li> <li>Huron Waterloo Pathways Initiative's Border-To-Border Trail (\$1,749,900)</li> <li>Mass timber market development (\$1.0 million)</li> <li>Phragmites management equipment (\$250,000)</li> <li>Sportsmen Against Hunger refrigeration units (\$500,000)</li> <li>Upper Peninsula ski project (\$100)</li> </ul>			<b>(\$9,000,000)</b>
<u>Senate</u> concurs.			
<b>18. Economic Adjustments</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> reflects increased costs of \$4.9 million Gross (\$852,400 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.		IDG	NA
<u>Senate</u> concurs.		Federal	NA
		Restricted	NA
		GF/GP	NA

## **Major Boilerplate Changes from FY 2024-25**

### **Sec. 206. Purchase of Foreign Goods and Services – REVISED**

Prohibits department from purchasing foreign goods and services if competitively priced American goods or services of comparable quality are available; requires preference for goods and services manufactured by Michigan businesses and their associated subcontractors and manufactured or provided by Michigan businesses owned and operated by veterans. Executive retains, Senate revises to add subsection requiring preference for goods and services manufactured in facilities that employ union members.

### **Sec. 207. Disciplinary Action Against State Employees – RETAINED**

Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs unless communication is prohibited by law. (*Governor deemed this section unenforceable in FY 2024-25.*) Executive deletes, Senate retains.

### **Sec. 211. Legislative Contingency Transfer Authorization – RETAINED**

Allows for the legislative transfer process to increase state restricted authorization by up to \$5.0 million. Executive revises to add federal authorization to up to \$3.0 million, Senate retains.

## **Major Boilerplate Changes from FY 2024-25**

### ***Sec. 213. Restricted Fund Revenues, Expenditures, and Fund Balances Report – RETAINED***

Requires annual report on fund balances, revenues, and expenditures for state restricted funds for previous and current fiscal years.

Executive deletes, Senate retains.

### ***Sec. 220. Internet Posting of Reports – NEW***

Requires the department to conspicuously post each report required by boilerplate by the report's due date on the department's Michigan.gov website.

Senate adds new section.

### ***Sec. 221. Receipt and Retention of Reports – RETAINED***

Requires department to receive and retain copies of all reports.

Executive deletes, Senate retains.

### ***Sec. 222. Report on Policy Changes Made to Implement Public Acts Affecting Department – RETAINED***

Requires the department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.

Executive deletes, Senate retains.

### ***Sec. 223. General Fund Expenditure Restrictions – NEW***

Prohibits the department from expending general fund if federal or private funding are available for the same expenditures, requires the department to notify standard report recipients if a reduction in departmental expenditures is necessary.

Senate adds new section.

### ***Sec. 224. Expending Available Work Project Authorization – RETAINED***

Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended. (*Governor deemed this section unenforceable in FY 2024-25.*)

Executive deletes, Senate retains.

### ***Sec. 230. Single Grant Recipient Requirements – REVISED***

Provides process requirements for grants or projects awarded to single recipient organizations or local governments.

Executive deletes, Senate revises to further define eligible grant recipients and requirements.

### ***Sec. 232. State Fiscal Recovery Funds – REVISED***

Requires the state budget director to ensure that State Fiscal Recovery Funds allocated under the American Rescue Pan Act of 2021 be expended before 2027; requires the state budget director to notify the House and Senate Appropriations Committees of reallocations made under this section.

Executive deletes, Senate revises to require the department to notify standard report recipients if an SFRF appropriation is projected to lapse.

### ***Sec. 233. Unenforceable Boilerplate Sections Report – NEW***

Requires the department to report to standard report recipients on any boilerplate sections deemed unenforceable.

Senate adds new section.

### ***Sec. 234. Federal Policy Change Report – NEW***

Requires the department to report quarterly to standard report recipients any federal policy changes that affect the department, those that engage with the department, related regulations, or create a regulatory gap with a potential negative public impact.

Senate adds new section.

### ***Sec. 235. General Fund Deposit to Game and Fish Protection Account – NEW***

Appropriates \$10.0 million from the general fund to the Game and Fish Protection Account.

Senate adds new section.

### ***Sec. 408. Land Transactions Report – RETAINED***

Requires detailed report to legislature on land purchases, sales, and exchanges.

Executive deletes, Senate retains.

### ***Sec. 1201. Work Project – Asset Management Solution – NOT INCLUDED***

Authorizes unexpended funds for Asset Management Solution totaling \$6.4 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to implement a department asset management system.

Executive adds new section, Senate does not add.

## **Major Boilerplate Changes from FY 2024-25**

### ***Sec. 1201. Work Project – Huron Waterloo Pathways Initiative's Border to Border Trail – DELETED***

Authorizes unexpended funds for Huron Waterloo Pathways Initiative's Border to Border Trail totaling \$1.7 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to develop a nonmotorized Border to Border Trail.

Executive deletes, Senate concurs.

### ***Sec. 1202. Work Project – American Chestnut Restoration Initiative – DELETED***

Authorizes unexpended funds for American Chestnut Restoration Initiative totaling \$500,000 to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to study and implement American chestnut restoration and assisted migration of American chestnut or other species for the purpose of helping adapt the state's forests to climate change.

Executive deletes, Senate concurs.

### ***Sec. 1203. Work Project – Mass Timber Market Development – DELETED***

Authorizes unexpended funds for Mass Timber Market Development totaling \$1.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to aid in the development of a mass timber market in this state.

Executive deletes, Senate concurs.

### ***Sec. 1204. Phragmites Management Equipment – DELETED***

Requires funds for Phragmites Management Equipment to be used to purchase heavy equipment for managing phragmites.

Executive deletes, Senate concurs.

### ***Sec. 1205. Work Project – Sportsmen Against Hunger Refrigeration Units – DELETED***

Authorizes unexpended funds for Sportsmen Against Hunger Disease Testing totaling \$500,000 to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to acquire refrigerated trailers that processors can use to store deer and processed venison.

Executive deletes, Senate concurs.

### ***Sec. 1206. Work Project – America 250 Commission Grants – DELETED***

Requires funds for America 250 Commission grants to be allocated to support the America 250 committee; specifies committee composition and selection; outlines committee functions; allows committee to seek additional funding; requires committee to use funding for initiatives to commemorate the semiquincentennial and promote the history and culture of Michigan; requires the committee to establish guidelines and criteria for grants for local initiatives; requires the committee to expend at least \$3,000,000.00 to implement a grant program for local initiatives, at least \$1,000,000.00 of which shall be allocated to the Lake County Merry Makers nonprofit (\$500,000) and Wayne County Community College (\$500,000); defines conditions of grants awards; earmarks \$2.0 million for initiatives that acknowledge Michigan's unique role in the history of the United States and outlines corresponding requirements; earmarks \$500,000 for the Michigan History Center and State Archives; allows the department to retain up to 3% of fund appropriated for administrative costs; authorizes unexpended funds for America 250 Commission Grants totaling \$5.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to provide grants to state and local entities to commemorate America's semiquincentennial.

Executive deletes, Senate concurs.