



Response from the Minnesota Department of Natural Resources

December 2003

To the Citizen Oversight Report of the
Game & Fish Fund Budgetary Oversight Committee
on Game & Fish Fund Expenditures, Fiscal Year 2002

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RESPONSE TO FISHERIES OPERATIONS SUBCOMMITTEE OVERSIGHT REPORT FOR FY2002

1. *The Division of Fisheries has experienced a nearly complete loss of General Fund dollars. It appears that the Minnesota Legislature and DNR are balancing the General Fund budget on the back of Minnesota's anglers.*

DNR Response:

While General Fund appropriations for Fisheries are currently limited, the Game and Fish Fund, including the Heritage Enhancement Account, is providing strong support for fisheries programs. The Minnesota Department of Natural Resources supports dedicated accounts and the concept of adding a permanent, stable funding source for fisheries programs.

2. *The subcommittee is concerned by the large amount of "roll forward" dollars from FY 02 appropriations and the possibility that action diminishes the value of their fisheries dollars.*

DNR Response:

The Department agrees that excessive "roll forward" amounts should be avoided; however, the ability to roll dollars from the first to the second year of a biennium does provide budget management flexibility. A biennium starts in July and splits the normal field season in two, leaving limited time the first year to accomplish larger projects that may require extensive planning. The ability to roll dollars to the next fiscal year help the Department accomplish more of these projects. In addition, if a high-priority project is delayed due to weather or other difficulties, it is often preferable to roll dollars forward and complete the project the next year rather than looking for a quick alternative that may be a lower priority.

The Division of Fisheries did have an unusually large roll-forward amount from FY 2002 to FY 2003; however, there were a number of unique challenges to budget management in FY 2002 that contributed to this including:

- A state employee strike, unanticipated vacancies, and hiring restrictions, which contributed to large salary savings;
- Project delays and cancellations due to the strike;
- Restrictions on technical/professional services contracts, which delayed or cancelled some plans for contracting;
- The General Fund deficit – a large amount of General Fund was rolled forward to make up for almost complete elimination of General Fund in FY 2003; and
- Lottery revenues were lower than expected and the Division was advised through most of the year that some of the Heritage Enhancement appropriation would have to be returned to the fund, so it held back some funds until it was determined how much had to be returned.

The Division of Fisheries rolled about 12 percent of its budget forward from FY 2002 to 2003, compared to 7 percent from FY 2000 to 2001 and 5 percent from FY 1998 to 1999. The Department does not anticipate that the high roll forward amount that occurred between FY 2002 and 2003 will be a recurring phenomenon.

The Department did not purposefully select dollars from accounts other than the Game and Fish Fund to roll-forward, except for General Fund as previously mentioned. The large amount of Heritage roll-forward was due to several factors including:

- The Department received an unexpected appropriation for aquatic plant restoration, for which it took some time to develop a spending plan;
- The Department received \$500,000 for acquisition, which often requires more than one year to complete (acquisition appropriations are often managed on a biennial basis, with the first year used primarily to identify and start the acquisition process for the parcels that will be bought with the entire biennial appropriation);

- Some of the Heritage appropriation was for a pass-through grant to the Minneapolis Park and Recreation Board.

The percentage of trout stamp roll-forward has been higher than for other funds, even in other biennia where the total roll-forward was lower. The Trout and Salmon Stamp Citizen Oversight Committee also raised this concern. The Department will take steps to reduce trout stamp roll-forward in the future.

3. *There appears to be a disturbing trend of bureaucratic activities such as administration and planning/coordination increasing as a percentage of the budget while "on-the-ground" activities like habitat improvement and stocking are decreasing, giving the impression that the Division is "planning and thinking" instead of "doing."*

DNR Response:

An examination of the fiscal data does not support the point that there is a trend away from field activities.

For example, expenditures for stocking/culture were lower in FY 2002 than in FY 2001, but both years were higher than every other year since FY 1993 (Table 1). More importantly, stocking programs have not been decreased. The higher expenditures in FY 2001 and 2002 reflect increases in the walleye stocking program and stable stocking levels for other species. Expenditures for stocking/culture will vary from year-to-year due to weather, management plans, and the amount spent on hatchery improvements. Funding for stocking was increased by \$1 million in FY 2004. These dollars will be used to buy walleye and muskellunge from private fish hatcheries and to free up additional rearing ponds for walleye, purchase fish stocking equipment and meet ongoing maintenance needs.

Table 1. Total expenditures (millions) for selected programs in the Division of Fisheries from fiscal years 1993-2002.

Program	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02
Habitat	\$1.2	\$1.2	\$1.1	\$1.3	\$1.4	\$1.7	\$3.2	\$2.1	\$5.9	\$2.6
Stocking/culture	\$3.0	\$2.6	\$2.6	\$2.3	\$2.6	\$2.5	\$3.3	\$3.2	\$5.7	\$4.1
Planning/coord.	\$1.3	\$1.3	\$1.7	\$1.6	\$2.1	\$2.1	\$2.2	\$2.2	\$2.5	\$2.6
Administration*	\$2.9	\$3.0	\$2.6	\$2.7	\$2.7	\$3.0	\$3.6	\$3.3	\$4.4	\$4.4

*Administration figures do not include workers and unemployment compensation.

Expenditures for habitat were relatively low from FY 1993-1997, when inflation and lack of additional funding were eroding the Division of Fisheries' budget, but have increased since FY 1998 when the Division began to get increased funding (Table 1). The expenditure for habitat did decrease from \$5.9 million in FY 2001 to \$2.6 million in FY 2002. However, the FY 2001 expenditure was extremely high compared to any other year since 1993. This was because the combined General Fund/Heritage appropriation the Division of Fisheries received that year was a record \$6.7 million, of which over \$3.3 million was spent on habitat programs. By contrast, in FY 2002 the combined General Fund/Heritage appropriation was \$5.3 million, of which \$0.9 million was used for habitat and \$2.2 million was rolled forward to FY 2003. A substantial amount of those roll-forward dollars was used for habitat programs, which will increase the expenditures for habitat in FY 2003.

The percent expenditure for administration was higher in FY 2002 than in FY 2001, because total expenditures were down about \$5.5 million in FY 2002. However, the total spent for administration was actually about the same for the two years (Table 1). Expenditures for administration have increased since the Division of Fisheries' budget increased in FY 1998. This reflects the fact that administrative overhead increases as the size of the operation increases. The Division has not added administrative positions as budgets have increased. However, there have been substantial administrative requirements added in the past 10 to 15 years in hiring, training, cost accounting,

budget management and reporting, rulemaking, safety, etc. The Department is open to suggestions on how to reduce administrative costs.

Expenditures for planning and coordination have gradually increased since FY 1993 and were slightly higher in FY 2002 than in FY 2001 (Table 1). Many planning and coordination activities undertaken by the Division of Fisheries are the result of increasing demands by external constituents such as Indian bands, other government agencies, the Minnesota Legislature, and the general public. As with administration, the Department is open to specific suggestions on how to reduce this activity without undermining core programs.

In summary:

- Fisheries field activities have not decreased and will continue to be a high priority for this administration. Fish stocking will continue to receive increased emphasis with the additional \$1 million allocated in FY 2004.
- Expenditures for administration were about the same in FY 2001 and 2002. The increase in percent expenditure for administration in FY 2002 was because total expenditures were about \$5.5 million less than in FY 2001.
- Administrative and planning/coordination costs have increased over the past decade due to increased requirements in those areas.
- Suggestions that would decrease administrative and planning/coordination costs are always welcome.

4. The DNR and the Legislature should review program costs, efficiency, and possible simplification for commercial aquatic and hatchery licenses. Commercial license revenues should be sufficient to cover the costs of program administration and enforcement. The Game & Fish Fund should not subsidize the profits of these private businesses.

DNR Response:

As part of the Governor's budget recommendation, the Department submitted a proposal to raise commercial fisheries license fees so that revenues would cover program administration costs. However, commercial fisheries representatives said increasing license fees enough to eliminate the entire deficit between revenues and program costs all at once would force many of them out of business. As a result, the proposed fee increases were modified so that the deficit between program costs and revenues would be reduced from about \$274,000 to \$81,000. These increases were approved by the Legislature. The Division of Fisheries invited the chair of the Fisheries Operations Subcommittee to participate in the fee increase discussion with commercial fisheries representatives, which he did. The Department agrees with the overall goal of having license revenues cover program costs, but believes it will be necessary to accomplish this over time.

5. The percentage of costs paid from the Game & Fish Fund for 1837 Treaty activities is increasing. The Legislature should review 1837 Treaty expenditures and appropriate General Fund Dollars to pay for at least half of these costs.

DNR Response:

The cost of managing Mille Lacs Lake is increasing along with the demands for fisheries information. The Department is currently doing an extensive tagging study and a hooking mortality study, in addition to the extensive monitoring that already occurs. The Department agrees that the General Fund should cover fish management costs resulting from treaties.

6. The Legislature should remove the \$200 cap on aquatic vegetation removal permits and increase "removal permit" fees enough to cover the program costs. Anglers should not be paying for someone else's desire to destroy fisheries habitat.

DNR Response:

See response in Ecological Services chapter, pages 17-18.

7. We believe the maintenance part of the public boat access program is grossly under-funded, and recommend that the Legislature increase boat license fees to cover the needed program costs of repair and maintenance.

DNR Response:

As the Department continues to purchase and develop water access sites including boat access sites, fishing piers, canoe and boating sites and Lake Superior Harbors, we recognize the need to increase maintenance. This includes rehabilitation. Boat and motor sizes have increased substantially over the past 15 years, which has made many of our boat launch ramps and parking lots undersized. The Legislature provided bonding funds in the past for rehabilitation, which has helped long term maintenance.

The water recreation program is funded through the Water Recreation Account (1.5 percent of the gas tax and boat license fees). The Division of Trails and Waterways is considering a request to increase the boat license fee to provide more maintenance funding. The request will follow a process established by the Department of Finance and will require final approval by the Governor.

The Department does not believe an assessment on lakeshore property is an equitable solution. Since many people who do not have lakeshore own boats it appears unreasonable to ask the lakeshore property owners to finance the accesses alone. Also since there already is a mechanism for funding in statute (the boat license and gas tax) increasing this source should be pursued first.

Regarding capturing revenue from the out of state residents, it's true that the Department does not collect the license revenue from occasional boat use in this state if the boat is licensed in another state. However Minnesota law provides that if a boat is used more than 90 consecutive days in Minnesota it must be licensed in this state. Minnesota currently has more than 37,000 non-resident boats licensed, with North Dakota being the largest at 12,000. Also the federal boating safety act requires that a boat must be licensed in the state of principal use.

8. This subcommittee would like to highlight its support for the FIN program – Fishing In the Neighborhood.

DNR Response:

The Department appreciates the support for this program. It will remain one of the highest priorities for funding with Heritage Enhancement dollars.

9. This subcommittee supports a long-term commitment to the Lake Superior Chinook Salmon and Kamloops trout programs.

DNR Response:

Kamloops stocking will continue at current levels under the Lake Superior rainbow trout plan. The Kamloops rainbow trout stocking program provides a high-quality, accessible fishery in the Duluth area. However, studies indicate that mixing Kamloops and wild steelhead may decrease the reproductive success of steelhead and prevent full recovery from the low population levels experienced in the 1980s. The DNR's goal is to minimize hybridization between Kamloops and steelhead, while continuing to provide Kamloops fishing for anglers. Future Kamloops management will depend on the response of Kamloops and steelhead to the strategies described in the 2003 Lake Superior Rainbow Trout Management Plan.

The chinook salmon summer fishery in Lake Superior is in good shape and is largely supported by wild fish. However, the survival of stocked fish has decreased greatly over the past 10 to 15 years. As a result, chinook fishing remains good in the lake, but fall spawning runs in Minnesota streams have decreased because few wild fish spawn in Minnesota streams. The reduced survival of stocked fish has reduced fall angling success in the streams and made it difficult for the DNR to collect enough eggs to continue a stocking program.

Based on discussions from a series of public input meetings, the DNR stocked chinook salmon from Lake Michigan from 1999-2002. Returns of the Lake Michigan fish will be monitored to determine if they survive better than the Lake Superior fish the Department was relying on. However, it is possible that the number of wild chinook salmon produced in other parts of Lake Superior, such as Ontario and Michigan, has increased to the point where, due to predation or competition, stocked chinook salmon are no longer surviving at rates adequate to produce a fall stream fishery or supply eggs for the stocking program. If that is the case, the Department will have to reexamine the cost-effectiveness of continuing a chinook-stocking program. Other fish management agencies on Lake Superior are also experiencing very low survival rates of stocked chinook salmon and are reexamining their programs.

10. DNR should explore indexing fees to inflation and finding a dedicated general fund source of revenue.

DNR Response:

The Department would welcome any steps taken to stabilize and diversify funding for DNR programs.

RESPONSE TO TROUT & SALMON SUBCOMMITTEE OVERSIGHT REPORT FOR FY2002

1. The committee recommends increasing the Trout Stamp fee from \$8.50 to \$10.00 starting in 2004. The increased revenues should be applied to acquiring added easements on trout streams, the design and construction of quality habitat improvement projects, steelhead trout rehabilitation, and to promote the natural production of wild trout and salmon where appropriate.

DNR Response:

The Department is happy to report that the Legislature passed the increase in the trout and salmon stamp fee from \$8.50 to \$10.00. This increase will go into effect when the new license year starts on March 1, 2004 and should result in an additional \$130,000 to \$150,000 in revenue each year.

2. The committee recommends approval of the \$244,000 Fund Level Increase from the Trout Management Account.

DNR Response:

The Legislature approved this change level request. The Department will utilize the increased appropriation without jeopardizing the "safety net," meaning that we will plan for a balance of about \$200,000 in the trout stamp account by fiscal year 2007.

3. Statutes allow for a maximum of 10% of the stamp revenues to be spent for administration. The fund statement does not reflect the administrative expenditure. Administrative expenses should be a line item in the fund statements and to the extent possible should be applied toward the administrative expenses of the Cold Water program within the Game and Fish Fund.

DNR Response:

When the Trout and Salmon Stamp was initiated in 1982, statutory language allowed up to 10% of the revenues to be used for program administration. In the early 1990s, there was concern regarding how the DNR was managing the trout stamp account including the amount spent on administration. Because it is difficult to define duties that constitute administration, the committee decided to deposit 90 percent of the stamp revenues in the stamp account and require that none of these funds be used for administration. With this approach, the remaining 10 percent of the revenues would be deposited into the Game and Fish Fund to offset administrative costs. This change was implemented by the 1994 Legislature (Laws of 1994, Chapter 561, Sec. 11).

The current accounting system is not set up to separately track the 10 percent of the trout stamp revenues that are taken off the top to offset administrative costs, because these dollars are deposited into the Game and Fish Fund along with other revenues. In addition, many administrative costs are not specific to management of trout or any other species.

The Department believes that the current system avoids ambiguities and eliminates the need to track administrative expenditures within the stamp account to make sure the 10 percent limit is not exceeded. More importantly, it is clear that the trout program benefits from license revenues from non-trout anglers. About 21 percent of the Fisheries budget has been used for coldwater programs in recent years, yet trout anglers make up only about six to seven percent of all licensed anglers. As a result, it seems unlikely that stamp revenues pay a disproportionate amount of non-trout related administration.

4. The large amount of "Roll Forward" revenues climbed substantially after two years of decline. The roll forward represents approved, but unspent appropriations amounting to an excess of 30% of the total. Fisheries has provided a outline of the reasons; the FY02 employees strike, the statewide freeze in out state contracts, weather delays for approved projects, etc, etc. Since FY 00 the TSS Committee has advised Fisheries that the roll forward amount should be reduced to 10% or less. Trout and Salmon dollars should be spent for the intended purposes in the year that the funds are available. TSS members identified three specific problems leading to the unspent revenues; rigidity in the

spending plans, the lack of outsourcing for cold-water projects like HI, beaver control or data processing and the budget crunch putting a freeze on state spending. If weather conditions, strikes or other circumstances delay projects there is no reason to lock up 30% of the funds. Fisheries should develop contingency spending plans each year and incomplete projects should be planned to use next year's funds. Rigidity in the Trout Stamp budget results in lost opportunities to buy easements or maintain HI projects and carrying costs and inflation deflate the fund. The carry forward amounts should not be allowed to continue.

DNR Response:

The Fisheries Funding Citizen Oversight Committee also voiced concern with excessive “roll forward” amounts. Please see the response in that chapter (page 1) for a complete discussion of this issue. The Division of Fisheries did have an unusually large “roll-forward” amount from FY 2002 to 2003. However, the percentage of trout stamp roll-forward has been higher than for other funds, even in other biennia where the total roll-forward was lower. The Department will take steps to reduce the trout stamp roll-forward in the future. The new appraisal method has helped to speed up easement acquisition and should enable the Department to avoid large roll-forward amounts of dollars allocated for trout stream easements.

The Division of Fisheries does plan to contract or “outsource” some trout stream improvement work. However, contract work is also subject to weather-related delays and generally has less flexibility to develop contingency plans for alternate projects.

In general, the Department agrees that large roll-forward amounts should be avoided, but also feel the ability to roll funds forward provides budget flexibility that helps the Department to spend its dollars more effectively. If a project has to be delayed on short notice, it may be advantageous to retain the funding for that project rather than transfer it to a contingency project.

5. *The large proportion of the TSS fund used for fish culture and stocking (71%) is a continuing source of debate. There is no consensus among the Committee Members. On one hand TU and MTA would like to see an emphasis on naturalization and wild trout populations with less reliance on hatcheries, on the other hand, the LSSA and other Lake Superior interests see hatcheries as a critical link in restoring and creating diverse fishing opportunities in Lake Superior and the Arrowhead. TU and MTA have resolutions calling for mothballing or closing hatcheries as a budget cutting measure. LSSA and others have proposed expanding culture and stocking programs to serve the big lake fisheries and North Shore streams. The TSS recommends that the DNR target reductions in stocking in the lakes and streams where wild trout populations can be sustained and can provide a quality sport fishing experience.*

DNR Response:

As noted, opinions on stocking vary greatly among trout and salmon anglers. The DNR also endorses reducing or eliminating trout stocking in lakes and streams that sustain adequate natural reproduction. Since the mid 1980s, the Department has evaluated trout stocking in individual lakes and streams management and eliminated stocking where it is not making a significant contribution to the fishery.

The five DNR coldwater hatcheries currently in operation all contribute to statewide fish stocking programs driven by lake and stream fisheries management plans. The Department will continue to evaluate the trout-stocking program based on resource management priorities. Given current priorities and funding, statewide stocking needs have not decreased to the point where one or more coldwater hatcheries should be closed.

Looking to the future, the committee has accurately pointed out that stocking demands are decreasing in some areas, but increasing in others. In addition, there are other factors that make stocking needs difficult to predict. For example, while natural reproduction in many streams has improved over the last 30 years, changes in climate or land use could reverse this trend resulting in the need for increased stocking. Given these uncertainties, it seems prudent to maintain all five coldwater hatcheries at this time.

6. In FY01 the TSS Committee recommended forming a working group of interested parties to review the habitat improvement program. The Southeastern Regional Manager initiated this program but the effort stalled in FY02 and has not come to fruition. Continuing angler concerns over how to get the most benefit from new HI project and how to maintain existing projects demands is an ongoing controversy creating friction between volunteer conservation groups, avid anglers and the Fishery managers. It is recommended that DNR initiate a HI Roundtable, facilitated by an outsider to work through issues about HI planning, construction, maintenance and funding.

DNR Response:

The Department is working to address concerns about the habitat improvement work in southeast Minnesota. A habitat improvement tour including Trout Unlimited, the Minnesota Trout Association, and department staff was done this summer. As a result of this tour, the Department has agreed to a number of changes in our habitat improvement program and will be working more closely with Trout Unlimited and the Minnesota Trout Association on selecting and conducting projects.

7. Easement identification and acquisition continues to be a top priority. Legislative changes enacted in FY03 that determine easement values have been a dramatic help to the easement acquisition and significant easement acquisitions have been made in FY02-03 with funds from other programs. TSS Funds should continue to be available to take advantage of easement acquisition opportunities whenever these opportunities exist.

DNR Response:

Trout stream easement acquisition is a high priority for the DNR. The Department will continue to use stamp funds as well as other available funding for the purchase of easements along trout streams.

8. Lake Superior research and special project funding is a continuing necessity, especially to address forage base research and the rehabilitation of the steelhead fishery. Various North Shore groups and residents are demanding a moratorium on the commercial harvest of rainbow smelt as a measure to preserve or enhance the forage base. North Shore interests presented the TSS with petitions from thousands of individuals calling to end the smelt harvest. The TSS believes more research is needed to address these concerns.

DNR Response:

Research on forage base. Attempts to fund hydro acoustic research on the forage base have met little success in the past decade. Recently, the Department secured a small grant to explore doing acoustics work with our own staff and equipment. The Department does not have a vessel large enough to pull a mid-water trawl, which is needed to study the forage base. The University of Minnesota - Duluth has rigged their large vessel, the Blue Heron with mid-water trawling gear. For about \$5,000 per day the Department can use this vessel. Future research on the forage base will require an annual hydro acoustics survey using the Blue Heron. While this information is important for the management of Lake Superior, it is also very expensive to obtain. The Department will continue to explore the feasibility a forage base research project.

Closing the smelt fishery for commercial and recreation. Compared to predator fish, the commercial fishery takes very few pounds of smelt. This year, the commercial smelt fishery took just over 2,000 pounds of smelt and the recreational fishery was virtually non-existent. Eliminating the commercial fishery would not result in a measurable impact to smelt populations.

Steelhead. The Department has and will continue to do a large amount of research on Steelhead. The 2003 Rainbow Trout Plan has just been completed and it proposes a number of projects for Steelhead management.

RESPONSE TO WILDLIFE OPERATIONS SUBCOMMITTEE OVERSIGHT REPORT FOR FY2002

1. DNR administration should increase the proportion of the Game & Fish Fund going to the Wildlife Division to historical levels. At one time, approximately 60% of funds raised by these fees were directed to the Division. Review by DNR staff a few years ago showed approximately 50% of such funds being directed to Wildlife.

DNR Response:

The Department is committed to ensuring that dollars derived from hunting are used for their intended purposes and recognizes the importance of providing an analyses and discussion on the distribution of Game and Fish Funds by sources and uses. This helps everyone understand how dollars are raised and spent. An historical trend analysis on those sources and uses will be completed and submitted to the Subcommittee for review and discussion.

2. Committee recommends the Heritage Enhancement Fund (Lottery in-lieu) be permanently appropriated to the Division's base funding as a dedicated account within the Game and Fish Fund.

DNR Response:

Following DNR and the Governor's recommendations, the 2003 Legislature appropriated \$5.1 million (split equally between FY2004 and 2005) from the Heritage Enhancement Fund to the Division of Wildlife's base funding. This funding is not permanent because no legislature can be permanently bound by the actions of a previous legislature.

3. Funding generated by WMAs such as timber sales, crop lease agreements and other activities should be directed to WMA management. This is not current policy. The issue in the past has been the possible negative impact on federal aid grants (Pittman-Robertson). Recent changes to Division procedures in the federal aid grants address these concerns to the satisfaction of the Fish and Wildlife Service.

DNR Response:

Following the DNR's and the Governor's recommendations, the 2003 Legislature increased an appropriation to the Division of Wildlife from the Game and Fish fund-to capture revenues generated from the sale of natural resources (e.g., timber, gravel, etc.) on WMAs. An appropriation of \$600,000 is provided each year in FY 2004 and FY 2005. These dollars are being used for WMA management. Previously these dollars were deposited into the Game and Fish Fund and used to support other game and fish activities not necessarily tied to WMA management.

4. Projections show the small game surcharge account at the current appropriation levels will be unsustainable in FY 2005 and beyond therefore the Committee supports an increase of \$2.50 in the small game surcharge. However as with any increase in fees the impact to resource management and the impact on hunter recruitment and retention should always be considered.

DNR Response:

Following the DNR's and the Governor's recommendations, the 2003 Legislature approved an increase of \$2.50 in the small game license surcharge effective March 2004. The Legislature appropriated to the Division of Wildlife \$1,830,000 in FY 2004 and \$2,030,000 in FY 2005 from the small game surcharge. The Department is sensitive to the effect a fee increase may have on hunter recruitment and retention. To maintain and improve hunter recruitment and retention the Department has hired a coordinator (Ryan Bronson) to promote hunting participation in Minnesota. The Department also successfully proposed efforts to establish new youth and deer licenses.

5. The Committee recommends a funding initiative similar to that of Missouri and Arkansas to address long-term fish, wildlife and natural resource conservation needs.

DNR Response:

Addressing long-term fish, wildlife and natural resource conservation needs with a stable funding source will require a stakeholder-led initiative for success. DNR staff will continue to work within

the department to develop an equitable funding plan and work with stakeholders on strategies to cultivate broad public support.

The Department is committed to addressing long-term funding for natural resource management and will be working with our partners to develop strategies for stable, long-term funding.

6. The Committee recommends the development of a standard report format complete with annual graphs depicting efficiency indicators like cost/acre for habitat work (burning, mowing, planting, etc.) and a breakdown of allocations to overhead, support services and actual management programs. Establish performance measures with fair and reasonable criteria that can provide reliable data on the MDNR effectiveness and efficiency include accounting definitions. This will provide indicators for areas of improvement. Include the WMA Strategic Plan in the report.

DNR Response:

The Division of Wildlife has the most comprehensive accomplishment reporting system in the Department and will be able to provide whatever information the committee identifies as most useful. The Division's staff support to the committee, Dennis Simon, and the Division's author of Wildlife's portion of the Game and Fish fund report, Kathy DonCarlos will work with the committee to define the activities to be included in categories such as "overhead," "support services," etc., and to identify appropriate performance measures that can be consistently reported from year to year. The Division of Wildlife's strategic plan will be completed and available by the end of 2003.

RESPONSE TO BIG GAME SUBCOMMITTEE OVERSIGHT REPORT FOR FY2002

1. *We would like to see short, intermediate, and long range planning for each species covered by “Big Game.” This plan would address season structures, license fee increases, electronic licenses, electronic registration, population goals, and disease controls.*

DNR Response:

The Division of Wildlife is in the process of finalizing a strategic plan that will help set direction for management of wildlife, including big game, in Minnesota. Currently, ongoing research is being conducted on the major big game species (deer, bear, moose) that will help assess population status and distribution. Over the next two years, the Division is also undertaking a process to evaluate the current deer population goals. When that process is complete, it is expected that management strategies (e.g., zones, seasons) would be evaluated and changed as needed to reflect the new goals. The Department also intends to develop long range plans for specific big game species once the research and goal-setting data are available.

2. *Wildlife Management Areas in the state are not being managed to their full potential. Developing programs like Adopt-a-WMA we feel would be a huge hit with local non-profits and schools.*

DNR Response:

Working with individuals or groups in a collaborative and partnership-like manner is critical to achieving the Department’s mission for conservation. It continues to be a key approach to habitat and facilities management on WMAs, and the Department is committed to expanding this effort.

There are 47 Wildlife offices located throughout the state and many have long-term working relationships with local groups and chapters for various statewide and national organizations interested in supporting the management of WMAs. Volunteers have been used to assist with some habitat practices and facilities management. Donations are often made by these groups for specific unfunded projects on WMAs. The Heritage grants program provides funding for habitat projects completed by local groups on WMAs that is often matched with separate funds or volunteer hours.

3. *We recommend a detailed annual report of all expenditures from the Emergency Winter Deer Feeding/CWD/Wild Cervid Health Account.*

DNR Response:

Minnesota Statutes Sec. 97A.075 mandates the Department to report to the Legislature every two years on expenditures from this account. Minnesota Statutes Sec. 97A.055 also requires an annual report on all Game and Fish Fund expenditures including this account. These reports will be shared with the Oversight Committee.

4. *Revitalize the academy to get more Conservation Officers out into the field.*

DNR Response:

Pursuant to recommendation by the DNR and the Governor, increased funding has been appropriated for FY 2004 and FY 2005 that will allow us to hire more conservation officers in the field.

5. *Update the accounting system so it is readable and it balances.*

The Division of Wildlife's reports can be complex due to the wide diversity of funding sources supporting numerous statewide wildlife management activities. The Department is committed to simplifying the budgeting and spending process while maintaining the integrity of the accounts.

6. We are all honored with the opportunity to volunteer our time and efforts on this subcommittee. However, we are concerned with the lack of cooperation that we received from the DNR Division of Wildlife staff regarding clarification and requests for information. We hope to see improvement in the future.

DNR Response:

The Department appreciates the interest and effort of the BOC and subcommittee members, and welcome discussion, questions and suggestions from the Big Game Subcommittee regarding the annual Game and Fish Fund reports. Due to the complexity of the Department's budget process, the staff who would have prepared information and clarifications to the Big Game committee was instead preparing detailed analysis of proposed spending for the new administration. Responding to committee requests for information will continue to be a high priority for DNR staff in the future. For example, the Division plans to have two Division representatives meet with the Subcommittee to fully address questions, including the Big Game consultant and a Wildlife budget staff representative.

Identifying specific questions early in the process will help us to complete any necessary analyses in time for the subcommittee meetings. Further, it would be beneficial for the Subcommittee to identify short-term and long-term outcomes to help the Budgetary Oversight Committee fulfill its statutory obligation to recommend outcome goals for expenditures to the Commissioner.

**RESPONSE TO PHEASANT STAMP SUBCOMMITTEE
OVERSIGHT REPORT FOR FY2002**

1. The committee unanimously recommends that the DNR produce an annual one-page report that documents how pheasant stamp funds are expended. The committee suggests this report include a pie chart with bullet points regarding accomplishments.

DNR Response:

The DNR provided to the Subcommittee an annual one-page report including charts documenting Pheasant Stamp expenditure in winter 2002. It is intended that this format will be continued in the future.

2. The Pheasant Stamp Committee recommends the DNR proposal to increase the Pheasant Stamp to \$10 for use in farm bill promotion. This increase would be used to hire technicians in local SWCD offices to promote and enroll contracts into the conservation programs available through the Farm Bill (3-1 vote).

DNR Response:

A \$2.50 increase was recommended by the Department and passed by the Legislature in the 2003 session. Portions of the increase plus some Duck Stamp funds and Heritage funds will be used in FY 2004 to fund work to increase participation in the Farm Bill programs. Other agencies and organizations will partner with the DNR in this effort.

3. The Pheasant Stamp Committee recommends an additional \$2.50 increase in the pheasant stamp in 2005 and 2007. This increase would bring the pheasant stamp to \$15 in 2007. The additional funding through this increase would be used exclusively for the development of Core Wintering Areas and additional strategies to increase carrying capacity (3-1 vote).

DNR Response:

The Department will work with the Budgetary Oversight Committee on a proposed comprehensive restructuring proposal for small game licensing fees and dedicated accounts.

RESPONSE TO TURKEY STAMP SUBCOMMITTEE OVERSIGHT REPORT FOR FY2002

The Division of Wildlife Wild Turkey Committee met in July 2003 to begin the development of a six-year management plan for wild turkeys in Minnesota. A subcommittee of this group is drafting this plan to be presented to the full Wild Turkey Committee in December 2003 and to be submitted to the Division Management Team for final approval by January 1, 2004.

1. Continue the trap and transplant program.

DNR Response:

In 2003, 135 wild turkeys were trapped and released at 8 different release sites. Eighty-seven of these birds were released at the 6 research sites in cooperation with Saint Cloud State University research study. A priority release site list has been prepared for the continuation of this effort for 2004. A long-term turkey release policy will be addressed in the new six-year Turkey Management Plan.

2. Continue to look for critical pieces of land important to wild turkeys for purchase to create public hunting opportunities.

DNR Response:

\$38,673 has been encumbered for the acquisition of 22.4 acres of critical turkey habitat in Todd County to be added to the Ruff-Nik WMA. Acquisition effort is budgeted at \$42,000 annually for FY04 and FY05. Acquisition efforts will be addressed in the Turkey Management Plan.

3. Continue research and population modeling to maximize hunting opportunities. Concern here is that even though we have the population model, wildlife managers don't necessarily use the information on permit levels.

DNR Response:

The six-year Wild Turkey Management Plan will address strategies to increase both fall and spring turkey hunting opportunities. 27,600 permits will be available for the 2004 spring wild turkey hunt. This is a 10.3 percent increase over spring 2003.

4. Expand habitat work and education of such in the wild turkey range through private land field workshops to increase and maintain wild turkey habitat including timber stands.

DNR Response:

The Division of Wildlife will include an educational component in the new six-year plan calling for private land field workshops to promote habitat improvement on private lands. Workshops will begin in 2004.

5. Support of Change Level request to increase the Appropriation into this account to "spend down" the balance.

DNR Response:

The change level to increase the Turkey Stamp appropriation was approved during the 2003 Legislative Session.

RESPONSE TO WATERFOWL STAMP SUBCOMMITTEE OVERSIGHT REPORT FOR FY2002

1. Build upon or combine the “Fall Duck Use Plan” (a migration habitat plan) with a breeding habitat plan to provide a comprehensive waterfowl habitat plan for the state that defines and addresses critical waterfowl habitat needs, and lays out a process to help assure expenditures are optimized.

DNR Response:

Wetland conservation and breeding habitat has long been a focus of department efforts. In addition, Minnesota provides additional regulatory resources to protect breeding ducks such as the 4 p.m. closure and spinning-wing decoy restrictions. A more complete long-range plan focused on waterfowl is being considered for the Division’s strategic planning process. Pending the outcome of the strategic planning process, the Division of Wildlife Waterfowl Committee, which developed the original “Fall Duck Use Plan,” with the Minnesota Waterfowl Association, Ducks Unlimited and the U.S. Fish and Wildlife Service, chose to maintain the plan’s focus on fall use areas at this time. A comprehensive plan with clear guidelines and actions will help optimize spending choices.

2. Develop guidelines for use by Division personnel to evaluate the relative waterfowl benefits of various practices. And further, develop guidelines to prioritize expense of duck stamp funds, recognizing the contributions to waterfowl habitat development that are created with funding from other sources (e.g., WRP, CREP, RIM, WMA acquisition, etc.) to best target these limited resources to maximize benefits.

DNR Response:

The Division of Wildlife currently uses habitat practice guidance documents to set general priorities, but agrees that more could be done to formalize guidelines and criteria for evaluating project proposals, regardless of funding sources. Developing a comprehensive waterfowl plan is integral to this process.

3. Develop a long-range plan for, or projection of, large expenses (capital or operating) beyond the current and subsequent fiscal year, to allow more proactive budgeting (i.e., develop a 5-year and 20-year capital replacement plan).

DNR Response:

As the Division of Wildlife completes a comprehensive database of capital-intensive inventory (water control structures and fish barriers) it will be in a position to estimate replacement schedules for relatively expensive maintenance projects. While we agree that developing such a schedule will help plan site-specific large expenditures, we also recognize that many variables play a role in the longevity of projects. Long-range plans of this nature need to be flexible enough to account for variables such as vandalism, weather, material failure, physical or legal changes to adjacent property and changing technology.

4. The committee recommends the Division look at additional opportunities available in the current Farm Bill, to enhance waterfowl habitat via federal farm programs, which may be complementary to habitat improvement.

DNR Response:

The Department continually works to identify opportunities for complementary or collaborative work to enhance waterfowl habitat. For example, the Division of Wildlife is currently working with the NRCS to evaluate the wildlife benefits of the Farmed Wetland Program. The evaluation proposal was sent out for review in June 2003. Further, \$25,000 in FY04 Duck Stamp funds will be available by grant to SWCDs through BWSR to promote federal farm bill practices that benefit waterfowl.

5. Further, the committee recommends specific statutory language be pursued to permit expenditure of duck stamp revenues (not to exceed 4% of annual revenues) for contract lobbying efforts to influence federal and state wetlands legislation to benefit Minnesota.

DNR Response:

The Department of Natural Resources proposed to the 2003 Minnesota legislature that the allowable expenses for state waterfowl stamp funds be expanded to include activities related to the Federal Farm Program. The Legislature responded with the following language being passed during the 2003 regular session in Chapter 128, Article 1, Section 52: Minnesota Statutes 2002, Section 97A.075, subdivision 2, is amended to read (new language in bold):

Subd. 2. [MINNESOTA MIGRATORY WATERFOWL STAMP.] (a) Ninety percent of the revenue from the Minnesota migratory waterfowl stamps must be credited to the waterfowl habitat improvement account. Money in the account may be used only for:

(1) development of wetlands and lakes in the state and designated waterfowl management lakes for maximum migratory waterfowl production including habitat evaluation, the construction of dikes, water control structures and impoundments, nest cover, rough fish barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the designation of waters under section 97A.101;

(2) management of migratory waterfowl;

(3) development, restoration, maintenance, or preservation of migratory waterfowl habitat; and

(4) acquisition of and access to structure sites; and

(5) the promotion of waterfowl habitat development and maintenance, including promotion and evaluation of government farm program benefits for waterfowl habitat.

(b) Money in the account may not be used for costs unless they are directly related to a specific parcel of land or body of water under paragraph (a), clause (1), (3), or (4), or (5), or to specific management activities under paragraph (a), clause (2).

RESPONSE TO ECOLOGICAL SERVICES SUBCOMMITTEE OVERSIGHT REPORT FOR FY2002

Note: The first three "recommendations" in the subcommittee's report are really conclusions that the committee reached following its review of the Game and Fish Fund expenditures in the Division of Ecological Services. In summary they state that:

- a. The Division's use of Game and Fish Fund dollars to support work targeted at fish and wildlife conservation is justified and appropriate;
- b. The variety of work conducted by the Division is critical to the protection of the resource and is an integral component of the Department's comprehensive approach to fish and wildlife conservation; and
- c. The Division has been conservative in its use of the Game & Fish Fund.

These did not seem to require a response. Those "recommendations" that can be responded to directly are as follows:

1. Expenditure reports need to make it absolutely clear that any new federal appropriations that are deposited into the Game & Fish Fund that are specifically targeted to "species of greatest conservation need" are not a "drain" on the Game & Fish Fund.

DNR Response:

The expenditure of Wildlife Conservation and Restoration (WCR) funds were included in the FY02 Game and Fish Fund report because the dollars were administered through the PR-DJ program. This necessitated their deposit into the Game and Fish Fund. Unfortunately, this may have led to some confusion because the dollars, by law, are specifically directed to "species with the greatest conservation need."

The FY03 report will also include a report of WCR expenditures as the expenditures spanned two state fiscal years (FY02 and FY03). The Department will make this restriction clear in its FY03 report and clarify that these expenditures are from a specific federal appropriation and do not take other traditional Game and Fish Fund dollars away.

Although federal appropriations for this program will continue beyond FY03 they will no longer be reported in the Game and Fish Fund Expenditure report. The program is now administered through LAWCON and the dollars no longer need to be deposited in the Game and Fish Fund.

2. Any future increases in license fees, including efforts to establish an indexed increase, should be distributed to all Divisions that benefit game and fish resources, including Ecological Services. The Division was excluded from an increase in base appropriations from the Game & Fish Fund during the most recent license increase initiative during the 2000 legislative session. As such, this compromised the Division's ability to contribute to the conservation of fish and wildlife conservation in areas such as stream protection, lake mapping, technical assistance to local units of government and environmental protection.

DNR Response:

The Department will carefully examine its allocation of revenues from any future license fee increases.

3. The Department should undertake a comprehensive review of all existing fees that pertain to programs and responsibilities of operating divisions supported with Game and Fish Fund revenues (e.g. Aquatic Plant Management fees, private hatchery inspection fees). Staff should engage the primary stakeholders in such a review.

DNR Response:

In preparation for the FY03 legislative session the Department did examine its primary license fee, the Aquatic Plant Management Fee. Our initial proposal was designed to raise fees so that they

generated revenues to cover all of the Department's costs to administer the program. The former fee structure raised only \$112,000 per year compared to an annual program cost of approximately \$513,000.

Our original proposal was to increase the fee individual lakeshore residents pay for a permit from \$20 to \$50 per property and to eliminate the current \$200 cap so that there would no longer be any benefit to combining adjacent property owners on a single permit. The stakeholder groups most impacted by the raised fees, lake associations, were strongly opposed to this level of increase. However, they did voice support for some increase.

Because the lake associations had successfully lobbied to defeat two previous attempts to raise fees, and because they objected to the level of the increase - not to the principle of the increase, Ecological Services staff worked with them to develop a compromise proposal. The final proposal that was approved by the Legislature increased the fee individual lakeshore residents pay from \$20 to \$35 and raised the current \$200 cap for group permits to \$750. This proposal would raise the annual revenues generated from fees from \$112,000 to \$388,000. This was viewed by both the Department and the Lake Associations as an interim measure until the Department, in concert with an even broader range of stakeholders, can re-examine the entire fee structure for aquatic plant permits following a more comprehensive review of the entire Aquatic Plant Management Program.

During the 2003 legislative session the costs for conducting private hatchery inspections were also increased from \$100 per lot of fish sampled to \$150 per lot. The costs are designed to cover the costs of all supplies and materials for conducting the inspections.

The review of the APM fees and private hatchery fees was part of a more comprehensive review of fees by Ecological Services, Fisheries and Wildlife in preparation for the 2003 legislative session.

4. Staff should investigate areas where fees are not charged where it might be appropriate to collect charges, for example, in areas where the state is required to conduct the work (e.g. for Environmental Review activities, for maintaining a safety inspection program for aeration units). All fees that are established should be indexed for inflation.

DNR Response:

The Department did propose that a new \$250 fee be established for Aeration Permits where aeration is used to protect shorelines; this was supported by the 2003 Legislature. In cases where aeration is a management tool in a lake management plan that has been approved by the local Fisheries Office, the fee will be waived. In these situations aeration is considered to be an appropriate expenditure of Game and Fish Funds for managing fish populations. The new fee is estimated to generate \$35,000 in revenues; annual program costs are approximately \$62,000.

With respect to the Environmental Review Program both statute and rule require the project proposer to bare the costs of preparing an Environmental Impact Statement. Although it is not explicit in rule or statute, the Responsible Government Unit (RGU) bares the cost of preparing an Environmental Assessment. In cases where the Department is providing scientific data to the RGU we bill the RGU for the costs of providing the data. The best example of this practice is in Ecological Services when we bill RGUs for conducting searches of the Natural Heritage Database to identify rare feature locations in or near the project site. The RGU incorporates this information into their analysis in the EAW. There have also been exceptional cases when a RGU requires an extraordinary amount of work by department staff and we develop a cooperative agreement to cover staff costs.

However, the Department has not sought reimbursement when providing general comments to the RGU that are designed to suggest actions to avoid, minimize or mitigate impacts to fish, wildlife or native plant resources. The costs incurred by Fisheries, Ecological Services and Wildlife staff in reviewing and commenting on proposed projects is an eligible reimbursement activity in our federal

aid program. Approximately \$700,000 in staff costs for conducting environmental review each year generates approximately \$525,000 in reimbursement.

Finally, the Department would support indexing fees for inflation but this would require legislative approval.

5. The Game and Fish Fund Citizen's Budgetary Oversight Committee should make a strong recommendation to the Department and the Legislature that advocates the retention of the Heritage Enhancement Funds in the FY04-05 biennial budget.

DNR Response:

With the BOC's support the Department was successful in retaining the Heritage Enhancement Funds in the 04-05 biennial budget.

6. The subcommittee and Division should continue to explore ways that the outcome goals can be expanded and provide more direction in evaluating future work efforts.

DNR Response:

Division of Ecological Services staff will continue to work with the subcommittee members to further explore the utilization of outcome goals.

RESPONSE TO ENFORCEMENT & OPERATIONS SUBCOMMITTEE OVERSIGHT REPORT FOR FY2002

Enforcement Recommendations

1. Because Enforcement is a unique law enforcement operation they should be allowed to budget for future retirements and workload. This would allow them to maintain a safe level of Conservation Officers. The funding base formula doesn't take into consideration the large number of the current Conservation Officers (CO's) are 50 years of age or over and could retire at any time causing the Department major replacement problems. The funding base also should increase to cover pay raises for the conservation officers.

DNR Response:

In 2003 the Governor and the Legislature, as requested by the DNR, increased funding for Conservation Officers. The Department has started the process of filling vacant field officer stations.

The Department expects to hold three academies over the next three years. Hopefully, 16 candidates will graduate at each of these schools. In total the Department hopes to have at least 48 replacement officers by the end of fiscal year '06. These Officers will fill the gaps, which will provide better service to the public and our natural resources. The Division of Enforcement estimates that 17 Conservation Officers will be eligible for retirement during this three-year period. The need and the workload will continue.

Pay raises are addressed through the Legislative process and this biennium does not include raises for any state employee.

2. Enforcement upper management needs to continue to simplify and modernize the software used by the Conservation Officers. This could reduce the administration type work required by the CO's and make it easier for them to fill out the paper work required for an arrest.

DNR Response:

The Division of Enforcement works closely with its first line Supervisors to assure the computer software is performing at both the needs of the officer and the Division. Currently the Division uses standard software programs for the majority of their work. The Division also uses an in house designed program called "DEARS" (DNR Enforcement Administrative Reporting System) which allows the officer to do time reports, expense reports, work planning and vehicle usage in a more timely fashion. This system was custom made specifically for Conservation Officers. About a year and a half ago the Division also added the ability to write (Initial Complaint Report) reports. This allows an officer responding to a call to fill out an Incident Report on line rather than by hand. The ICR allows the Division to track certain records through the use of a Word document template. Although this template made it much easier for the officer to complete reports it resulted in clerical staff tracking the reports, which takes more time. Continued funding of computer equipment and software packages to officers will be helpful in the performance of their duties.

3. Supervisors and senior staff should take over more of the safety training classes given to the civilian population by the Conservation Officers.

DNR Response:

The Division of Enforcement has Field Supervisors participating in the Division of Enforcement's Safety Education Programs. Senior Staff are encouraged to participate in those Safety Education Programs.

Administration and Operations Support Recommendations

1. Revise all state stamp programs to be administered the same as the Trout and Turkey stamps. The stamps could be maintained as a collector item for those people who have maintained a collection and the cost for the stamp set to recover the cost of providing the stamp and service. Currently the license center spends too much money sending out the stamps and the paper stamps put an additional burden on enforcement.

DNR Response:

The Department will examine alternative solutions and explore the possibility of proposing legislative changes with duck and pheasant hunters regarding the issuance of stamps.

2. The costs of hunting and fishing licenses should be indexed to inflation to keep up with the cost of doing business. The Legislature could control the indexing by voting on it periodically. Indexing is required to insure the Game and Fish Fund remains fully funded so the DNR continues to perform their core duties. The Legislature should consider increasing license fees as a short-term fix to funding shortages.

DNR Response:

Indexing could be a good option for keeping fees in line with inflation. There is a need to review what other states have done. Indexing, however, has not been supported in the Legislature. A very thoughtful approach is needed to this complex issue.

3. Bonding bills should allow the DNR Field Operations to fully fund building upgrades and major maintenance improvements to DNR property and buildings. Many of these buildings are in less than desirable condition and it is only a matter of time before they will be unsafe to use or due to collapse cost the state more money to replace.

DNR Response:

The Department will continue to request money to improve workplace safety and provide essential functionality. Dollars going to our mission and dollars going to our institution have to be carefully balanced. The Department must focus limited resources on the ultimate goal, the conservation of Minnesota's natural resources.

4. License for snowmobiles, ATV's, and personal watercraft should be increased and grants to county sheriffs increased so their resources can be used to control the increasing use of these vehicles. Snowmobile and ATV sales have jumped dramatically and as a result they are soon becoming a major part of the Conservation Officers job, which takes away from their opportunity to monitor fish and game regulations.

DNR Response:

During the last legislative session, ATV fees were increased to \$23 effective July 1, 2003 (\$5 increase) and will increase to \$30 on January 1, 2005. The current registration fee for personal watercraft registration is \$25 increased from \$12 in 1999, current snowmobile fee is \$45 increased from \$30 in 1997 (also in 1997 a \$15 trail sticker became effective for snowmobiles in registered other states using DNR and grant-in-aid trails). Current number of snowmobiles registered is 270,000 and 38,000 personal watercraft. The increases implemented after last year's session are directed to enforcement issues.

5. Recommend aggressive DNR marketing of Lifetime resident and non-resident opportunities using existing media and web outlets.

DNR Response:

The Department is currently advertising the Lifetime License on the DNR Web site; in the hunting and fishing regulation books; posters, fact sheets and applications are available at all 1700+ agent locations; Department of Tourism Web site; and periodically in department news releases. As of September 17, 2003, 4,789 licenses have been issued and the current average is 40-45 sales per week.

The total license sales are in the range of what the Department expected when the license was initiated.

6. Recommend expanding ELS as soon as possible. ELS should be revised to ask hunters and anglers, at the time of license issuing, if they want their privacy protected. License issuing fees should be increased and passed on to the businesses selling the licenses. A code should be added to the hunting licenses to help Conservation Officers know if they are talking to a felon that should not be carrying a gun.

DNR Response:

- Currently there are 3 components of ELS. Customers can purchase licenses through point-of-sale at 1700+ license agents around the state, over the Internet (www.dnr.state.mn.us), or by telephone (1-888-MNLICENSE).
- Bought buyer permits; duplicate ATV, Snowmobile, and Firearm Safety Permits; Trail Permits; Metal Traction Device Stickers; and both hunting and angling survey questions have been added since the ELS was first implemented.
- Registrations for bear, deer, turkey, and prairie chicken are now being piloted through the ELS.
- In 2005, the current ELS contract expires and the Department will be exploring cost effective ways to expand the number of agents and ways to issue licenses.
- A notice is posted at agent locations and on the DNR Web site advising customers that if they prefer, they can contact the Department and we will flag their record in the ELS system to prevent their name from appearing on solicitation request lists. Otherwise, the information is public under the Data Act and we must provide it.
- The Department has never taken the lead on proposing an increase in the fee agents collect for issuing licenses. The fees collected by Minnesota agents are above or comparable to other states. Selling licenses at a business location has the benefit of drawing business to the location and in many cases increases sales on other merchandise and is a revenue generator for the business.
- In past legislative sessions the subject of preventing felons from purchasing game and fish licenses has been addressed. Adding the ability to prevent the sale of licenses or providing a code depicting a felon in ELS would be costly. To add a felony code to the license, a program would have to be developed to download information from the criminal justice system, change ELS to accept the download information, transfer the information to the license square when appropriate, and monitor the individual's felony status. An example of what this change could cost is the recent enhancement to ELS for the acceptance of social security numbers. The cost to date has been \$60,000 and the final bill from the vendor has not been received. The possible number of felons who could be identified through our licensing system could be low; when the number of licensees actually checked by a conservation officer and identified as a felon is added, then the reward vs. the cost doesn't seem reasonable.

7. Only 3 licenses have been withheld from individuals failing to pay child support. DNR should take a look at this and see if more people fall into this category and should have their license withheld.

DNR Response:

DNR has very little control over this issue. The Dept. of Human Services is the lead agency on child support issues. To date, DNR has assisted DHS in this area by flagging license holders who have been identified as being in arrears on child support. The License Bureau receives a court order to withhold an individual's license and flag it in ELS to prohibit the sale of a license to the individual. (To date; 5 files have been flagged.) The court process to deny someone a recreational license takes approximately two years.

Effective August 1, 2003, anyone purchasing a non-commercial game and fish license will be required to provide a Social Security Number. This is a federal requirement that is designed to assist with child support enforcement. The DNR did a download of the Public Safety driver's license file to our ELS licensee files. This download contained 1.7 million social security numbers. Individuals

that did not have a file in Public Safety (did not provide a SSN to Public Safety), or are nonresidents are asked to provide the number before purchasing a game and fish license.

The DNR will download the SSN information to DHS and they will use it to identify those individuals who are in arrears in child support, contact DNR, and the Department will flag the persons license records which will prevent them from purchasing a license. The system will give the license agent the code and instruct the agent to have the customer contact the DNR for information regarding the denial. The agent will not be responsible for informing customers of the reason for the denial.

8. *DNR should consider holding regional roundtable meetings as well as the statewide one.*

DNR Response:

The Divisions of Wildlife and Fisheries holds public input meetings each year in each of the four regions. These have focused on proposed regulations. A regional roundtable format was used to develop the new Wildlife strategic plan. Regional meetings with public input will be used to develop deer and other long-range species plans (moose, bear).

9. *DNR should actively pursue donations from individuals and estates (similar to the Ducks Unlimited program).*

DNR Response:

The Department currently receives a number of individual gifts and estate donations, but does not have an organized system to promote and market giving. Any organized activity, however, would need to focus on awareness rather than aggressive solicitation. As a public entity the Department does not want to use public dollars to solicit additional giving. More aggressive approaches need to be left with private non-profit conservation groups.