

FY 2022-23: DEPARTMENT OF NATURAL RESOURCES
Summary: As Reported by the House Subcommittee
House Bill 5789 (H-1)



Analyst: Austin Scott

| IDG/IDT | FY 2021-22 YTD as of 2/9/22 | FY 2022-23 Executive | FY 2022-23 House | FY 2022-23 Senate | FY 2022-23 Conference | Difference: House From FY 2021-22 YTD | |
|-------------------|--------------------------------|-------------------------|----------------------|----------------------|--------------------------|--|------------|
| | | | | | | Amount | % |
| | \$203,100 | \$203,100 | \$203,100 | \$ | \$ | \$0 | 0.0 |
| Federal | 91,291,300 | 93,630,000 | 93,499,900 | | | 2,208,600 | 2.4 |
| Local | 0 | 0 | 0 | | | 0 | -- |
| Private | 7,039,200 | 7,039,200 | 7,039,200 | | | 0 | 0.0 |
| Restricted | 317,195,300 | 337,504,200 | 324,735,900 | | | 7,540,600 | 2.4 |
| GF/GP | 48,612,500 | 95,775,700 | 48,079,900 | | | (532,600) | (1.1) |
| Gross | \$464,341,400 | \$534,152,200 | \$473,558,000 | \$ | \$ | \$9,216,600 | 2.0 |
| FTEs | 2,360.9 | 2,418.8 | 2,360.9 | | | 0.0 | 0.0 |

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (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 2021-22 YTD Appropriations | FY 2021-22 Year-to-Date (as of 2/9/22) | FY 2022-23 House Change |
|--|---|---|
| <p>1. State Fish Hatchery Upgrades and Improvements (One-Time) <u>Executive</u> appropriates \$30.0 million GF/GP for biosecurity, equipment, and infrastructure updates at state fish hatcheries including expansion of facilities and fish production at the Wolf Lake hatchery in Van Buren County. <u>House</u> does not appropriate.</p> | <p>Gross NA GF/GP NA</p> | <p>\$0 \$0</p> |
| <p>2. Equipment Lifecycle Replacement (One-Time) <u>Executive</u> appropriates \$12.4 million Gross (\$10.9 GF/GP) to replace aging equipment and vehicles in multiple DNR divisions including Fisheries, Forest Resources, and Law Enforcement. <u>House</u> appropriates \$1.6 million in restricted funding for equipment lifecycle replacement.</p> | <p>Gross NA Restricted NA GF/GP NA</p> | <p>\$1,550,000 1,550,000 \$0</p> |
| <p>3. Great Lakes Research Vessel (One-Time) <u>Executive</u> appropriates \$4.0 million GF/GP to replace the aging Lake Michigan Survey Vessel. <u>House</u> does not appropriate.</p> | <p>Gross NA GF/GP NA</p> | <p>\$0 \$0</p> |
| <p>4. Mass Timber Facility Newberry Customer Service Center (One-Time) <u>Executive</u> appropriates \$2.0 million GF/GP for the construction of a facility in Luce County for departmental staff and equipment storage. <u>House</u> does not appropriate.</p> | <p>Gross NA GF/GP NA</p> | <p>\$0 \$0</p> |
| <p>5. Wildfire Protection <u>Executive</u> appropriates \$751,900 GF/GP to expand wildfire prevention and protection by funding staff overtime and vacancies. <u>House</u> does not appropriate.</p> | <p>FTE 115.0 Gross \$15,030,900 Federal 1,370,200 Restricted 7,212,500 GF/GP \$6,448,200</p> | <p>0.0 \$0 0 0 \$0</p> |

| | | FY 2021-22 Year-to-Date (as of 2/9/22) | FY 2022-23 House Change |
|---|--------------|--|-------------------------------|
| Major Budget Changes from FY 2021-22 YTD Appropriations | | | |
| 6. Fisheries Resource Management | FTE | 158.0 | 0.0 |
| <u>Executive</u> appropriates \$652,800 GF/GP and authorizes 4.0 FTE positions to improve state and tribal relations in the co-management of fisheries. | Gross | \$21,714,000 | \$0 |
| <u>House</u> does not appropriate. | Federal | 4,382,400 | 0 |
| | Private | 136,700 | 0 |
| | Restricted | 16,653,200 | 0 |
| | GF/GP | \$541,700 | \$0 |
| 7. Archives of Michigan Digitization (One-Time) | Gross | NA | \$0 |
| <u>Executive</u> appropriates \$485,000 GF/GP to digitize and index decaying physical historical records. | GF/GP | NA | \$0 |
| <u>House</u> does not appropriate. | | | |
| 8. Parks and Recreation Division Employee Initiatives | FTE | NA | 0.0 |
| <u>Executive</u> appropriates \$9.2 million in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund and authorizes 40.8 FTE positions for division employee recruitment and retention initiatives, including increases in work hours and wages. | Gross | NA | \$0 |
| <u>House</u> does not appropriate. | Restricted | NA | 0 |
| | GF/GP | NA | \$0 |
| 9. Off-Road Vehicle Trail Improvements | FTE | NA | 0.0 |
| <u>Executive</u> appropriates an additional \$3.1 million of available restricted revenue and authorizes 13.1 FTE positions to support trail improvement grants and law enforcement across Michigan's ORV system. | Gross | NA | \$0 |
| <u>House</u> does not appropriate. | Restricted | NA | 0 |
| | GF/GP | NA | \$0 |
| 10. State Parks Improvement Revenue Bonds – Debt Service | Gross | \$1,201,800 | (\$1,201,800) |
| <u>Executive</u> eliminates \$1.2 million from the Park Improvement Fund as no debt payments are required after FY 2021-22. | Restricted | 1,201,800 | (1,201,800) |
| <u>House</u> concurs. | GF/GP | \$0 | \$0 |
| 11. Parks and Recreation Division Campsite and Harbor Operations | Gross | NA | \$2,820,000 |
| <u>Executive</u> appropriates \$2.8 million in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund to increase funding for state campsites and harbors. | Restricted | NA | 2,820,000 |
| <u>House</u> concurs. | GF/GP | NA | \$0 |
| 12. Pay Increases for Recruitment and Retention of Short-Term Employees | Gross | NA | \$0 |
| <u>Executive</u> appropriates \$678,800 in available federal and restricted revenue to provide pay increases for short-term employees in fisheries, shooting ranges, and cultural centers. | Federal | NA | 0 |
| <u>House</u> does not appropriate. | Restricted | NA | 0 |
| | GF/GP | NA | \$0 |
| 13. Marketing and Outreach | FTE | 137.3 | 0.0 |
| <u>Executive</u> appropriates \$297,800 in available restricted revenue to align spending authorization with available Youth Hunting and Fishing Education and Outreach funding, to support the increased online credit card processing of hunting and fishing licenses, and to support maintenance of the MiConnect Outdoors license sales system. | Gross | \$14,705,400 | \$297,800 |
| <u>House</u> concurs. | Federal | 1,721,600 | 0 |
| | Restricted | 12,682,400 | 297,800 |
| | GF/GP | \$301,400 | \$0 |
| 14. Wildlife Management | FTE | 221.5 | 0.0 |
| <u>Executive</u> appropriates \$100,000 in available restricted revenue to align spending authorization with available Pheasant Hunting License fee revenue. | Gross | \$46,042,300 | \$100,000 |
| <u>House</u> concurs. | Federal | 25,638,700 | 0 |
| | Private | 315,700 | 0 |
| | Restricted | 15,635,300 | 100,000 |
| | GF/GP | \$4,452,600 | \$0 |

| Major Budget Changes from FY 2021-22 YTD Appropriations | | FY 2021-22 Year-to-Date (as of 2/9/22) | FY 2022-23 House Change |
|---|--|---|--|
| 15. Capital Outlay – State Parks Repair and Maintenance | | Gross | \$16,100,000 |
| <u>Executive</u> appropriates \$3.1 million in available restricted revenue from Recreation Passport Fees for state park infrastructure maintenance, renovation, and upgrades. | | Restricted | 3,100,000 |
| <u>House</u> concurs. | | GF/GP | \$0 |
| 16. Capital Outlay – State Game and Wildlife Area Infrastructure | | Gross | NA |
| <u>Executive</u> establishes new appropriation of \$1.4 million Gross (\$0 GF/GP) for facility improvements and wildlife restoration projects at state game areas. | | Federal | 1,050,000 |
| <u>House</u> concurs. | | Restricted | 350,000 |
| | | GF/GP | \$0 |
| 17. Capital Outlay – State Boating Infrastructure Maintenance | | Gross | \$7,752,500 |
| <u>Executive</u> appropriates \$1.1 million in available federal and Michigan State Waterways funding for facility maintenance and infrastructure projects at state harbors and boating access sites. | | Federal | 400,000 |
| <u>House</u> concurs. | | Restricted | 700,000 |
| | | GF/GP | \$0 |
| 18. Capital Outlay – Wetlands Restoration, Enhancement, and Acquisition | | Gross | NA |
| <u>Executive</u> reestablishes appropriation of \$1.0 million from Waterfowl Hunt Stamp revenue to facilitate access for public recreation in wetland areas. This program was last funded in FY 2020-21. | | Restricted | 1,000,000 |
| <u>House</u> concurs. | | GF/GP | \$0 |
| 19. Capital Outlay – Local Boating Infrastructure Maintenance and Improvements | | Gross | \$3,322,500 |
| <u>Executive</u> appropriates \$300,000 in available Michigan State Waterways funding for local grants for facility maintenance and infrastructure projects at publicly-accessible local harbors and boating access sites. | | Restricted | 300,000 |
| <u>House</u> concurs. | | GF/GP | \$0 |
| 20. Removal of FY 2021-22 One-Time Funding | | Gross | \$7,995,800 |
| <u>Executive</u> removes \$8.0 million Gross (\$2.0 million GF/GP) for one-time projects included in the FY 2021-22 budget. Projects included Fish Hatchery Energy Efficiencies and Kalamazoo River Watershed Improvements. | | Restricted | (6,000,000) |
| <u>House</u> concurs. | | GF/GP | (\$1,995,800) |
| 21. Chronic Wasting Disease Testing (One-Time) | | Gross | \$500,000 |
| <u>House</u> appropriates an additional \$500,000 GF/GP for the provision of CWD check stations or drop stations in core CWD areas, management zones, or surveillance areas. | | GF/GP | \$500,000 |
| 22. Body Cameras for Conservation Officers (One-Time) | | Gross | NA |
| <u>House</u> appropriates \$1.0 million GF/GP for the provision of body cameras to Conservation Officers. | | GF/GP | NA |
| 23. Michigan Conservation Corps | | Gross | \$934,400 |
| <u>House</u> eliminates funding for the for the Michigan Conservation Corps. This statewide summer employment program for at-risk youth and returning veterans allows partner organizations to hire individuals for work that is approved or managed by DNR employees. | | GF/GP | (\$934,400) |
| 24. Economic Adjustments | | Gross | NA |
| <u>Executive</u> reflects increased costs of \$6.2 million Gross (\$897,600 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. | | Federal | 758,600 |
| <u>House</u> concurs. | | Restricted | 4,524,600 |
| | | GF/GP | \$897,600 |

Major Boilerplate Changes from FY 2021-22

Sec. 206. 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's signing letter stated this section was unenforceable.*)

Executive deletes, House retains.

Sec. 209. GF/GP Lapse – RETAINED

Requires report of estimated GF/GP appropriation lapses at close of previous year.

Executive revises due date to December 31, House retains November 30 due date

Sec. 210. Contingency Fund Transfer Authority – RETAINED

Provides authority for contingency fund transfers of up to \$5.0 million restricted; authorizes expenditure after legislative transfer to specific line items.

Executive revises to include contingency authority of \$3.0 million federal, \$10.0 million restricted, and \$1.0 million private; House retains without change.

Sec. 216. FTE Vacancies and Remote Work Report – RETAINED

Requires department to report the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely.

Executive deletes, House retains.

Sec. 217. 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's signing letter stated this section was unenforceable.*)

Executive deletes, House retains.

Sec. 218. State Administrative Board Transfers – RETAINED

Authorizes legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds. (*Governor's signing letter stated this section was unenforceable.*)

Executive deletes, House retains.

Sec. 219. Receipt and Retention of Reports – RETAINED

Requires department to receive and retain copies of all reports.

Executive deletes, House retains.

Sec. 220. 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, House retains.

Sec. 221. Severance Reporting – RETAINED

Requires department to report details of severance pay for certain departmental employees.

Executive deletes, House retains.

Sec. 222. COVID-19 Vaccine Disclosure – RETAINED

Prohibits state officials from requiring COVID-19 vaccine disclosure as a condition of receiving state services or developing a vaccine passport.

Executive deletes, House retains.

Sec. 225. Contracts and Grants for Local Governments, Colleges and Universities, Nonprofits – RETAINED

Authorizes department to contract with or provide grants to local governments, institutions of higher education, or nonprofits.

Executive deletes, House retains.

Sec. 240. Remote Working Prohibition – NEW

Prohibits the department from permitting employees to work remotely unless they were working remotely prior to February 28, 2020..

House adds new section.

Sec. 408. Land Transactions – RETAINED

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

Executive deletes, House retains.

Major Boilerplate Changes from FY 2021-22

Sec. 506. *USDA Wildlife Services Deer Harvesting* – RETAINED

Encourages United States Department of Agriculture Wildlife Services to harvest all deer during targeted removal required under Enhanced Wildlife Biosecurity Program.

Sec. 507. *Antlerless Deer License Discounts* – REVISED

Permits department to discount antlerless deer licenses in the northeast Lower Peninsula to achieve deer management objectives; earmarks up to \$505,000 of funding for wildlife management to supplant lost revenue that would otherwise be collected from full-price antlerless deer licenses sold in the northeast Lower Peninsula; permits department to terminate the license discount once lost revenue reaches \$505,000. If lost revenue does not exceed \$505,000 by February 1 then the department is required to end the discount and allocate remaining funding to the Habitat Improvement Partnership Initiative.

Executive revises lost revenue date to a date to be specified by the department but not before November 15 and replaces the Deer Habitat Initiative with "costs associated with testing for chronic wasting disease that were harvested outside the areas designated as chronic wasting disease surveillance areas where sample collection sites are available" and provides for the department to implement this change "in a form and manner prescribed by the department."

House replaces the Deer Habitat Initiative with "costs associated with testing for chronic wasting disease that were harvested outside the areas designated as chronic wasting disease surveillance areas where sample collection sites are available."

Sec. 601. *Stream Habitat Improvement Grant* – RETAINED

Appropriates \$758,000 to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat improvement projects.

Executive deletes, House retains.

Sec. 602. *Water Control Structure Certification* – DELETED

Directs Fisheries Division to not interfere with certification process for dams and other water control structures.

Executive deletes, House concurs.

Sec. 802. *Timber Marking* – RETAINED

Requires department to report quarterly on number of acres of state forest land marked or treated for timber harvest.

Executive revises to exclude specific reporting requirements, House retains without change.

Sec. 803. *Federal Forest Fire Compact Expenditure Authorization* – REVISED

Authorizes expenditure of funds for forest fire suppression efforts on federal lands, provided DNR is reimbursed.

Executive revises to add hazard incidents as allowable expenditure, House concurs.

Sec. 901. *Snowmobile Law Enforcement Grants* – RETAINED

Authorizes 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 Marine Safety Grant Program; requires report to include watercraft registration revenues, revenues and expenditures of Marine Safety Fund, grant distribution methodology, and list of grant awards by county.

Executive deletes, House retains.

Sec. 1201. *Chronic Wasting Disease Testing* – RETAINED

Directs expenditure of funding for the provision of CWD check stations or drop stations in core CWD areas, management zones, or surveillance areas before the next hunting season.

Executive deletes, House retains.

Sec. 1202. *Kalamazoo River Watershed Improvements – Capital Outlay* – DELETED

Directs expenditure of funding for Kalamazoo River watershed improvements in accordance with the Kalamazoo River Supplemental Restoration Plan.

Executive deletes, House concurs.