



Legislative Fiscal Bureau

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Joint Committee on Finance

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Endangered Resources Expenditures from Division of Land Operations (DNR -- Fish, Wildlife, and Recreation)

CURRENT LAW

Under current law, the Department of Natural Resources (DNR) utilizes a conservation fund SEG appropriation for Division of Land operations. This appropriation includes specific allocations for wildlife management, state parks, southern state forests, facilities and lands, the land management program, and endangered resources. The wildlife management allocation is funded from fish and wildlife SEG (primarily hunting and fishing license fees), while the land management, facilities and lands, and endangered resources allotments are also supported, in part, with fish and wildlife SEG, as well as other conservation fund SEG allocations (such as the parks and forestry accounts).

GOVERNOR

No provision.

DISCUSSION POINTS

1. As part of a larger departmental reorganization, 2005 Act 25 transferred the Ecological Inventory and Monitoring (EIM) section from the DNR Bureau of Integrated Science Services (ISS) to the Endangered Resources Bureau. Under the bill, this program would be funded at \$768,800 SEG annually (\$496,600 fish and wildlife account and \$272,200 forestry account). The transfer was accomplished by moving the expenditures and associated staff from an ISS appropriation in the Division of Enforcement and Science to the Division of Land conservation fund SEG general operations appropriation and expanding the language of that appropriation to include endangered resources purposes. This is the main appropriation (\$39 million annually) for Division of Land operations and includes specific allocations for wildlife management, state parks, southern

state forests, facilities and lands, the land management program, and endangered resources. The act was intended to allow existing funds to be used for the EIM program which identifies, collects, and integrates data for ecosystem management into the aquatic and terrestrial resources information system (ATRI) which is utilized for environmental decision-making projects.

2. However, the appropriation language is currently broad enough to cover any endangered resources purpose, including endangered resource (wolf) damage payments. Further, DNR has utilized this language to use allotments beyond the Bureau of Endangered Resources portion (\$768,800 annually) of this appropriation to fund wolf damage and other gray wolf management programs. It utilized \$34,800 in FY 09 and \$40,200 in FY 10. This has primarily come from the wildlife management allotment (\$12.6 million), but also from the facilities and lands allocation (\$7.4 million annually). In the past, concerns have been raised about the extent to which fish and game license fees have been spent on activities unrelated to hunting and fishing. In June, 2006, the Legislative Audit Bureau (LAB) released a report regarding DNR expenditures from the fish and wildlife account of the conservation fund. LAB classified fiscal year 2004-05 fish and wildlife account expenditures from user fees according to whether or not they benefited hunters and anglers. Of the \$68.2 million in fish and wildlife expenditures funded by user fees, LAB found that 97.6% provided some level of benefit to hunters and anglers. Among the 2.4% of expenditures classified as "activities that did not directly benefit hunters and anglers", endangered species expenditures totaled \$625,700 or 0.9% of total user fee expenditures. As the intent of Act 25 was to allow existing funds to be utilized for the EIM program, it could be argued that the 2005 Act 25 provision was broader than necessary. The appropriation's purposes could be narrowed to specify the appropriation may only be used for the purposes of the ecological inventory and monitoring and ATRI programs, rather than referencing the much broader endangered resources program.

ALTERNATIVES

1. Specify that, under the endangered resources program, DNR may utilize funds from the Division of Land conservation fund SEG general operations appropriation [20.370(1)(mu)] only for the ecological inventory and monitoring program and for management of the aquatic and terrestrial resources information system.

2. Maintain current law. (DNR would have the discretion to use fish and wildlife account, and potentially, other conservation fund SEG (including parks and forestry) for various endangered resources programs beyond the amount allocated for this purpose (\$768,800 annually).

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