

Game and Fish Fund Report

FY05

Minnesota Department of Natural Resources

December, 2005

**Game and Fish Fund Report
Fiscal Year 2005**

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Report Purpose

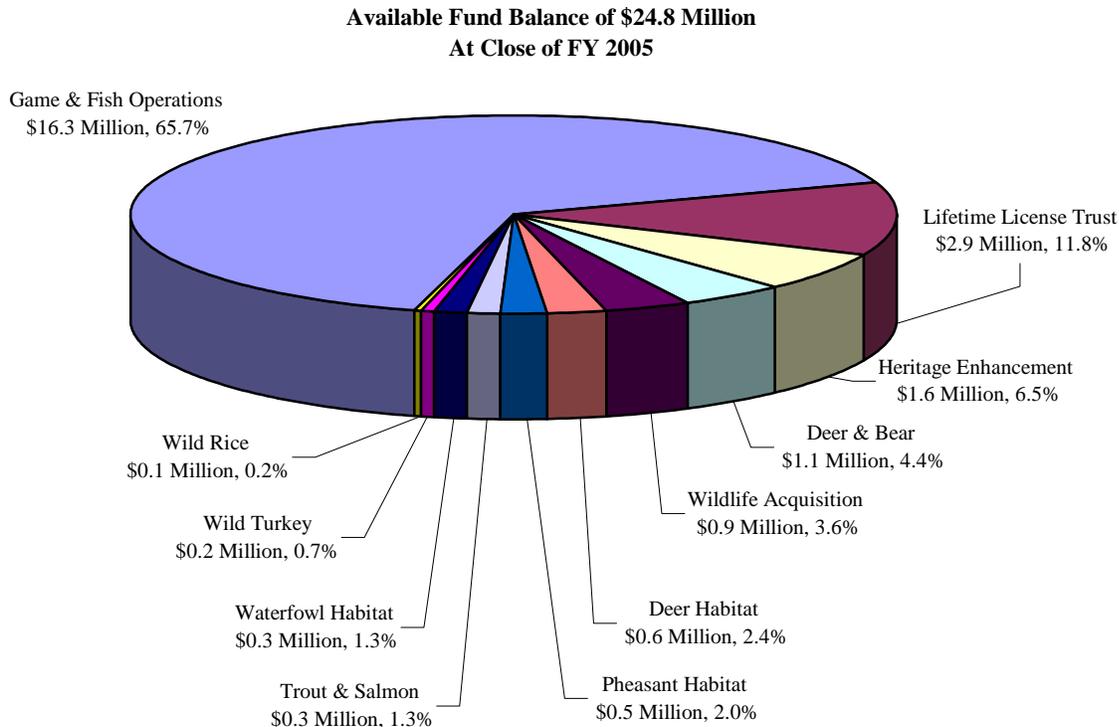
The DNR prepares an annual Game and Fish Fund report as directed by M.S. 97A.055, subd. 4 and M.S. 97A.4742, subd. 4. Additionally, the DNR is directed under M.S. 97A.075 to biennially report on emergency deer feeding and wild cervid health management. The Game and Fish report includes this reporting requirement on page 45.

However, the DNR views the production of the annual Game and Fish report as much more than an exercise in meeting the statutory requirements. In preparing and distributing the report, the DNR has the opportunity to communicate with individuals, stakeholder groups, the Game and Fish Oversight Committees, legislators, as well as DNR staff. The annual report requires the DNR to be accountable to these audiences on its financial management and game and fish program outcomes. The report also fosters discussion on the planning for future operations, setting priorities and articulating outcomes, and a review of assumptions used in the financial forecast for the fund. In short, the report is a tool for the DNR to encourage and foster open communication about the management of the state's game and fish natural resources.

Game and Fish Fund Overview

The title Game and Fish Fund refers to a series of game and fish accounts whose purposes are closely related. In addition to the Game and Fish Operations account, the report presents the purpose of each dedicated stamp and surcharge account. The report also describes the purpose and activity in the Heritage Enhancement Account and the Lifetime Fish and Wildlife Trust Fund.

The chart below illustrates how at the close of FY05 the ending fund balance of \$24.8 million is divided between the funds and accounts in the total Game and Fish Fund.



Game and Fish Fund Report Fiscal Year 2005

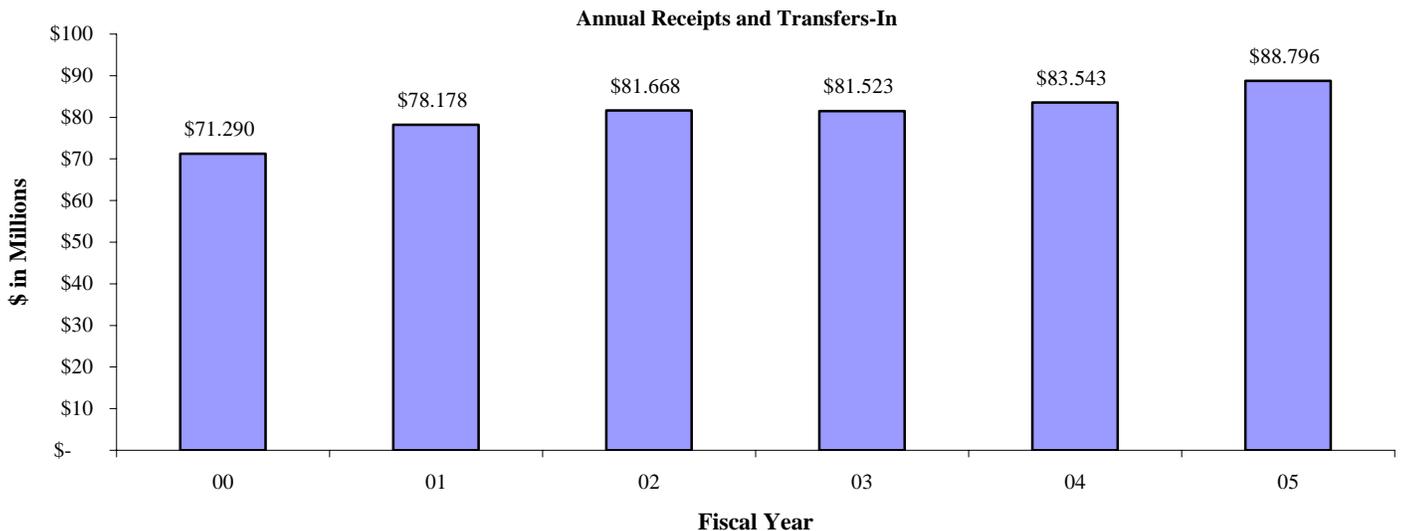
Revenues

The DNR deposits an array of receipts to the fund, the majority directly related to selling licenses for the privilege to hunt and fish. In FY05 the DNR and other state agencies deposited a total of \$88.796 million to the fund, and \$1.307 million was transferred in from another state government fund, a total \$88.796 million in additional resources.

Total Receipts and Transfers-In (\$ in thousands)

	FY05	FY04
Annual individual hunting licenses	21,988	21,736
Annual individual fishing licenses	21,684	21,631
Sports licenses (combination hunting and fishing)	4,784	4,835
Hunting and angling stamps	2,663	2,282
Small game surcharge	1,843	1,583
Lifetime licenses	710	680
Commercial licenses	370	382
Federal grant Fisheries (Dingell-Johnson)	11,180	10,022
Federal grant Wildlife (Pittman-Robertson)	7,220	6,017
Lottery in-lieu-of-sales tax	9,603	9,104
License issuing and application fees	2,676	2,270
Sale and lease of natural resources	809	722
All other receipts	1,959	1,297
Transfer in: Police state aid	<u>1,307</u>	<u>982</u>
Total Receipts and Transfers-In	\$88,796	\$83,543

Total receipts and transfers-in increased \$5.253 million in FY2005 compared to FY2004. The increase comes from higher federal receipts in the Sport Fish and Wildlife Restoration programs, increased Lottery in-lieu-of-sales tax, increased investment interest earnings, smaller increases in various license, stamp and surcharge fees, and the amount of police state aid transferred in.



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Fiscal Year 2005**

Expenditures

Spending from the fund is controlled by appropriations authorized by the legislature and signed by the Governor into law. Appropriations are typically established for a biennium; in this case, for fiscal years 2004 and 2005.

For FY04 the Legislature authorized spending of \$86.14 million from the Game and Fish Fund and the DNR spent \$77.158 million. The DNR "carried forward" unused spending authority of \$8.982 million into FY05. The carryforward spending authority is added to authorized appropriations of \$86.094 million for FY05 for a total of \$95.076 million. In FY05 the DNR spent \$90.418 million, \$4.658 million less than the maximum the DNR was authorized to spend.

Expenditures from the Game and Fish Fund are summarized below, with detail in the fund statement included as Appendix A. However, as stated in the purpose of this report, the text and supporting charts present the full range of activities, efforts and outcomes associated with the operational expenditures made during the fiscal year from the Game and Fish Fund.

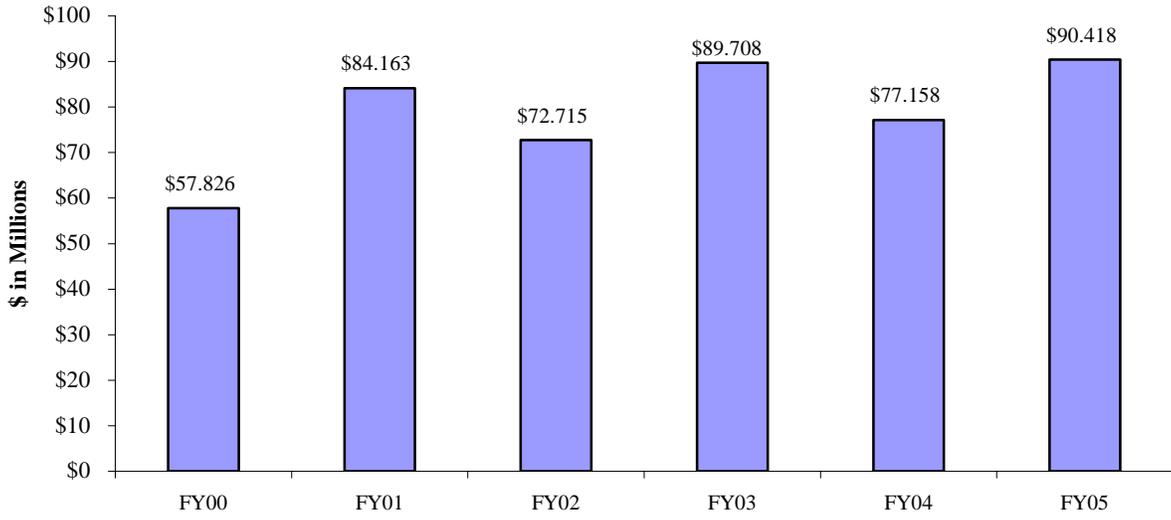
At the request of the Game and Fish Budget Oversight Committee a new way of summarizing administrative data has been implemented throughout the report. Division Support now reflects expenditures for the Division's Administrative Unit, workers compensation, unemployment, facilities, fleet minimums, budget, and human resources. The expenditures in this report have been rounded to the nearest thousand. In some cases the totals may not match the fund statement due to this rounding.

FY05 Actual Expenditures by Division and Account
(\$ in thousands)

	Game and Fish Operations	Deer and Bear	Deer Mgmt	Waterfowl Habitat	Trout and Salmon	Pheasant Habitat	Wild Rice	Wildlife Acquistn	Wild Turkey	Heritage Enhancem't	Totals
Fisheries	24,005				1,115					4,346	29,466
Wildlife	16,897	779	1,246	806		642	35	2,022	171	3,328	25,926
License Center	3,479	42									3,521
Ecological Services	1,994									1,689	3,683
Enforcement	15,497									1,724	17,221
Trails and Waterways	2,109										2,109
Forestry										316	316
Lands and Minerals	938										938
Operations Support	6,434										6,434
Statewide Indirect Costs	804										804
Agency Total	\$72,157	\$821	\$1,246	\$806	\$1,115	\$642	\$35	\$2,022	\$171	\$11,403	\$90,418

**Game and Fish Fund Report
Fiscal Year 2005**

Total Annual Expenditures



**Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2005**

FISHERIES ACTIVITIES:	(\$ in thousands)
Operations	\$24,005
Dedicated Account	1,115
Heritage Enhancement	4,346
Total Expenditures	\$29,466

The Division of Fish and Wildlife manages recreational and commercial fisheries and aquatic habitat on approximately 5,400 lakes and 16,000 miles of fishable streams and rivers. Anglers spend over 30 million person-days fishing and harvest about 30 million pounds of fish annually in Minnesota.

The six core functions of the fisheries management work are:

- Monitor fish populations and aquatic habitat
- Protect, improve, and restore fish populations and aquatic habitat
- Propagate fish for stocking in publicly accessible waters
- Provide public information and aquatic education
- Planning and coordination
- Division Support

Fisheries management activities have generally increased since FY97 as a result of fishing license fee increases and the new Heritage Enhancement Account. Funding increases occurred in all major program areas based on priorities identified through operational planning and input from the Fisheries Roundtable and citizen oversight committees. Special emphasis has been placed on habitat improvement and protection and fish stocking programs. Table 1 provides a historical summary of fisheries expenditures by major programs for fiscal years 2002-2005.

**Table 1. Fisheries Expenditures for Major Programs From Fiscal Years 2002 – 2005
(Includes General Fund And Water Recreation Account)* (\$ in thousands)**

Program	FY05	FY04	FY03	FY02
Habitat Improvement & Protection	4,283	4,216	5,916	2,975
Lake & Stream Surveys	8,448	7,840	7,888	7,722
Research	2,010	2,105	2,167	1,469
Fish Culture & Stocking	7,088	6,136	5,529	4,914
Aquatic Education	834	768	761	658
Public Information	1,435	1,105	1,278	979
Planning & Coordination	3,526	3,461	3,746	3,311
Division Support	2,662	2,426	2,305	2,260
Total	\$30,286	\$28,057	\$29,590	\$24,288

The following expenditures that related directly to projects were spread across the other categories: training, information systems, general administration, equipment, supplies, and leave.

FY05 Expenditures and Outcomes

FY05 expenditures have been grouped into the six core functions (Table 2). The dollar amounts include only expenditures from the Game and Fish Fund that accounted for about 97% of fish management total expenditures (excluding those from special appropriations and revolving accounts). The program outcomes include accomplishments realized from all funding sources.

Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2005

Table 2. FY05 Game And Fish Fund Expenditures Within The Core Functions
(\$ in thousands)

Core Function	Game & Fish	Trout Stamp	Heritage	Total
Monitor Fish Populations & Habitat	8,832	147	1,383	10,362
Protect, Improve, & Restore Fish Populations & Habitat	1,938	506	1,451	3,895
Propagate Fish for Stocking in Publicly Accessible Waters	5,280	462	1,305	7,047
Provide Public Information & Aquatic Education	2,091	0	56	2,147
Planning and Coordination	3,315	0	73	3,388
Division Support	2,549	0	78	2,627
Total	\$24,005	\$1,115	\$4,346	\$29,466

Core Functions: Activity and Expenditure Breakdowns

1. Monitor Fish Populations and Aquatic Habitat

Activities:

- ◆ Lake and stream surveys and assessments, large lake sampling program, creel surveys
- ◆ Lake and stream database
- ◆ Research
- ◆ Monitor private aquaculture and commercial harvest of fish and other aquatic animals

Expenditures (\$ in thousands):

Program	Game & Fish	Trout Stamp	Heritage	Total
Lake Surveys & Assessments	3,273	31	553	3,857
Large Lake Assessments	954	72	283	1,309
Stream Surveys & Assessments	927	44	163	1,134
Creel Surveys	336	0	367	703
Lake & Stream Database	413	0	1	414
Private Aquaculture	113	0	0	113
Commercial Fishing Monitoring	57	0	0	57
Project Monitoring	798	0	12	810
Warmwater Research	1,624	0	4	1,628
Coldwater Research	337	0	0	337
Total	\$8,832	\$147	\$1,383	\$10,362

Outcomes:

Activity	Number Completed	Number Ongoing
Lake Surveys	737	
Stream Surveys	165	
Creel Surveys	28	
Research Projects	10	28

2. Protect, Improve, and Restore Fish Populations and Aquatic Habitat

Activities:

- ◆ Regulate recreational and commercial fisheries
- ◆ Regulate removal of aquatic plants
- ◆ Environmental review
- ◆ Acquisition of aquatic management areas
- ◆ Lake and stream habitat improvement, shoreland habitat restoration, spawning areas, lake reclamation, aeration, watershed projects, fish barriers, fish removal

Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2005

Expenditures (\$ in thousands):

Program	Game & Fish	Trout Stamp	Heritage	Total
Aquatic Plant Management	375	0	541	916
Exotic Species Management	20	0	0	20
Environmental Review	397	0	5	402
Acquisition	213	253	562	1,028
Trout Stream Improvement	333	245	47	625
Warmwater Stream Improvement	129	0	150	279
Lake Improvement	124	0	51	175
Fish Barriers	20	0	20	40
Lake Reclamation	17	8	19	44
Lake Aeration	55	0	40	95
Coop & Special Projects	235	0	6	241
Watershed Projects	16	0	10	26
Fish Removal	4	0	0	4
Total	\$1,938	\$506	\$1,451	\$3,895

Outcomes:

Activity	Amount Improved/Acquired	Number of Projects
Aquatic Plant Restoration	8 acres or 11,086 linear ft.	31
Acquisition All Other AMA's	6 miles or 511 acres	13
Acquisition Coldwater Streams	4 miles or 83 acres	11
Trout Streams Habitat Improvement	307	55
Warmwater Streams Habitat Improvement	45	4
Lake Reclamation		0
Lake Aeration		3

3. Propagate Fish for Stocking in Publicly Accessible Waters

Activities:

- ◆ Propagate walleye, muskellunge, northern pike, trout, salmon, and other game fish species for stocking
- ◆ Stock small lakes in the Twin Cities metropolitan area as part of the urban fishing (FiN) program
- ◆ Maintain and improve state fish hatcheries and rearing ponds

Expenditures (\$ in thousands):

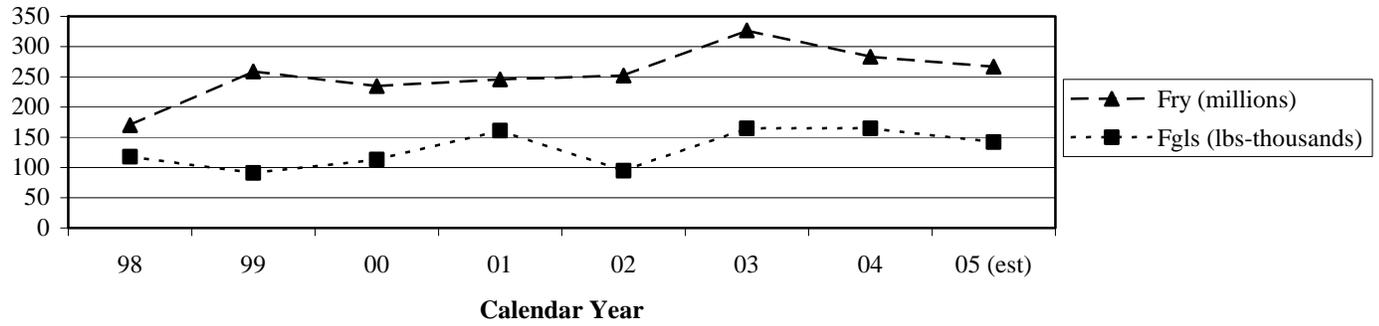
Program	Game & Fish	Trout Stamp	Heritage	Total
Walleye	3,306	0	894	4,200
Muskellunge	480	0	56	536
Northern Pike	64	0	14	78
Catfish, Bass, Panfish, Others	145	0	100	245
Trout & Salmon	1,241	462	156	1,859
Kids Fishing Ponds	44	0	85	129
Total	\$5,280	\$462	\$1,305	\$7,047

Outcomes:

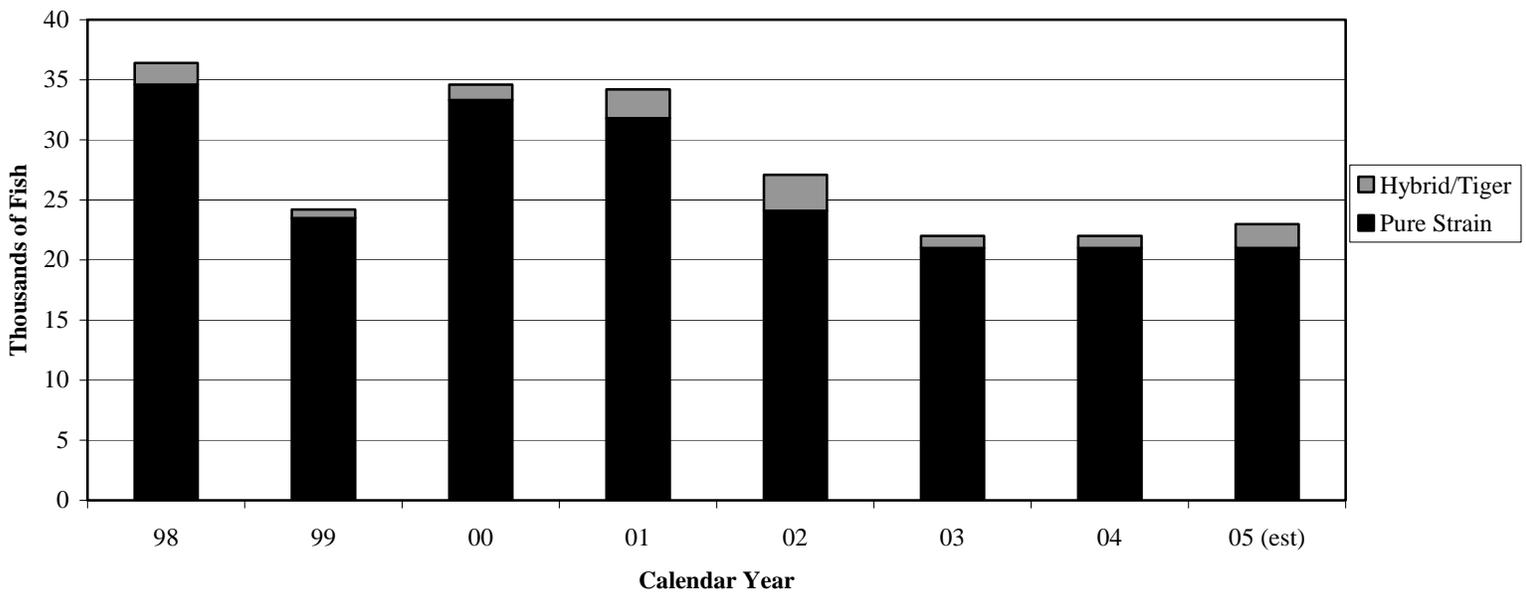
Activity	Fish Stocked	Lakes/Streams Stocked
Walleye Fry	262.2 Million	253
Walleye Fingerlings, Yearlings, and adults	3.3 Million	414
Muskellunge Fingerlings (Includes Tiger Muskellunge)	22.3 thousand	61
Trout & Salmon (All Sizes)	3 Million	275
Kids Fishing Ponds (FiN Program)	24,102	47

Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2005

Walleye Stocking from 1998-2005

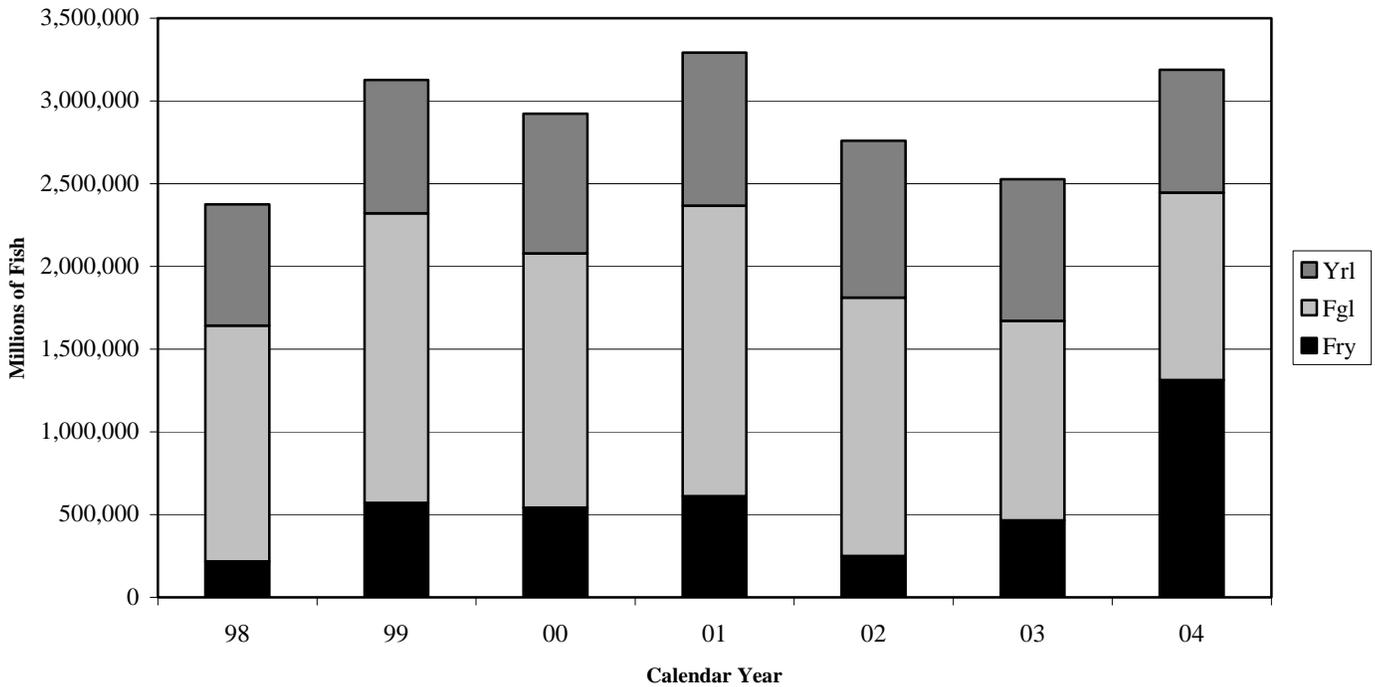


Muskellunge Fingerling Stocking from 1998-2005



**Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2005**

Trout and Salmon Stocking from 1998-2004



4. Provide Public Information and Aquatic Education (MinnAqua)

Activities:

- ◆ Provide fisheries information in a variety of forums
- ◆ Conduct aquatic education (MinnAqua) programs
- ◆ Participate in state and county fairs and other resource-related events
- ◆ Recruitment and retention of anglers

Expenditures (\$ in thousands):

Program	Game & Fish	Trout Stamp	Heritage	Total
MinnAqua	731		52	783
Public Information	1,360		4	1,364
Total	\$2,091	\$0	\$56	\$2,147

Outcomes:

Activity	Number
Aquatic Education Programs	593
Program Participants	59,843
Volunteers Trained	117

5. Planning and Coordination

Activities:

- ◆ Strategic, long range, and operational planning
- ◆ Coordination with the public, other units in the DNR, Indian bands, and other units of government
- ◆ Individual lake and stream management planning

Game and Fish Fund Report
Fisheries Activities – Fiscal Year 2005

Expenditures (\$ in thousands):

Program	Game & Fish	Trout Stamp	Heritage	Total
Department/Agency Coordination	2,052		13	2,065
Treaty Coordination	364		3	367
Strategic/Long Range Planning	41			41
Regional Planning	180		3	183
Operational Planning	257			257
Lake Management Plans	301			301
Stream Management Plans	19			19
Tournaments	84			84
Fishing Piers	17		54	71
Total	\$3,316	\$0	\$72	\$3,388

Outcomes:

Activity	Number
Lake/Stream Management Plans	444
Fishing Tournament Permits	587
Fishing Piers/Shore Access	7

6. Division Support

Activities:

- ◆ All expenditures that can not be tied to a specific project but are needed to keep the doors open.

Expenditures (\$ in thousands):

Program	Game & Fish	Trout Stamp	Heritage	Total
Division Administration	238			238
Human Resources and Budget	194			194
Facilities	1,623			1,623
Workers Compensation	109		21	130
Unemployment	92		57	149
Fleet minimums	293			293
Total	\$2,549	\$0	\$78	\$2,627

**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2005**

WILDLIFE ACTIVITIES:	(\$ in thousands)
Operations	\$16,897
Dedicated Accounts	5,701
Heritage Enhancement	3,328
Total Expenditures	\$25,926

I. Overview – Wildlife Game and Fish Funding

The Division of Fish and Wildlife (FAW) protects and manages approximately 1,380 wildlife management areas (WMA) totaling over 1.2 million acres. Technical assistance is provided to other state agencies, public and private landowners and outdoor recreationists. More than 50 big game, small game, waterfowl, migratory bird, and furbearer species are managed through regulated harvest. These efforts combine to provide quality outdoor recreation opportunities for over 597,000 licensed hunters.

II. Expenditure Analyses Methodology

Wildlife expenditures totaled more than \$36.9 million in FY05. Of this total, Game and Fish Funds accounted for \$25.926 million in expenditures. For this report, Game and Fish Fund expenditures were sorted into thirteen categories as described below. Expenditures for staff leave/time off, relocation expenses, layoff insurance and miscellaneous benefits determined by labor contracts and Department of Employee Relations agreements were prorated for all categories except Division Support.

III. Wildlife Programs

FAW efforts are grouped into thirteen Wildlife programs as follows.

- Division Support
- Environmental Review
- Facility Management
- Farmland Habitat Program
- Forest Habitat Program
- Habitat Assessment
- Acquisition and Operations
- Planning and Coordination
- Population Management
- Private Land Habitat Program
- Research & Evaluation
- Technical Guidance
- Wetland Habitat Program

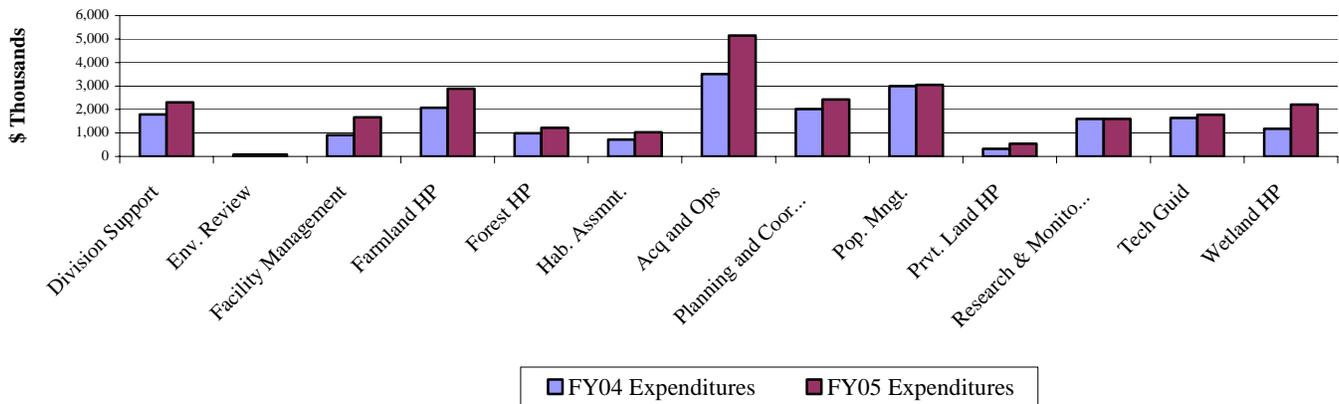
Program expenditures are summarized for FY04 and FY05 (see Table 1 and Graph 1).

**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2005**

**Table 1. Wildlife Expenditures for Major Programs FY04 – FY05
(\$ in thousands)**

Wildlife Program	FY05 Expenditures	% FY05 Total	FY04 Expenditures	% FY04 Total
Division Support	2,308	8.90%	1,790	9.03%
Environmental Review	86	0.33%	76	0.38%
Facility Management	1,667	6.43%	903	4.56%
Farmland Habitat Program	2,885	11.13%	2,074	10.46%
Forest Habitat Program	1,219	4.70%	992	5.01%
Habitat Assessment	1,029	3.97%	724	3.66%
Acquisition and Operations	5,140	19.83%	3,503	17.68%
Planning and Coordination	2,426	9.36%	2,022	10.20%
Population Management	3,048	11.76%	2,988	15.08%
Private Land Habitat Program	544	2.10%	332	1.67%
Research & Population Monitoring Program	1,594	6.15%	1,598	8.06%
Technical Guidance	1,775	6.85%	1,639	8.27%
Wetland Habitat Program	2,204	8.50%	1,178	5.94%
Totals	\$25,926	100.00%	\$19,819	100.00%

Graph 1. Wildlife Expenditures for Major Programs FY04 – FY05



**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2005**

IV. Annual Outputs/Outcomes

Division Support \$2.308 million

Wildlife Management Section and Wildlife Research staff work in approximately 50 locations throughout the state. Support provided for these positions, that cannot be tied to a specific project or program, includes budget management, fiscal administration, general equipment and headquarters operations expenses, worker's compensation payments and unemployment insurance expenses for part-time staff.

Environmental Review Program \$86 thousand

A cooperative effort between the Divisions of Ecological Services and FAW provides environmental review of development on both public and private lands within the state. This program is administered by the Division of Ecological Services with contributions of time by Wildlife field staff. Costs incurred are primarily personnel time and transportation.

- Environmental review for private applications and projects: 945 hours using all funds
- Environmental review for governmental applications and projects: 1,296 hours using all funds

Facility Management \$1.667 million

Management responsibility for over 1.2 million acres in 1,381 units of state Wildlife Management Areas (WMA) open to public outdoor recreation requires the development and maintenance of infrastructure such as roads and trails, accesses, parking lots, hunter blinds, wildlife observation structures, and the management of boundaries and information signs. Land and user protection is accomplished by sealing open wells and cisterns and cleaning up dumps and building sites on acquired lands. An increased appropriation from WMA resource revenues was used to accelerate facility maintenance and survey/boundary work, spending \$200,000 in each of past two years for ConCon designated WMA survey/boundary work.

Activity	FY05 Sites	FY05 Quantities
Facility Maintenance	554 units	1,356 facilities
Access Maintenance	377 sites	548 miles
Facility Improvement	68 units	82 facilities
Access Improvement	79 units	52 miles
Boundary Management	341 WMAs	970 miles
Site/Building Cleanup/Well Sealing	113 WMAs	197 sites

Farmland Habitat Management Program \$2.885 million

Management of wildlife habitats in agricultural areas of Minnesota includes developing, improving and burning grasslands, controlling noxious weeds, managing food plots and cooperative farming agreements, and developing woody cover plantings.

Activity	FY05 Sites	FY05 Quantities
Noxious Weed Control	517 WMAs	7,687 acres
Prairie/Grassland Management	322 plantings	6,582 acres
Food Plots	489 food plots	3,049 acres
Cooperative Farming Agreements	322 agreements	24,077 acres
Prairie/Grassland Burns	294 burns	19,899 acres
Woody Cover Development	50 plantings	188 acres

Forest Habitat Management Program

Management of wildlife habitats in forested areas of Minnesota includes forest and open/brushland management activities in WMAs and other public lands. See the technical Guidance Program section for additional details on forest planning efforts. Program expenses contributed to the following outcomes.

**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2005**

Activity	FY05 Sites	FY05 Quantities
Forest Opening Management	892 sites	1,515 acres
Forest Stand Improvement	304 stands	3,491 acres
Forest Stand Burns	6 burns	1,816 acres
Open/Brushland Management	76 sites	6,571 acres
Open/Brushland Burns	60 burns	18,671 acres

Forest certification is a credible system of evaluating and verifying sustainable forest management practices. The Department has prepared for the past two years for this third party audit which was scheduled for summer/fall 2005. FAW was intensively involved with the audit for WMA forested lands. The DNR is seeking certification from the Forest Stewardship Council and the Sustainable Forestry Initiative for sustainable forest management practices on its forested lands.

Planning and Coordination \$2.426 million

Planning and coordination includes the management of United States Fish and Wildlife Service Wildlife Restoration Act projects (AKA federal aid, Pittman-Robertson Act) which results in the reimbursement of approximately \$6 million annually to the Game and Fish Fund, implementation of an operational planning and the accomplishment reporting program called the Wildlife Management System, and coordination at the section, division and department levels on policy, outreach and program implementation. Key activities include:

- Transition in the management of project funds resulting in the administration of project funds at the regional level
- Roundtable meeting for stakeholder group input
- Coordination with Legislature on budget and policy initiatives
- Reorganization of the Game and Fish Fund report and standardization of programmatic categories and analyses
- Rulemaking processes to establish seasons and limits as well as to regulate harvest as authorized and consistent with Minnesota State Statutes

Population Management Program \$3.048 million

Population management includes informal surveys to determine the status of populations or harvest, hunting season management including special hunts for deer and geese, actions taken to manage disease outbreaks, capture and release of wild turkeys, Canada geese, and other species, managing nuisance animals, and distribution of resources to meet Indian treaty agreements. Program expenditures contributed to the following outcomes: wildlife surveys, season management, special deer hunts, special goose hunts, animal disease management, turkey capture and release, Canada goose capture and release, nuisance animal management, and other wildlife capture/release. Key activities and accomplishments include the following.

Big Game

- Elk season conducted fall 2004.
- Draft elk management plan under review.
- More than 13,000 CWD samples collected in fall 2004. All tested negative for CWD.
- Initiate deer population goal-setting and review of zone framework
 - Gather Alternative Harvest Deer Management public input
 - Meetings in 3 pilot areas conducted in spring 2005. Large public meeting for 2 areas to be held in fall due to heavy conflicts during summer months. Approach was successful for obtaining public input and will be used for additional areas in FY06.
 - Completed survey of NW deer hunters. 3 pubic meetings for NW hunters conducted.

Upland Birds

- First dove season since 1940's conducted in fall 2004 with an estimated harvest of 96,600.
- Expanded pheasant season through December 31 (beginning 2004)

Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2005

- 2005 Long-Range Plan for Ring-necked Pheasant in Minnesota completed.
- Grouse management plan assessment completed and plans underway for public input process.

Wild Turkey

- Wild turkey management plan under review.
- Initial work completed to identify potential release sites for turkeys in the northwest.

Waterfowl

- Goose management plan drafted.
- Waterfowl surveys were done several times on all 40 lakes during the migration season (either by air or ground).
- Fish and Wetlands Working Group recommendations completed.
- Increased public dialogue about status of waterfowl populations, habitat and regulations
 - Collaborated on organization and logistics for waterfowl/wetland rally in April.
 - 18 public input meetings held throughout the state in late April.
 - Duck recovery plan drafted in May 2005 for external review.

Season Management

- 13 statewide public meetings held to present and discuss proposed season regulation changes.

Private Land Habitat Management Program

\$544 thousand

This program includes the actual costs of implementing habitat management practices on private land including fleet and material expenses but does not include personnel (see Technical Guidance Program).

- 13,255 acres of wildlife habitat on private lands improved.
- Contributed \$337,500 for Farm Bill implementation partnership with BWSR, SWCD and Pheasants Forever (46% of total FY05 costs) to enroll 13,185 acres in conservation practices utilizing 40 SWCD staff in priority counties

Acquisition and Operations

\$5.140 million

Efficient administration of wildlife management programs provides for support personnel, land acquisition, public education and information, and limited enforcement. Program expenditures in FY05 included clerical support, personnel supervision, training, committees, public information and education, hunter recruitment and retention, enforcement, coordination, ELS, and Federally declared disasters. Key activities include the following.

Land Acquisition and Enhancement

- Acquired 4,062 acres of WMAs in 41 tracts
- WMA bonding funds were not appropriated during the 2004 Legislative session. A \$10 million bonding bill was passed during the 2005 Legislative session.
- Coordination and administration of Heritage Enhancement grants to outdoor groups assisting with habitat management on 25,000 acres in WMAs since the program inception in FY02.

Outreach

- More than 22,000 hours of public information and education
- Coordination of special youth hunts for turkey (new in 2004): 2 special hunts, 71 applicants, 29 hunters
- Coordination of special youth hunts for deer: 8 special hunts, 630 applicants, 379 hunters
- 1st early youth deer season with 644 hunters
- Archery in the Schools (AIS) Pilot Program reaches an estimated 20,000 students through grants with 50 schools. AIS is supported by partnerships with the Archery trade Association and the National Wild Turkey Federation .
- Becoming an Outdoors Woman (BOW); hunting-related programs: 2 workshops, 11 classes, 228 participants

Game and Fish Fund Report Wildlife Activities - Fiscal Year 2005

- BOW expands programming to provide opportunities for outdoor family hunting experiences
- Conducted annual Roundtable to solicit input and discussion among stakeholder groups.

Research and Population Monitoring Program

\$1.594 million

The research, inventory and monitoring program includes coordination of data collection, analysis and reporting of 25 wildlife surveys, 20 applied research projects, 7 population models (big game and registered furbearers), Mississippi Flyway waterfowl regulation efforts, Canada goose management, and expenses associated with literature reviews and publication costs.

Waterfowl and Wetlands

- Pilot ring-necked duck breeding population survey was conducted in the primary breeding range. Population estimated to be about 9,000 pairs (potential underestimate). Improved survey method used in 2005 survey. 2005 survey results currently being analyzed.
- 2nd year of monitoring response to Lake Christina/Anka reclamation effort in FY03. Includes monitoring of the fish community, limnological response to reclamation treatment, lake use by nongame waterbirds, and effects of emergent vegetation on wave attenuation and its significance for over-water nesting birds.
- Waterfowl refuge inventory completed. Inventory will be used to explore new opportunities to fill gaps in refuge coverage.
- Total of 5,500 Canada geese banded in summer 2004. Total of 6,018 bands applied in summer 2005.
- Projects on seasonal wetlands in north central Minnesota are at various stages. Data and results will be available to assist Forest Resource Council, Riparian Science Technical Committee, with review of science pertaining to affect of forest management practices on wetland communities.

Forest Wildlife

- Northeastern moose research project is in the 4th year. A total of 114 moose radio-collared since beginning study. Results indicate that non-hunting mortality is high compared to elsewhere in North America. Improved survey methods indicate that population now as high as 6,500 moose, higher than previously thought.
- Research into the importance of conifer cover to deer is in final year of a long-term study. The research has provided important information on the significance of winter weather to deer populations. Results are being integrated into population models.
- Research on river otter populations in southeastern Minnesota was completed. A new aerial survey method was developed. Results indicated that otter numbers were sufficient to open a trapping season.
- New methods were developed to use Geographic Information Systems (GIS) to locate dancing grounds for surveys of Greater Prairie Chicken. A similar approach will now be tested on Sharp-tailed Grouse.
- Radio-collared black bear at 3 locations in Minnesota were used to monitor reproduction and survival. The results will be used for setting permit levels for upcoming hunting seasons.

Farmland Wildlife

- Turkey northern winter survival project is completed.
- Pheasant winter habitat project is in the 3rd year of a five year study; Previous mild winters have made it difficult to assess severe winter habitat use.

Human Dimensions

- Hunter surveys conducted for turkey, waterfowl and deer hunters.
- Surveys completed on hunting participation by Minnesota Cooperative Fish and Wildlife Research Unit, University of Minnesota.

**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2005**

Habitat Assessment Program

\$1.029 million

Resource assessment includes efforts to inventory, assess and map aquatic and terrestrial wildlife habitat and to create and maintain digital databases for information management. Expenditures included: management and geographic information support, wildlife resource assessment and wildlife lake assessments.

- Geographic Information System (GIS) inventory of WMA boundaries, facilities and vegetation completed for improved management and public use through DNR website information.
- Work begins on WMA guidance documents which will be linked to GIS data.
- GIS support for Research and Population Monitoring and Population Management Programs.
- Accelerated shallow lake and wild rice management
 - Wildlife lake assessments were completed on 360 basins encompassing 222,698 acres.
 - Vegetation and habitat surveys were conducted on 15 of the 40 total case study lakes (each lake is surveyed every 3rd year) with a total of 33,846 acres surveyed.
 - 178 managed wild rice basins exceeded FY05 goal of 170 basins.
 - New wildlife lake designated in 2005 (Fish Lake in Anoka County). One additional anticipated to be designated in 2005 (High Island Lake in Sibley County).
- Use landscape level approach to develop strategies for developing and managing large wetland/grassland complexes.
 - USFWS HAPET developed model for ranking quality of wetland/grassland complexes
 - Concept for a “Working Lands Initiative” has resulted in development of a team of partners and identification of funding to leverage habitat protection and development.

Technical Guidance Program

\$1.775 million

Although Minnesota’s Wildlife Management Area system is one of the largest and best in the nation, most wildlife habitat exists on private land and public lands administered by agencies other than FAW. Providing technical guidance on effective wildlife population and habitat management principles and techniques to these other land administrators is essential for improvements to wildlife related resources throughout the state.

- Wildlife lake technical guidance: 4,906 hours
- Forest wildlife technical guidance: 13,364 hours
- Interagency technical guidance including urban management for wildlife values: 8,445 hours
- Private land technical guidance: 10,401 hours
- Nuisance animal technical guidance: 3,178 hours
- Participated in planning for eight Subsection Forest Resource Management Plans.

Wetland Habitat Management Program

\$2.204 million

Management of wetland wildlife habitats involves the restoration of drained wetlands, maintenance of existing wetlands by replacing water control structures, managing water levels, maintaining dikes and structures, and the improvement of aquatic habitats by seeding desirable aquatic plants, installing fish barriers, and installing nesting structures. Participation in the North American Waterfowl Plan continues for the 30th year. Contributions are used for the management of extensive Canadian breeding waterfowl habitat.

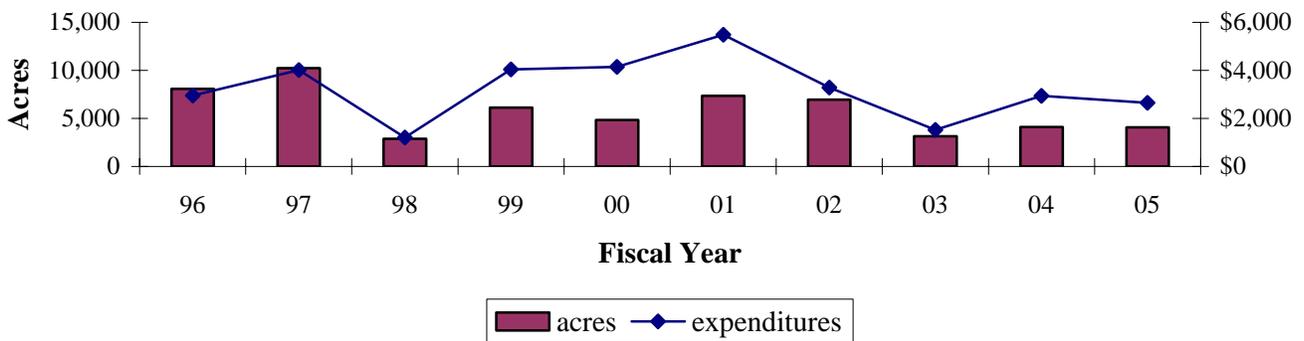
Activity	FY05 Sites	FY05 Quantities
Wetlands Habitat Maintenance	456 wetlands	167,076 acres
Waterfowl Nesting Structures	546 wetlands	2,962 structures
Wetland Impoundment Development	2 wetlands	110 acres
Wetland Restoration	44 wetlands	630 acres
Wetland Water Control	59 wetlands	22,468 acres
Wetland Enhancement	48 wetlands	4,461 acres

**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2005**

Long-term Trends:

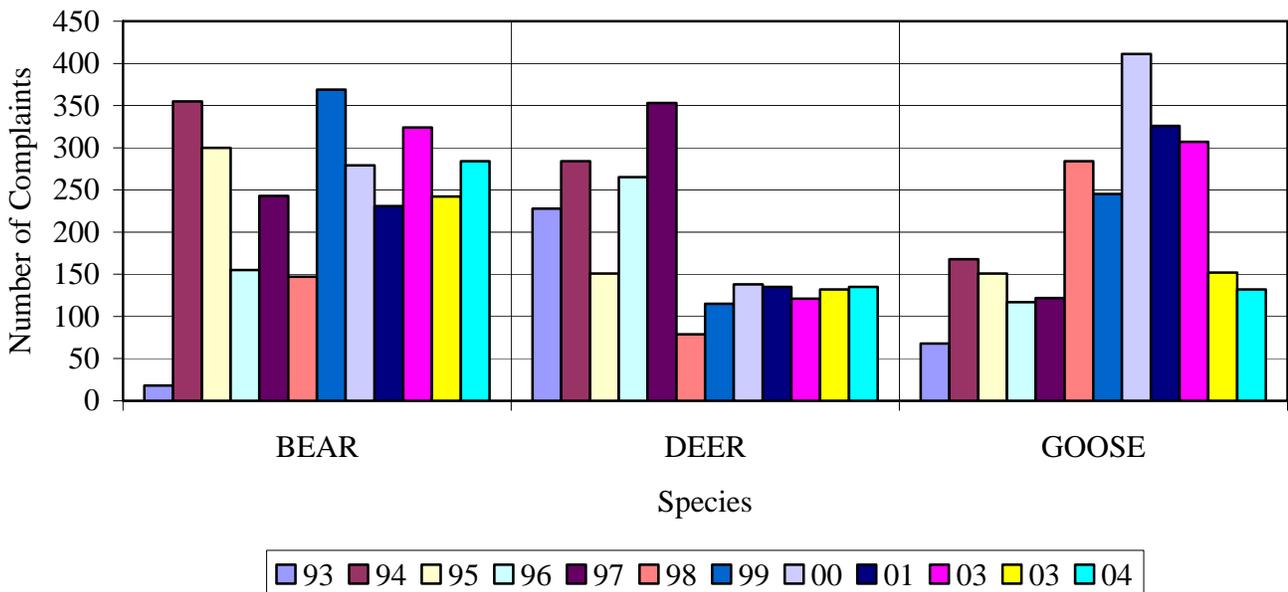
- WMA acquisitions totaled 4,062 acres and \$2.7 million in FY05. A total of 57,789 acres have been acquired since 1996 totaling \$32.3 million (see Graph 2). With the appropriation of \$10 million in bonding funds during the 2005 Legislative session, FAW has identified priority acquisitions and started the acquisition process on most of these parcels. High priority will be given to larger land acquisitions (>200 acres) that will complement wetland, shallow lake, and grassland complexes; key in-holdings or additions to existing WMA; and acquisitions that protect and improve shallow lakes, seasonally flooded wetlands, restorable wetland basins, and other key waterfowl habitat.

**Graph 2. WMA Acquisitions 1996 - 2005
(\$ in thousands)**



- A total of 656 wildlife-related complaints were received in calendar year 2004, a decrease of 6.4% compared to the 703 complaints received in 2003. Black bear, white-tailed deer and Canada geese accounted for 85% of the complaints.

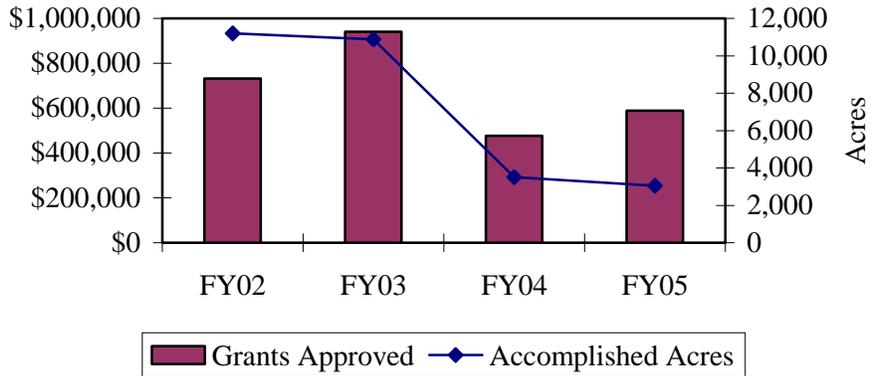
Graph 3. Wildlife Complaints 1993-2004



**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2005**

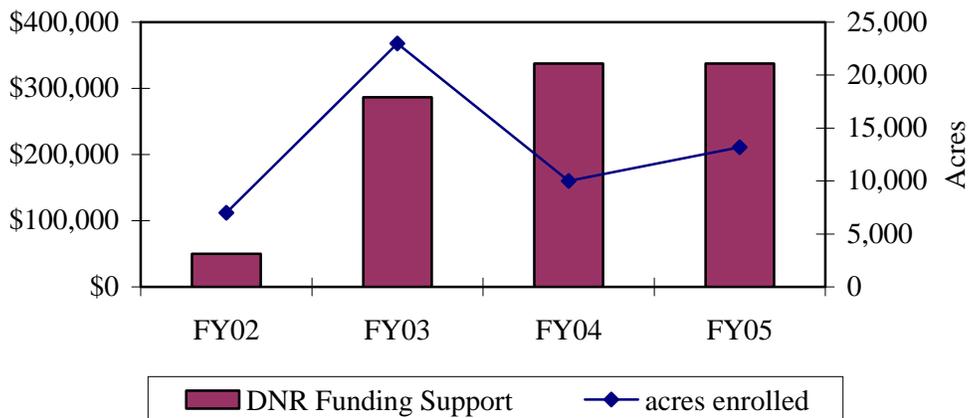
- The Heritage Enhancement Fund grants provide funding to local outdoors clubs for habitat improvement on WMAs. FY05 marked the fourth year for this program. To date, \$2.7 million has been granted to 28 groups and 28,587 WMA acres have been managed for improved wildlife habitat (see Graph 4).

Graph 4. Heritage Enhancement WMA Grants



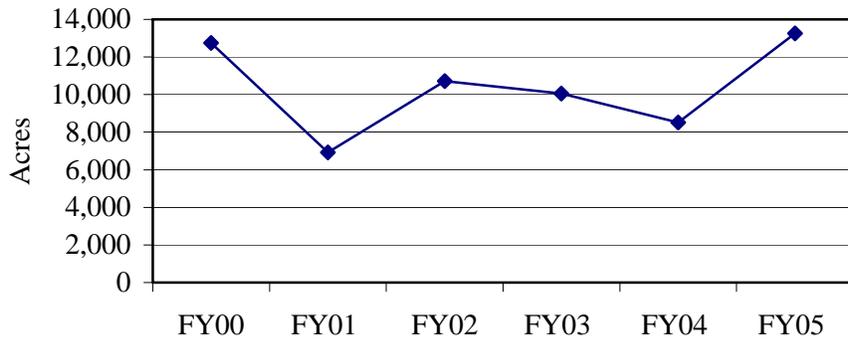
- The purpose of the Private Lands Program is to harness the interest of private landowners to conserve wildlife populations and habitats, to maximize the use of existing private lands programs, and to guide private landowners through education efforts to become knowledgeable land stewards and wildlife conservationists. FAW works with partners to both implement and increase the conservation provisions and benefits of federal farm programs through technical assistance and communication with landowners. FAW has contributed more than \$1 million since FY02 to a collaboration with BWSR, SWCD and PF to enroll landowners in conservation provisions of the Farm Bill (see Graph 5). FAW also provides cost share funds to landowners to improve wildlife habitat on private lands (see Graph 6).

Graph 5. Farm Bill Assistance Partnership



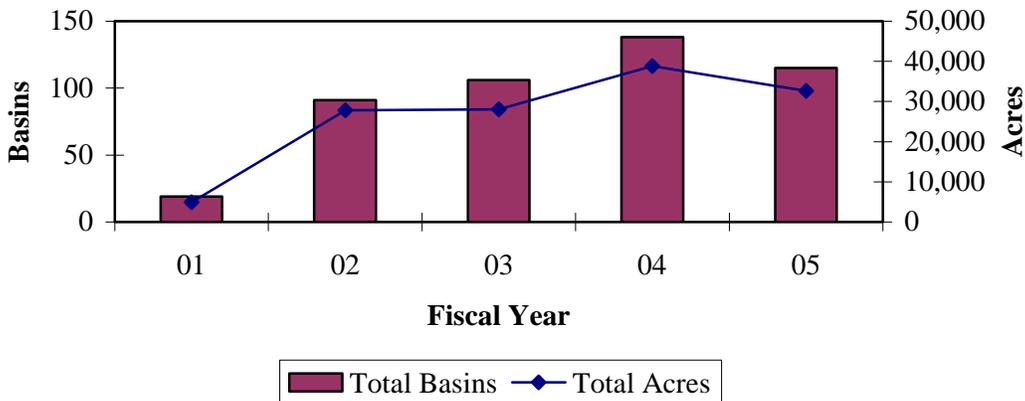
**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2005**

Graph 6. Private Lands - Wildlife Habitat Cost Share



- FY05 marked the fifth year of implementation of the Minnesota Department of Natural Resources (DNR) and Ducks Unlimited (DU) Cooperative Wild Rice Enhancement Program. Since FY01 more than 132,000 acres have been managed in wild rice basins to enhance waterfowl production and migration habitat by managing for lower water levels favorable for wild rice production (see Graph 7).

Graph 7. Wild Rice Basins Managed



In FY05, approximately 85% of Game and Fish Funds, or more than \$21 million was spent in regional, area, field and research offices statewide. 15%, or approximately \$4.7 million, was spent from the St. Paul central office (see Table 2). 90% of Wildlife personnel are located in regional, area, field and research offices while 10% are located in the St. Paul office providing administrative and program support and budgetary oversight (see Table 2.)

**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2005**

**Table 2. FY05 Comparison of Field and St. Paul Central Office Expenditures
for Game and Fish Funds Only
(\$ in thousands)**

	Field Total	% Field	Central Office Total	% Central Office	Total
Programs	779	3.00	102	0.39	881
Operations ^{1,2}	18,724	72.22	3,566	13.76	22,290
Research ³	2,389	9.21			2,389
FAW Business Management			299	1.16	299
Attorney General Costs ⁴	20	0.08	47	0.18	67
Total	\$21,243	84.51	\$4,684	15.49	\$25,927

Notes:

1. Operations central office expenditures include salaries for Programs, Research, and Operations staff.
2. Acquisition and development costs expended from central office are included in field totals.
3. Emergency Deer Feeding/Wild Cervid Health Management Fund expenditures included in Field totals.
4. Attorney general expenditures in field include acquisition and development related costs

V. Dedicated Accounts

In addition to the general wildlife management and support expenditures itemized above, expenditures from dedicated stamp and surcharge accounts resulted in more specialized outcomes related to the funding source. Additional expenditure detail is provided on each account in the Dedicated Accounts Reports Section beginning on page 44.

Deer and Bear Management Program (\$70 thousand)

The management of deer and bear populations including population and habitat monitoring, forest habitat management, technical guidance and depredation management.

Emergency Deer Feeding/Wild Cervid Health Management (\$708 thousand)

In 2002 and 2003, the Legislature broadened the allowable use of the emergency deer feeding account to include management of wild cervidae health, including chronic wasting disease (CWD).

Deer Management Program (\$1.246 million)

The improvement of deer habitat, forest habitat management, food plots and woody cover and on public and private lands, user facility management, technical guidance on deer habitat management, habitat assessment, population management including season management and various deer surveys and research. Expenditures include costs associated with personnel and support.

Waterfowl Habitat Improvement Program (\$806 thousand)

The restoration and management of wetland, assessment and management of wildlife lakes, technical assistance on waterfowl related habitat issues, population management including season setting expenses, surveys and research.

Pheasant Habitat Improvement Program (\$642 thousand)

The development, restoration and maintenance of pheasant habitat on state lands and reimbursement of expenditures to private landowners for providing food plots, woody cover, grassland nesting cover and wetland restoration for winter cover on private lands.

Wild Rice Management Program (\$35 thousand)

The enhancement of designated public waters to improve natural wild rice production.

**Game and Fish Fund Report
Wildlife Activities - Fiscal Year 2005**

Wildlife Land Acquisition, Development and Habitat Maintenance - Small Game Surcharge (\$2.022 million)
Direct land acquisition, development and maintenance of wildlife habitat on public lands, and development and maintenance of facilities and accesses.

Wild Turkey Management Program (\$171 thousand)
The development, restoration, and management and promotion of wild turkey habitat on public and private lands including acquisition of critical turkey habitat, cost sharing with landowners on private land habitat practices that benefit wild turkeys, and improvement of habitat on state lands for turkey habitat. Expenditures also include cost associated with trapping and transplanting wild turkeys and survey and research activities.

Heritage Enhancement Account (\$3.328 million)
The Heritage Enhancement Account is used for wildlife habitat management, wildlife population monitoring and applied management research, grants to sportsmen groups for habitat and facility work on WMAs, prairie chicken reintroductions, private land assistance, and hunter recruitment and retention programs. FY05 was the fifth year of Heritage Enhancement funding. Table 3 summarizes expenditures spent in this appropriation by activity.

**Table 3. FY05 Wildlife Heritage Enhancement – Summary of Total Expenditures
(\$ in thousands)**

Activity	Amount
WMA Facility Management	169
Farmland Habitat Program	1,039
Forest Habitat Program	234
Openland/Brushland Habitat Program	168
Wetland Habitat Program	543
Habitat Assessment	1
Operations (related to Private Lands, Hunter Recruitment/Retention and Grants Program efforts)	225
Heritage Grant Administration	50
Population Management	37
North American Waterfowl Plan	35
Private Land Habitat Program	154
Research & Population Monitoring	250
Private Land Technical Guidance	421
Inter/Intra Agency Technical Guidance (related to Private Lands Program efforts)	4
Total	\$3,328

**Game and Fish Fund Report
License Center Activities - Fiscal Year 2005**

LICENSE CENTER ACTIVITIES:	(\$ in thousands)
Operations	3,479
Dedicated Accounts	42
License Center and Electronic Licensing System (ELS)	\$3,521

The License Center handles the distribution of the numerous licenses, stamps and permits required by hunters, anglers and commercial game and fish interests. About 1,750 sales agents sell the licenses, stamps and permits using ELS. In FY05, sales agents handled approximately 99% of all sales and validation transactions. The remaining 1%, including sales of commercial and lifetime licenses, were sold at the License Center in the DNR's St. Paul central office.

License Center operating expenses of \$956 thousand made up of personnel, supply and expense items, were paid from the Game and Fish fund. The specific activities in the License Center that support the licensing of hunters, anglers and commercial interests include:

- ◆ **Printing.** The License Center prints hunting, angling and commercial game and fish licenses, permits, stamps, lottery applications and winning lottery notifications.
- ◆ **Distribution.** The License Center packaged and shipped over 2,000,000 copies of hunting and angling regulations, 270,000 lottery application worksheets, and 230,000 pictorial stamps to sales agents and individual licensees.
- ◆ **Lotteries.** The License Center awards hunting permits through a lottery process where the demand for permits exceeds the allowable harvest as determined by Wildlife management. Examples include lotteries for a limited number of hunting permits for antlerless deer, bear, wild turkey, prairie chicken and moose.
- ◆ **Special hunts.** Wildlife management determines the need for special hunts. A special hunt may extend a particular season, add a new harvest season or increase the harvest of a species in a geographic location. The License Center publicizes special hunts as they are announced and coordinates the sale of permits for these events.
- ◆ **Information line.** Sales agents and the License Center provide a phone number for hunters, anglers and commercial licensees to call with questions and requests for information. In FY05, this telephone help desk received over 40,000 calls from its sales agents, individuals and commercial interests.

All lifetime licenses must be purchased through the License Center in St. Paul. In FY05, the License Center issued 1,759 new lifetime licenses. Hunters and anglers who had purchased a lifetime license prior to FY05, are required to validate the annual use of their lifetime license. The validation is a non-cash transaction done through a sales agent or the License Center in St. Paul.

ELS has been operational for more than five years. A third-party vendor handles the day-to-day operation of the electronic system, with additional operational support provided by the License Center. Monthly payments to the vendor cover the costs of the sales terminals use, paper used to print licenses and permits, a 24-hour technical support phone line, and use of the vendor's host computer. More than 3.5 million licenses, permit and stamp sales and license validation transactions were processed through ELS, generating more than \$61 million in revenue for the year. In FY05 the License Center spent \$2.633 million to operate ELS through its statutory appropriation under 97A.485, subd 7.

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2005**

ECOLOGICAL SERVICES ACTIVITIES:	(\$ in thousands)
Operations	\$1,994
Heritage Enhancement	1,689
Total Expenditures	\$3,683

Introduction

The Division of Ecological Services exists to protect, maintain, and enhance the health and integrity of Minnesota's aquatic and terrestrial ecosystems. The Division has four key resource areas, which include 20 programs:

- ◆ Lakes and Rivers
 - Aquatic Plants
 - Nongame Fish
 - Lake Assessments (aeration and water quality)
 - Aquatic Invertebrates
 - Stream Habitat Protection
 - Mississippi River Management
 - Lake Habitat Protection
- ◆ Ecosystem Health
 - Fish Contaminants
 - Pathology Lab
 - Natural Resource Damages
 - Invasive Species
- ◆ Conservation Information and Community Assistance
 - Education and Information Delivery
 - Environmental Review and Wetlands
 - Planning and Coordination
 - Information Systems
- ◆ Nongame and Rare Resources
 - Natural Heritage
 - Nongame Wildlife
 - Scientific and Natural Areas
 - Native Prairie Stewardship
 - County Biological Survey

The five core functions of the Division of Ecological Services are:

- ◆ Collect ecological data
- ◆ Manage ecological data
- ◆ Deliver technical assistance to decision makers and educators
- ◆ Protect and restore native plant and wildlife communities
- ◆ Regulate activities that impact native plant and wildlife communities

Expenditure Analysis

In FY05, the Game and Fish Fund provided a total of \$3.683 million or approximately 23% of the Division's expended non-bond funding. Other significant revenue sources included the General Fund, Natural Resources Fund, Environmental Trust Fund, and funds from a number of federal agencies. Within the Game and Fish Fund there are two major funding sources that supported natural resource work in Ecological Services in FY05:

1. Game and Fish Operating Funds

Dollars support traditional game and fish activities in three of the Division's resource areas (lakes and rivers; ecosystem health; and conservation information and community assistance) and a portion of the

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2005**

Division's operations support. A total of \$1.994 million was spent in FY05. The total appropriation to the Division has remained relatively constant the past several years.

2. **Heritage Enhancement Funds**

The Heritage Enhancement funds were directed at all of the Division's major resource areas. A total of \$1.689 million was spent in FY05.

In FY05, the Game and Fish operating funds were directed at 14 programs including aquatic plants, lake assessments, aquatic invertebrates, stream habitat protection, Mississippi River management, lake habitat protection, fish contaminants, pathology lab, natural resource damage assessments, education and information delivery, environmental review and wetlands, planning and coordination, information systems, and native prairie stewardship. The Heritage Enhancement funds were directed at eleven program areas, including natural heritage, nongame wildlife, native prairie stewardship, county biological survey, aquatic plants, stream habitat protection, invasive species, education and information delivery, environmental review and wetlands, planning and coordination, and information systems. Table 7 on page 33 presents a six-year summary of program expenditures in the Game and Fish and Heritage Enhancement funds.

FY05 expenditures are summarized by the Division's four resource areas and for Division support (Table 1). Division support includes headquarters operations, administration, training, and equipment expenditures that are not directly associated with one of the 20 programs. The reported expenditures are only from the Game and Fish Fund and Heritage Enhancement Account.

**Table 1. FY05 expenditures from the Game and Fish Fund and Heritage Enhancement Account for each of the key resource areas and Division support.
(\$ in thousands)**

Resource Area	Game & Fish	Heritage Enhancement	Total
Lakes & Rivers	957	183	1,140
Ecosystem Health	389	138	527
Conservation Info. & Community Assistance	358	367	725
Nongame & Rare Resources	50	980	1,030
Division Support	240	21	261
Total	\$1,994	\$1,689	\$3,683

Outcome Goals

The Ecological Services Subcommittee of the Citizens' Budget Oversight Committee has identified four "outcome goals" all of which fall into the "Lakes and Rivers" resource area:

- ◆ Insure ecologically sustainable river and stream resources that provide healthy fish and aquatic invertebrate populations and recreational opportunities.
- ◆ No net loss of emergent or floating leaf vegetation on any lake.
- ◆ Double the percentage of lakeshore owners seeking permits in relation to the volume of aquatic herbicides sold.
- ◆ Insure that lake improvement and management efforts are guided by the most accurate and up-to-date information.

Many of the outcomes listed under Lakes and Rivers in the next section ("Description of Annual Outcomes") support the outcome goals to insure ecologically sustainable river and stream resources and that lake improvement and management efforts are guided by the most accurate and up-to-date information.

The DNR does not currently have aquatic plant data that would allow the goal of no-net-loss of emergent or floating leaf vegetation to be evaluated. As a result, current efforts are focused on developing effective assessment tools. Staff from

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2005**

Fish and Wildlife and Ecological Services are evaluating a number of methods that assess aerial coverage and are also providing support to similar efforts by University of Minnesota research staff.

With regard to the goal to double the percentage of lakeshore owners seeking permits in relation to the volume of aquatic herbicides sold, the DNR has mixed data on how big a problem this really is. A survey done in 1986-87 indicated that the amount of aquatic herbicide applied to Minnesota's lakes was substantially greater than the amount approved through permits. But a recent survey of lakeshore residents by the University of Minnesota, *A Study of Landowner Perceptions and Opinions of Aquatic Plant Management in Minnesota Lakes* (M. Payton & D. Fulton 2004), suggests that the number of lakeshore residents who use herbicides is not substantially greater than the number of permits issued. The DNR will be discussing this issue with the Department of Agriculture to determine if a survey specifically targeted at unauthorized aquatic herbicide use should be done.

Description of Annual Outcomes

The following summarizes the principal activities, expenditures, and outcomes for each of the four resource areas and Division support.

1. Lakes and Rivers

Activities:

- ◆ Regulate control of and monitor aquatic plants.
- ◆ Provide oversight for the regulation of lake aeration.
- ◆ Assess aquatic invertebrate populations to support fisheries management and research needs.
- ◆ Protect and restore Minnesota's streams and rivers.
- ◆ Conduct monitoring and management programs for the Mississippi River and coordinate with other states on Mississippi River management.
- ◆ Protect and restore Minnesota's lakes.

**Table 2. Lakes and Rivers FY05 Expenditures
(\$ in thousands)**

Program Activity	Game & Fish	Heritage	Total
Aquatic Plants	203	95	298
Lake Assessments (aeration)	29		29
Aquatic Invertebrates	51		51
Stream Habitat Protection	539	88	627
Mississippi River Mgmt	96		96
Lake Habitat Protection	39		39
Total	\$957	\$183	\$1,140

Outcomes:

1. Aquatic Plants
 - ◆ Reviewed 3,860 aquatic plant management permits for control activities done in 2005 to ensure that fish and wildlife habitat is protected.
 - ◆ Conducted five workshops for commercial aquatic plant harvesters; commercial aquatic plant harvesting permits were issued to the 13 individuals who successfully completed the workshop.
 - ◆ Monitored 60 applications of aquatic herbicides and investigated one report of alleged illegal aquatic plant control. Conducted 94 compliance checks for automated plant control devices and found 15 operators in violation of their permit.
 - ◆ Completed the evaluation of the aquatic plant management (APM) program.
 - ◆ Provided APM technical assistance to the public.
 - ◆ Addressed 8 requests for Commissioner's review of APM permit decisions and 5 requests for variance from APM rules. Revoked one commercial harvester operator permit.

Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2005

- ◆ Conducted GIS-based, quantitative vegetation surveys on 28 lakes (approx. 16,700 acres) throughout the state; data will be used to describe aquatic plant community types and assess change in these communities over time.
 - ◆ Coordinated with Leech Lake Reservation and DNR fisheries staff to complete quantitative vegetation sampling in Portage Bay (approx. 23,000 acres) of Leech Lake.
 - ◆ Organized and hosted an aquatic plant conference for managers and researchers in Minnesota, Wisconsin and Iowa, which included 106 participants from federal, tribal, state and local agencies, university researchers, private consultants, and commercial aquatic plant management companies.
2. Lake Aeration
- ◆ Issued 299 aeration permits; a total of nearly 154,000 surface water acres were aerated.
 - ◆ Increased coordination on aeration inspections with the Divisions of Fish and Wildlife and Enforcement.
 - ◆ Distributed a new video on aeration safety.
 - ◆ Conducted statewide aeration safety training workshops in 13 cities.
 - ◆ Completed the annual report for the 2003-2004 season.
3. Aquatic Invertebrates
- ◆ Analyzed samples and provided data on aquatic invertebrates for one area fisheries office.
 - ◆ Analyzed zooplankton samples for two fisheries management projects and one fisheries research project.
 - ◆ Analyzed zooplankton samples for the long-term resource monitoring program on Lake Pepin.
 - ◆ Completed dragonfly survey at Camp Ripley for water quality monitoring.
 - ◆ Provided aquatic invertebrate sections for Fisheries' stream survey manual to assess food base and monitor water quality.
4. Stream Habitat Protection
- ◆ Provided technical design assistance for six dam removal/conversion projects including: Rush Creek, Hickson and Christine on Red River, Crookston on the Red Lake River, Ottertail Power on the Ottertail River; and the St. Louis River below the Fond du Lac Dam; four channel restoration projects including Trout Brook, Dark River, Spring Brook, and Lawndale Creek; and four fish passage projects including the Morehouse Dam at Owatanna, Mississippi River at Lock and Dam numbers 3, and 8, and the proposed Whitewater Park at Lower St. Anthony Falls.
 - ◆ Provided technical design assistance and funding for a fish passage structure on the Heiberg Dam on the Wild Rice River.
 - ◆ Began data collection for modeling on the Little Fork River at Deadman's Rapids to establish habitat-flow relationships for a sturgeon spawning area.
 - ◆ Provided formal recommendations and presentations to the International Joint Commission Board members regarding the effects of peaking flow in the Rainy River.
 - ◆ Continued monitoring stream physical characteristics on the Kettle, Whitewater, and Root rivers.
 - ◆ Provided technical assistance and recommendations to address the potential impacts of three mining proposals (PolyMet, Ispat, and Minnesota Steel) on river systems.
 - ◆ Continued project to establish a GIS-based watershed assessment tool designed to provide resource managers with graphic information on the health of Minnesota watersheds. Assessment tools were developed for the Vermillion River, Poplar River, and Gorman Creek watersheds.
 - ◆ Reviewed hydropower license or re-license applications for five facilities.
 - ◆ Participated in revision of Fisheries' stream survey manual.
 - ◆ Participated in study teams and commented on pollution reduction strategies for several Total Maximum Daily Load (TMDL) studies including the Lake Pepin nutrient and sediment impairments, the statewide mercury TMDL, and the Lower Minnesota River dissolved oxygen TMDL.

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2005**

- ◆ Provided advice on draft water quality rule revisions concerning lake nutrient standards, possible revision of the ammonia standard, statewide phosphorus limits and proposed new listings of “Limited Resource Value” waters.
- ◆ Helped USGS conduct fish community surveys at three sites for the National Water Quality Assessment Study on the Little Cobb River (Blue Earth Watershed), Shingle Creek (Minneapolis), and the Mississippi River at Hastings. Provided fish community characterization and tissue sampling to USGS for the National Mercury Model studies at 11 sites within the St. Croix River Basin. Helped PCA collect fish samples for their investigation of perflouorocarbon pollution of Mississippi River Pool 2.

5. Mississippi River Management

- ◆ Developed and reviewed river restoration strategies in conjunction with other states and constituent groups for the Corps of Engineers’ Upper Mississippi River Navigation and Ecosystem Sustainability Program.
- ◆ Participated in the evaluation of the effects of the Pool 5 drawdown to reestablish emergent marsh plants for fish and wildlife enhancement.
- ◆ Created a web site on impacts of boat wakes on the lower Mississippi River.
- ◆ Participated in river restoration planning to improve fish and wildlife habitat.

6. Lake Habitat Protection

- ◆ Developed standards for riparian development to protect water quality and reduce fish and wildlife habitat loss.
- ◆ Assisted local governments in protecting sensitive shoreline habitat.
- ◆ Developed criteria for shallow lake classification to assist in maintaining wetland species, habitat, and wildlife uses.
- ◆ Provided funds for cormorant control on Leech Lake

2. Ecosystem Health

Activities:

- ◆ Assess and improve health of fish in DNR hatcheries and rearing ponds, provide fish health monitoring services to private aquaculture facilities, and assess health of wild populations of fish and wildlife.
- ◆ Assess damage to fish or wildlife associated with spill or kill events.
- ◆ Conduct surveys and research on terrestrial invasive species and develop plans to manage invasive species on DNR lands.

**Table 3. Ecosystem Health FY05 Expenditures
(\$ in thousands)**

Program Activity	Game & Fish	Heritage	Total
Fish Contaminants	6		6
Pathology Lab	338		338
Natural Resource Damages	45		45
Invasive Species		138	138
Total	\$389	\$138	\$527

Outcomes:

Fish Contaminants

- ◆ Monitored fish from five lake or river reaches to determine Mercury and PCB concentrations.

Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2005

Pathology Lab

- ◆ Conducted diagnostic inspections at 14 DNR and 12 private hatcheries; nearly 8,000 samples were tested for viral, bacterial, and parasitic pathogens.
- ◆ Assessed health of eight wild fish populations from specific locations to support DNR fish culture operations including sturgeon from the Rainy River, steelhead from the Knife and French rivers, and lake trout from Mountain and Gillis lakes.
- ◆ Continued screening of lake sturgeon for viral diseases.
- ◆ Tested 51 walleye rearing ponds for Heterosporosis, a fish parasite that has been found in yellow perch in some Minnesota lakes.
- ◆ Monitored and reported to FDA on new therapeutics being used in Minnesota for fish culture operations.

Natural Resource Damages

- ◆ Responded to 261 reports of spills and fish/wildlife kill incidents, including 98 reports of petroleum releases, 47 waste water treatment or septic releases, 6 reports of manure spills, and 110 reports of spills/kills involving various products and diseases.
- ◆ Participated in natural resource damage assessments at seven sites.

Terrestrial Invasive Species

- ◆ Coordinated efforts to improve management of terrestrial invasive plants on state-managed lands.
- ◆ Mapped more than 6,000 locations of invasive plant species in 20 state parks, 120 wildlife management areas, and along 160 miles of state trails.
- ◆ Developed the first draft of guidelines to reduce the movement of invasive plants during DNR management projects.
- ◆ Developed a new buckthorn brochure in conjunction with the Division of Forestry.
- ◆ Hosted a two-day symposium on biology, ecology, and management of garlic mustard and buckthorn. More than 80 participants from 11 different states attended.
- ◆ Supported research to develop biological control for garlic mustard and buckthorn.
- ◆ Supported research to improve control of Canada thistle.

3. Conservation Information & Community Assistance

Activities:

- ◆ Provide public information and educational outreach.
- ◆ Review and comment on environmental documents including Environmental Assessment Worksheets (EAWs), environmental impact statements, and permits, and coordinate DNR involvement on development projects to reduce or mitigate for environmental impacts.
- ◆ Assess the quantity and quality of wetlands
- ◆ Conduct fish and wildlife planning.
- ◆ Maintain a comprehensive information system for ecological data.

Table 4. Conservation Info & Community Assistance FY05 Expenditures
(\$ in thousands)

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2005**

Program Activity	Game & Fish	Heritage	Total
Education & Information Delivery	4	143	147
Environmental Review & Wetlands	237	79	316
Planning & Coordination	80	34	114
Information Systems	37	111	148
Total	\$358	\$367	\$725

Outcomes:

1. Education & Information Delivery
 - ◆ Prepared *A Field Guide to the Native Plant Communities of Minnesota: The Eastern Broadleaf Forest Province*.
 - ◆ Conducted outreach workshops to deliver the content of the Healthy Rivers CD-ROM to resource professionals and also presented the CD at the DNR Fisheries training session.
 - ◆ Marketed the Division's educational products at the Midwest Fly Fishing Expo and Minnesota Erosion Control Conference.
 - ◆ Conducted 28 Project WILD/Aquatic WILD teacher workshops, which included topics on population ecology and wildlife management, and "One Bird Two World" workshops about neotropical migrant birds, for a total of 433 participants.
 - ◆ Published shallow lakes management brochure.

2. Environmental Review & Wetlands (outcomes were also supported with dollars from the General Fund, Water Recreation Account, and Off-Highway Vehicle Account)
 - ◆ Reviewed 1,486 documents connected with 900 public and private development projects, including 231 residential developments, 158 transportation projects, 78 recreation and entertainment projects, 83 commercial or industrial developments, 64 utility or transmission lines (including 7 wind power projects) and 71 communications towers.
 - ◆ Provided comments on environmental assessment worksheets and national pollutant discharge elimination system permits regarding phosphorus and other pollutant load reduction strategies for 22 municipal wastewater treatment facilities and other major dischargers.
 - ◆ Evaluated Minnesota River aggregate and ecological resources.

3. Planning and Coordination
 - ◆ Organized, facilitated, and conducted the Fisheries, Wildlife, and Ecological Roundtable stakeholder meetings.
 - ◆ Participated in design and facilitation of the deer population goal setting pilot project in southeast Minnesota.
 - ◆ Assisted the Division of Fish and Wildlife with outreach for proposed trout stream regulations in southeast Minnesota and trout stream habitat improvement guidelines manual.
 - ◆ Participated in the International Association of Fish and Wildlife Agencies state wildlife grant working group to assist with nationwide development of the *Comprehensive Wildlife Conservation Strategy* (CWCS).
 - ◆ Assisted with Minnesota's CWCS project by participating on the project management team, designing and facilitating technical team meetings, and developing the plan.
 - ◆ Participated in the aquatic plant management program review mandated by the 2002 legislature.

4. Information Systems
 - ◆ Released an improved version of the stream habitat database application and consolidated data from all previous versions into the new version.

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2005**

- ◆ Released the new scientific and natural area database application and consolidated data from previous work.
- ◆ Provided database administration for the rare features database.
- ◆ Managed a system of biweekly back-ups of computers for Ecological Services and Fish and Wildlife. Completed design and began testing a new system that will reduce hardware costs and staff time required for back-ups.
- ◆ Provided support to staff on information system issues and problems including archiving of electronic data, network connections, printer set up and trouble shooting, and database design.
- ◆ Provided data administration and system support for heritage information systems, including Biotics, colonial water bird, plant community, stream habitat, and scientific and natural area databases.

4. Nongame & Rare Resources

Activities

- ◆ Provide natural heritage information for rare species.
- ◆ Conduct nongame wildlife field projects.
- ◆ Provide assistance to private landowners to manage native prairie.
- ◆ Collect data on rare plants, animals, and natural communities in each of Minnesota's counties.

**Table 5. Nongame and Rare Resources FY05 Expenditures
(\$ in thousands)**

Program Activity	Game & Fish	Heritage	Total
Natural Heritage Program		45	45
Nongame Wildlife		208	208
Native Prairie Stewardship	50	76	126
Minnesota County Biological Survey		651	651
Total	\$50	\$980	\$1,030

Outcomes:

1. Natural Heritage
 - ◆ Completed element occurrence data conversion on 443 state listed endangered, threatened and special concern species (which includes all of the federally listed species). The conversion process increases the quality and consistency of the data available for these species.
 - ◆ Distributed heritage data to 60 licensed users.

2. Nongame Wildlife
 - ◆ Conducted nongame research and surveys for various species or groups of species including trumpeter swans, loons, timber rattlesnakes, ospreys, bald eagles, piping plovers, cricket frogs, bats, colonial waterbirds, Blanding's turtles, wood turtles, northern goshawk, common terns, Topeka shiners, salamanders, and red-shouldered hawks.
 - ◆ Provided partial support to acquisition of two aquatic management areas on Loon Lake near Vergas and Blackduck Lake near Blackduck and one conservation easement on Lindblom Lake near Park Rapids.
 - ◆ Conducted habitat management for common terns, wood turtles, Topeka shiners, timber rattlesnakes, and Karner blue butterflies.

3. Native Prairie Stewardship (outcomes were also supported with other funding sources)
 - ◆ Prepared 17 prairie stewardship plans for private landowners.
 - ◆ Implemented prairie enhancement projects with 31 landowners.

**Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2005**

- ◆ Completed 76 prairie management projects on private lands including: woody encroachment removal – 206 ac, 9 sites; invasive species control – 436 ac, 10 projects; prairie restorations, reconstructions, and inter-seedings – 41 ac, 6 sites; burn break establishment – 5.4 mi, 19 sites; and prescribed burns – 481 acres, 17 sites.
- ◆ Organized and participated in five landowner workshops promoting prairie protection and management.
- ◆ Purchase of brush-cutting equipment for prairie management to be shared with the Division of Fish & Wildlife (also supported with General Fund).

4. County Biological Survey

- ◆ Field surveys for rare animals were completed in Hubbard, Becker, Wadena, and southern Clearwater counties and field surveys for native plant communities and potential natural areas were begun in the same areas.
- ◆ Added 325 locations of rare features to the statewide database.
- ◆ Participated in department OHV planning, state forest planning, and the *Comprehensive Wildlife Conservation Strategy*.

5. **Division Support**

Activities

- ◆ Provide for administration and facility support for the Division.
- ◆ Fund equipment for division programs.

**Table 6. Division Support FY05 Expenditures
(\$ in thousands)**

Program Activity	Game & Fish	Heritage	Total
Headquarters Operations	46	1	47
Administration	170	8	178
Equipment	24	12	36
Total	\$240	\$21	\$261

Outcomes:

1. Headquarters Operations/Administration

- ◆ Includes clerical support, Ecological Services' share of the expenses for the Fish and Wildlife and Ecological Services administrative unit, office rent, utilities, workers compensation, office supplies, Attorney General's Office fees, and pro-rated costs for four regional liaisons.

2. Equipment

- ◆ Includes fleet charges for Division vehicles and other equipment.

Game and Fish Fund Report
Ecological Services Activities - Fiscal Year 2005

Table 7. Summary of Ecological Services' Game and Fish & Heritage Enhancement Expenditures From FY 2000 To 2005¹ (\$ in thousands)

Program Area	FY05	FY04	FY03	FY02	FY01	FY00
1. Lakes & Rivers						
• Lake Mapping			52	62	58	117
• Aquatic Plants	298	222	266	265	283	240
• Lake Assessments (aeration & water quality)	29	33	21	20	33	12
• Aquatic Invertebrates	51	31	20	18	24	33
• Stream Habitat Protection & Miss. River Mgmt	723	427	306	312	821	243
• Lake Habitat Protection	39					
2. Ecosystem Health						
• Fish Contaminants	6					
• Pathology Laboratory	338	283	288	253	273	207
• Natural Resource Damages	45	47	45	45	43	40
• Terrestrial Invasive Species	138	57				
3. Conservation Information & Community Assistance						
• Education & Information Delivery	147	40	380	6		
• Environmental Review & Wetlands	316	133	87	76	91	125
• Planning & Coordination	114	82	141	135	138	137
• Information Systems ²	148	77	143	165	228	144
4. Nongame & Rare Resources						
• Natural Heritage	45					
• Nongame Wildlife	208	128	451	190	294	
• Native Prairie Stewardship	126	55	76	69		
• County Biological Survey	651	429	796	478		
5. Division Support						
• Division Administration ³	225	240	194	204	276	198
• Training		2				
• Equipment	36	27				
• Attorney Fees ⁴			9	133	130	
Wildlife Conservation & Restoration ⁵			750	220		
Total	\$3,683	\$2,313	\$4,025	\$2,651	\$2,692	\$1,496

¹ Heritage Enhancement appropriations began in FY01; this table combines the Heritage Enhancement expenditures with the Game and Fish Fund expenditures.

² Prior to FY04, "Information Systems" was titled "Information Systems & Communications" and included other items such as clerical support services that have since been included in "Division Administration."

³ Division administration costs are not strictly comparable across years; in FY01 the former Section of Ecological Services became a full division.

⁴ In FY01 and FY02 the Attorney General Office fees for all of Wildlife, Fisheries, and Ecological Services were assigned to the Division of Ecological Services' Game and Fish Fund account; in FY03 the budget and expenditures were realigned to reflect Ecological Services' proportional amount. Attorney General Office fees are combined with administration costs in FY04 and FY05.

⁵ Of the \$750 thousand reported here for the FY03 Wildlife Conservation and Restoration (WCR) expenditures, a total of \$100 thousand was actually spent by Fisheries, \$57 thousand was spent by Wildlife, and \$593 thousand was spent by Ecological Services. For ease of reporting on the entire WCR program, all expenses were summarized in this account.

**Game and Fish Fund Report
Enforcement - Fiscal Year 2005**

ENFORCEMENT ACTIVITIES:	\$ in thousands
Operations	\$15,497
Heritage Enhancement	1,724
Total Expenditures	\$17,221

Introduction:

The Division of Enforcement is responsible for ensuring public safety and compliance with state game and fish, recreational vehicle and natural resource commercial operation laws in order to protect Minnesota's natural resources.

Major responsibilities include law enforcement, public safety and education in:

- ◆ hunting and fishing seasons, methods of taking animals and fish, bag and possession limits
- ◆ public safety, especially where it concerns alcohol use while hunting or operating recreational vehicles and watercraft
- ◆ commercial use and possession of natural resources and products
- ◆ the protection of the state's land, air and water
- ◆ youth and adult safety training and hunter education classes

Enforcement expenditures totaled more than \$26.648 million in FY05. Of this total, Game & Fish Funds accounted for \$15.497 million, or 58% of total FY05 expenditures. Division goals relating to game and fish enforcement have been met or exceeded in all priority work areas. Maintaining an increased effort on fishing enforcement, specifically on experimental and special regulation waters was an especially high priority. The Enforcement Game and Fish Fund costs displayed below have been estimated based on the distribution of hours attributable to each function.

**Table 1. Expenditures from Game and Fish Fund
(\$ in thousands)**

Program Activity	Game & Fish	Heritage	Total
Division Support	433		433
Fishing Regulation	7,382	948	8,330
Hunting Regulation	6,026	776	6,802
Safety Training	753		753
Commercial Activities / Special Investigations	904		904
Total	\$15,497	\$1,724	\$17,221

Expenditure Analysis:

Division Support

The Division of Enforcement spent \$433 thousand in central office division support, which includes unemployment and workers compensation, five support staff and one supervisor. Included in the total time expended on fishing and hunting related activities, safety training activities and commercial regulation and special investigations is a prorated portion of costs associated with radio dispatching services, fleet vehicles, equipment maintenance, officer training and regional administrative, supervisory, support staff and operational expenses, technology, leave and indirect costs.

Fishing Regulation (non-commercial)

The Division of Enforcement spent \$7.382 million on angler license checks, enforcement of regulations including experimental and special regulation waters, shelter house regulation, regulation of gill netting, protection of

Game and Fish Fund Report Enforcement - Fiscal Year 2005

spawning fish populations, and public information/education service. Maintaining increased levels of fishing enforcement was a priority this past year.

Hunting Regulation

The Division of Enforcement spent \$6.026 million in support of this activity includes hunting license checks, enforcement of regulations relating to big game, small game, migratory waterfowl, taking wild animals with the use of a light, public information and education services, and assistance to wildlife with survey and census of animal populations. Recent priorities have included the Waterfowl Task Force and Chronic Wasting Disease in elk and deer populations. Maintaining increased levels of waterfowl enforcement was a priority this year, and the division was very effective as Minnesota led the member states of the Mississippi Flyway in enforcement activity.

Safety Training

The Division of Enforcement spent \$753 thousand in support of Youth Firearm Safety Program and Advanced Hunter Education Program. These programs certified 24,069 Minnesota youth and adults in programs that taught safe firearm handling, basic law information, game identification, hunter ethics, and hunter/landowner relations. Other education programs this year include Bowhunter Education, and Bear and Turkey clinics and involved 1,985 students.

Commercial Activities/Special Investigations

The Division of Enforcement spent \$904 thousand in support of commercial regulatory activities and special investigations. Special investigations are geared toward the identification and apprehension of individuals involved in large-scale poaching activities or commercializing fish and game for their own profit and benefit. Other activities include the regulation of the fur industry, commercial fishing, illegal taking and transportation of big game across state lines, minnow harvest, shooting preserves, ginseng harvest, game farms and illegal sale of protected species. The Lake Superior Marine Unit is focusing on commercial fishing regulations as well as sport fishing efforts.

The Special Investigations Unit, in cooperation with the Board of Animal Health, designed and provided informational materials to 650 licensed game farm operators. The educational campaign focused on changes to farmed cervidae regulations and redefined both agency and operator responsibilities.

Dedicated Accounts - Heritage Enhancement

The Division of Enforcement spent \$1.724 million from the Heritage Enhancement Account on:

- (1) Equipment - Unserviceable equipment was replaced for Conservation Officers use in the performance of their duties in game and fish enforcement work. These items include boats, motors, trailers, binoculars, cameras, spotting scopes, canoes, safety equipment, and other miscellaneous items.
- (2) Fuel Costs - The division restored mileage cuts that were placed in effect previously. Restoration of this funding provided officers with adequate fleet funding for effective patrol.
- (3) Vacant Field Stations - The division is in the process of hiring eighteen additional officers and plans on holding an academy in February 2006. This will reduce the number of vacant licensed peace officer positions to five.

**Game and Fish Fund Report
Trails & Waterways - Fiscal Year 2005**

**Table 1. Historical Enforcement Game and Fish Fund Expenditures
(\$ in thousands)**

	FY05	FY04
Division Support	433	552
Fishing Regulation	8,330	7,278
Hunting Regulation	6,802	5,708
Safety Training	753	1,085
Commercial Activities/Special Investigations	904	200
Total	\$17,221	\$14,823

Enforcement Outcomes by Activity:

Activity	Outcomes
Licensed Game Farm Operators	650
Firearm Safety / Advance Education Program Graduates	24,069
Bowhunter Education, Bear & Turkey Clinics	1,985
Game & Fish Law Violations Written	9,950
Game & Fish Law Warnings Written	14,599

Trails and Waterways – Water Recreation Program	\$2.109 million
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The purpose of the Water Recreation Program is to provide the public with water-based recreational boating and fishing opportunities and services. These activities provide the public with access (M.S. 97A.141) to lakes, streams, river corridors and designated canoe and boating routes (M.S. 85.32) for boaters, anglers, paddlers and other users. Safe harbors (M.S. 86A20-24) on Lake Superior provide trailerable boat access and boat slips for larger boats in a protected harbor.

In 2005, the Game and Fish Fund provided \$2.1 million or 20% of the total funds expended in the water recreation program. Federal funds for the federal Sport Fish Restoration Program are provided by boaters through the federal gas tax based on boater usage, an excise tax on boating equipment, fishing tackle, and other related funding sources. The federal law requires that at least 15% of the funds apportioned to the state each year be spent for acquisition, development, and renovation or improvement of motorboat access for recreational boating purposes. Authorization for the acquisition, development and maintenance of water access sites is provided for in M.S. 97A.141. State law requires that federal reimbursement for boat access projects be deposited to the Game and Fish Fund.

The Water Recreation Program utilizes federal aid money derived from the Wallop-Breaux Act to accelerate efforts to improve the quantity and quality of boating access throughout the state. These funds are used primarily for the purchase of land for new access sites or the expansion of existing sites, construction of new access sites, rehabilitation of existing sites and for purchasing site amenities.

Additional expenses from this fund include site amenities and professional services. Site amenities are boat ramp planks, boat docks, access maps and signs. Professional services include contract expenses for archaeological work relating to the acquisition and development of public water access projects. Other professional services are for land acquisition and site development expenses paid to the Lands & Minerals Division and the Management Resources Bureau.

**Game and Fish Fund Report
Trails & Waterways - Fiscal Year 2005**

Land acquisition, development projects, and site amenities and professional services funded in FY05 are listed in Table 1. Land acquisition costs totaled \$432,000. Development projects totaled \$1,144,000. Site amenities and professional services totaled \$533,000. Table 2 displays Outcomes for Water Recreation activities for FY05. Table 3 highlights the historical Game & Fish Fund expenditures for FY01 through FY05.

**Table 1. Trails & Waterways FY05 Projects
(\$ in thousands)**

	Program	County	Amount
	Land Acquisition		
1	Blackwell Lake	Douglas	101
2	Oak Lake	Lincoln	2
3	Rush Lake (East)	Otter Tail	104
4	Rush Lake (West)	Otter Tail	165
5	6 th Crow Wing Lake	Hubbard	51
6	Goose Lake	Meeker	9
	Subtotal		432
	Development Projects		
1	Big Stone Lake (Foster)	Big Stone	85
2	Mississippi River (Bay Point Park)	Goodhue	214
3	Tamarac River/Upper Red Lake	Beltrami	230
4	Roberds Lake	Rice	228
5	Sauk River	Stearns	60
6	Mississippi River (Wabasha)	Wabasha	9
7	Rainy River (Manitou Rapids)	Koochiching	3
8	Lake Vermilion	St. Louis	4
9	Guernsey Lake	Todd	10
10	Lake Geneva	Douglas	44
11	Woman Lake	Cass	41
12	Lake Latoka	Douglas	31
13	Lake Waconia	Carver	177
14	Mississippi River (Sturgeon Lake)	Goodhue	5
15	Rainy River (Wheelers Point)	LOW	3
	Subtotal		1,144
	Site Amenities and Professional Services		
1	Concrete Boat Ramp Planks	Statewide	68
2	Courtesy Docks	Statewide	88
3	Access Maps	Statewide	50
4	Access Signs	Statewide	26
5	Program Archaeology	Statewide	89
6	Lands and Minerals Division professional services	Statewide	154
7	Management Resources Bureau professional services	Statewide	29
8	Miscellaneous acquisition fees/charges	Statewide	19
9	Miscellaneous development expenses	Statewide	10
	Subtotal		533
	TOTAL		\$2,109

*Total projects costs for some land acquisition and development projects are not reflected in this table because some projects were paid over two fiscal years or partially funded from other funding sources.

**Game and Fish Fund Report
Forestry - Fiscal Year 2005**

Table 2. Trails and Waterways Outcomes:

Activities	Number Completed
Concrete Boat Ramp Planks/Connectors	1,291 / 3,650
Courtesy Docks	20
Access Maps	101,750
Access Signs/Posts	4,605 / 1,000

**Table 3. Historical Trails and Waterways Game and Fish Fund Expenditures
(\$ in thousands)**

	FY05	FY04	FY03	FY02	FY01
Water Recreation Program	\$2,109	\$1,701	\$1,626	\$690	\$2,163

Forestry	\$316 thousand
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Forestry spent \$316,000 from the Heritage Enhancement Account in FY05 to complete and distribute the publication, "A Field Guide to Native Plant Communities of Minnesota: The Laurentian Mixed Forest Province." (Forestry started work on the guide in FY04, as noted in the previous Game and Fish Fund report.) The DNR completed introductory training for more than 200 field staff from Forestry and Fish and Wildlife. Training focused on how to apply ecological principles for resource management decision-making. As a follow-up to the introductory sessions, the DNR provided advanced training to about 50 Forestry field staff focusing on field applications using the guide. The DNR also provided intensive training to its staff and from agencies such as the St. Louis and Aitkin County Land Departments and USDA Forest Service as part of the Certification in Ecological Forestry program offered by the University of Minnesota.

Forestry also completed a second publication, "A Field Guide to Native Plant Communities of Minnesota: The Eastern Broadleaf Forest." This second guide covers plant communities in the west-central and southeastern parts of the state.

Forestry updated and distributed tree tables, operability guidelines, and plant identification aids to help field staff interpret and apply both field guides. Staff collected and analyzed data supporting the silvicultural interpretations to link the field guides to actual forest management practices. Forestry will complete the silvicultural interpretations, a key product of this project, in FY06 and FY07.

The appropriation from the Heritage Enhancement Account funded one full-time and one part-time forest ecologist, a soil scientist, a student worker, and the costs of training and materials.

**Historical Forestry Game and Fish Fund Expenditures
(\$ in thousands)**

	FY04	FY05	FY04-05
Ecological Classification System	\$159	\$316	\$475

**Game and Fish Fund Report
Lands and Minerals - Fiscal Year 2005**

Lands and Minerals	\$938 thousand
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Lands and Minerals implements state land policy and manages real estate transactions on approximately 5.6 million acres of state-owned land. Real estate transactions include acquisitions, sales, exchanges, easements, permits, licenses, and leases. In addition, Lands and Minerals maintains the real estate records for all DNR-administered lands and operates the DNR's land survey unit. Lands and Minerals uses Game and Fish Funds for real estate transactions (except acquisitions, which are paid through professional services), and land survey work on game and fish lands.

Of the 5.6 million acres of state-owned land, the Fish and Wildlife is the primary or secondary administrator on about 1.2 million acres. The majority of these lands are designated as Wildlife Management Areas (WMAs), Aquatic Management Areas (AMAs), and Fish Management Areas. Lands and Minerals spent about seventy percent of its authorized appropriation on land survey work. The other thirty percent funded real estate transactions other than land acquisition.

In addition to the amount spent by Lands and Minerals, Fish and Wildlife paid Lands and Minerals for land survey projects on the Prosper, Cedarbend, South Shore, Graceton, Clear River, Rosver, and Carp Swamp WMAs in northwestern Minnesota. Those costs are included as project expenditures under Fish and Wildlife.

**Game and Fish Fund Report
Operations Support - Fiscal Year 2005**

Operations Support	\$6.432 million
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Operations Support includes the following:
(\$ in thousands)

Management Resources	3,238
Regional Operations	479
Commissioner's Office, Office of Management and Budget Services, Human Resources, and Information and Education	2,717
Operations Support Total	\$6,434

Operations support spent a total of \$25.721 million in FY05 from all its funding sources, excluding spending on projects recommended by the LCMR from the Environmental Trust Fund. The \$6.434 million spent from the Game and Fish Fund is 25% of total Operations Support spending.

Management Resources **\$3.238 million**

During FY05 the former Facilities and Operations Support (FOS) merged with Management Information Services (MIS) to create Management Resources. This new entity provides the following services to the agency:

- centralized management of capital assets – acquisition, maintenance, operation, and disposal of all fleet equipment;
- facilities management – assessment, maintenance and improvement of all buildings, space leasing, and disposal of unneeded structures;
- design, engineering and construction services – for all types of facilities and infrastructure;
- materials management services – including purchasing, inventory, and disposal;
- safety consultant – including technical expertise, training, and worker's compensation management;
- radio – purchase and maintenance of all radio base stations, mobile and hand-held radios;
- network applications, connectivity, telecommunications, software development, systems management and computer support services.

The services provided by Management Resources assure DNR's management of natural resource is accomplished efficiently, cost effectively and safely. The bureau ensures the equipment used is appropriate for the work to be done; facilities of all types are well designed and constructed; and the assets and interests of the state and the DNR are protected. In addition, the bureau ensures goods and services are purchased in compliance with all applicable policies and procedures. Finally, the bureau is the principal safety consultant to the agency, providing a policy and practice framework as well as technical expertise to ensure DNR employees are not injured in their work.

As an example of the importance of fleet management to game and fish programs, Fish and Wildlife employees drove over 3.7 million miles or about 25% of DNR's total mileage in FY05. Enforcement employees drove more than 4 million miles, the majority of these miles attributed to enforcing game and fish laws. These two divisions also occupied over 650,000 square feet in DNR buildings, requiring property management services. And procurement expenditures from the Game and Fish Fund for goods and services accounted for 21% of total DNR purchasing activity.

Management Resources also provides DNR staff with essential computer, information (data) management and telecommunications. The MIS section provided technical assistance and expertise to resource managers on projects such as evaluating field data entry devices for lake survey applications, developing standard management reports for Fisheries managers, designing and implementing a common animal web-mapping application (AniMap), and installing a state-of-the art telephone system. MIS also manages the DNR Web site, maintaining a wealth of data and information for hunters and anglers such as lake surveys, lake depth maps, hunting and fishing regulations, hunting lottery results, and Garmin GPS software.

Game and Fish Fund Report Operations Support - Fiscal Year 2005

Regional Operations

\$479 thousand

Regional Operations is responsible for integrating DNR work at the regional level and for providing technical assistance, planning, information and education services in the DNR's four regions. Regional Operations staff includes the regional director, planners, information officers, community coordinators and clerical support. Examples of activities and accomplishments in FY05 include:

- ◆ Coordinate DNR's role in the 2005 Governor's fishing opener on Lake Vermillion, hunting opener in Grand Rapids and deer opener in Perham;
- ◆ Involved in fish and wildlife management issues with Bois Forte, Fond du Lac, Mille Lacs, Grand Portage, Red Lake, Leech Lake, and White Earth Indian Reservations, including the pending phase II treaty negotiations with the Fond du Lac Band;
- ◆ Assist Fisheries and Enforcement staff as the DNR prepares to reopen the sport fishery on Red Lake;
- ◆ Increase access to wildlife management areas (WMAs) in Marshall and Kittson Counties;
- ◆ Assist Fisheries with sturgeon management on the Rainy, Bigfork and Littlefork Rivers, and with preparing a plan to reroute and remove obstacles on the Sturgeon River;
- ◆ Develop rules for determining ditch benefits on the consolidated conservation lands;
- ◆ Work with Enforcement and the 1854 Authority on an agreement allowing 1854 conservation officers to enforce state game and fish laws and for DNR COs to enforce 1854 Authority conservation codes;
- ◆ Lead DNR's effort to protect the Vermillion River, a trophy brown trout stream in Dakota County, working with other units of government and citizens to mitigate negative impacts arising from proposed expansion of Elko-New Market Wastewater Treatment Plant and adverse stormwater impacts from a large retail development in Farmington;
- ◆ Provide technical support for the new Vermillion River Watershed Joint Powers Organization, Dakota Habitat Alliance, and stream restoration projects, coordinating environmental review, contributing to trout and macro-invertebrate stream monitoring;
- ◆ Assist in planning the restoration of Pelican Lake in Wright County as an important migratory waterfowl lake;
- ◆ Manage Metro Greenways and Metro Conservation Corridors programs, completing the restoration of 1,690 acres and acquisition of 800 acres of habitat with work underway on dozens of restoration and acquisition projects;
- ◆ Partner with the National Guard and others to implement the Army Compatible Use Buffer (ACUB) program to protect wildlife and fisheries habitat within a 3-mile buffer around Camp Ripley, to include negotiating acquisition of 4 properties, one of which is expected to become a WMA.
- ◆ Lead public communications for the DNR's efforts to restore Rice Lake in Paul Hugo WMA;
- ◆ Complete plan for the drawdown on 900 acres of Mississippi River bottomland;
- ◆ Provide storm water management and water quality improvement technical assistance to counties, municipalities, and special interest groups resulting in the restoration of 200 ft. of shoreland, construction of rain gardens and training for LGU staff; and
- ◆ Provide technical assistance to counties in southeastern and south central Minnesota on GIS modeling for land use decision making in county planning and zoning offices.

Commissioner's Office, Office of Management and Budget Services, Human Resources, Information and Education

\$2.717 million

This portion of Operations Support provides support services such as agency management and leadership; developing legislative issues and processes; working with media and the distribution of news releases; strategic and operational planning; financial management and reporting; budgeting and accounting; grant oversight and contract management; payroll and personnel management; training; citizen input and involvement; public information and outreach through the information center.

**Game and Fish Fund Report
Operations Support - Fiscal Year 2005**

The Office of Management and Budget Services (OMBS) provided support in the areas of strategic and operational planning, budgeting, accounting and financial management, grant oversight, contract management, citizen input and involvement. Through its financial operations, OMBS has organized authorized Game and Fish fund spending into about thirty appropriations and over 600 allotment accounts, roughly 25% of the total allotment accounts in all funds. More than 250,000 accounting transactions were processed in the fund, about one third of the DNR's total accounting transactions for the year. OMBS prepares Game and Fish fund statements a minimum of four times each year and prepares the annual financial statements for this fund as part of the state's government-wide financial reporting.

In FY05, Fish and Wildlife funded 615 full-time equivalents (FTEs) paid from the Game and Fish Fund; Ecological Services funded 35; and Enforcement funded 155. This total of 805 FTEs consists of a greater number of people. Business office staff in the regional offices and Human Resources in central office support these employees by: processing payroll and business expenses, providing information on employee benefits, providing training, and offering a wide range of human resource services to individual employees, managers, and supervisors.

In FY05, the DNR's Information Center, spent more than 75% of its time answering questions and providing information on hunting, angling, game and fish enforcement and licensing topics. The Information Center answered about 160,000 telephone and voice mail inquiries, responded to over 30,000 e-mail messages, worked with over 15,000 walk-in customers, and distributed 510,000 pieces of literature. The Information Center is essential to communicating with constituents, providing timely information and receiving feedback important to DNR operations.

Expenditures for Operations Support, Lands and Minerals and Statewide Indirect costs—which historically have been categorized as general support activities—total \$8.176 million. This amount is 9.0% of total Game and Fish Fund expenditures of \$90.418 million in FY05. The table below shows the same calculation for the past five years.

**Historic Operations Support – Lands & Minerals and Statewide Indirect Costs
(\$ in thousands)**

	FY05	FY04	FY03	FY02	FY01
Operations Support (excludes License Center)	6,434	6,432	7,075	6,421	7,289
Lands and Minerals	938	828	894	856	419
Statewide Indirect Costs	804	725	1,138	856	1,112
Total General Support	\$8,176	\$7,985	\$9,107	\$8,133	\$8,820
Total Fund Expenditures	\$90,418	\$77,158	\$89,708	\$72,715	\$84,163
General Support as Percent of Total Game and Fish Fund Expenditures	9.0%	10.3%	10.2%	11.2%	10.5%

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Statewide Indirect Costs - Fiscal Year 2005

Statewide Indirect Costs	\$804 thousand
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Minnesota Statutes 16A.125 requires that each fund pay its share of statewide indirect costs. These are services provided by the Departments of Employee Relations, Finance, Administration, and the Offices of Mediation Services, the Legislative Auditor and the State Auditor. Specific services include real estate management; resource recovery; materials management; central mail; communication/IT project development and management; budget systems and operations; payroll; accounting and financial reporting; treasury management; mediation; and program and financial audits.

The Department of Finance develops an annual plan that allocates service costs by agency and fund, and bills each state agency annually. DNR's Office of Management and Budget Services receives this bill for statewide indirect costs and pays it from the Game and Fish Operations account.

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DEDICATED ACCOUNTS REPORTS

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Deer /Bear Management; Computerized Licensing (231)

M.S. 97A.075, subd. 1(c) specifies that at least \$1.00 from the sale of each annual deer license and each annual bear license, and \$1.00 from each validated lifetime deer license be used for deer and bear management programs, including a computerized licensing system. The funds generated in this manner are deposited to a Deer/Bear Management Account in the Game and Fish Fund. Fifty cents from each deer license is appropriated for emergency deer feeding and wild cervid health management.

Resources. At the beginning of the fiscal year the balance in this account was \$1.486 million. Additional receipts of \$682 thousand were deposited during the year.

Appropriation and Expenditures. The authority to spend annual direct and statutory appropriations and actual expenditures are given below:

(\$ in thousands)

FY05 Spending Authority	
FY05 Direct Appropriation	332
Carryforward from FY04	48
FY05 Statutory Appropriation	929
Total	\$1,309
FY05 Expenditures	
Deer and Bear Management	70
Computerized Licensing	42
Cervidae Health Management (Statutory)	708
Canceled Direct Appropriations	268
Unused Statutory Authority	221
Total	\$1,309

Money in the account may only be used for deer and bear management programs, including a computerized licensing system.

Examples of deer and bear management expenditures include census and surveys; data management; deer and bear hunting season management; animal management; urban deer projects; and related coordination, personnel and support costs.

Examples of expenditures for computerized licensing include operating the electronic licensing system (ELS) and implementing the deer and bear lotteries.

In 2002 and 2003, the Legislature broadened the allowable use of the emergency deer feeding appropriation to allow for wild cervid health management including management of chronic wasting disease (CWD). It also required a report on expenditures from this appropriation every two years. Minnesota Statutes Section 97A.075, Subdivision 1 (c) provides:

Fifty cents from each deer license is appropriated for emergency deer feeding and wild cervidae health management. Money appropriated for emergency deer feeding and wild cervidae health management is available until expended. When the unencumbered balance in the appropriation for emergency deer feeding and wild cervidae health management at the end of a fiscal year exceeds \$2,500,000 for the first time, \$750,000 is canceled to the unappropriated balance of the game and fish fund. The commissioner

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must inform the legislative chairs of the natural resources finance committees every two years on how the money for emergency deer feeding and wild cervidae health management has been spent.

During the 2002 hunting season, a hunter-harvested surveillance program was initiated by the DNR. Specifically, 16 sampling areas (consisting of 17 deer permit areas) were selected based upon: 1) their proximity to captive cervid operations within Minnesota; 2) areas within Minnesota that bordered Wisconsin; and 3) state-wide regional representation. A statistically designed sampling protocol was established to assess the presence of CWD at 1% incidence with 95% confidence. Additionally, targeted surveillance was undertaken, to test those members of the free-ranging white-tailed deer population that exhibited signs consistent with CWD infection (e.g., emaciation, lack of fear, ataxia, bruxism, hypersalivation). The 2002 surveillance program resulted in more than 5,000 deer testing negative for CWD. The DNR CWD budget for 2002 totaled over \$900,000 (all funding sources?), with approximately \$120,000 in diagnostic testing being recovered through supporting money provided by USDA-APHIS.

During the 2003 hunting season, surveillance efforts were increased to include 37 discrete sampling areas comprising 59 deer permit areas. The 2003 surveillance program resulted in 10,000 deer testing negative for CWD. In total, DNR expenses totaled \$1,100,000 with \$72,000 being recovered through supporting money provided by USDA-APHIS.

During the 2004 Minnesota deer hunting seasons, 50 sampling units consisting of 60 deer permit areas (DPAs) were selected for CWD monitoring of hunter-killed deer. The sampling plan was meant to include all DPAs that were not previously sampled during the 2002 and 2003 collections. Nearly 130 registration stations within the selected DMA's were staffed for collection of medial retropharyngeal lymph nodes (MRPLN). This was a major change from previous collection years, where deer heads were removed at the registration stations and then transported to extraction sites for subsequent MRPLN removal. Removal of MRPLN on-site marked a vast improvement in the efficiency of sample collection and use of personnel. This resulted in an overall cost savings of approximately \$30/sample, resulting in efficiency savings of \$390,000.

No positive results were detected in the 13,038 usable samples collected from the selected sampling areas. The percentage of unusable samples (<0.5%) marked a vast improvement in sample quality compared to the previous collection years. In total, DNR expenses totalled 1.03 million with \$89,000 being recovered through supporting money provided by USDA-APHIS. Overall, by changing the way samples were collected and recovering funds from USDA-APHIS, DNR saved \$480,000 during the 2004 surveillance period.

Over the past 3 years, DNR has collected in excess of 28,000 samples, all of which have been negative. Consequently, sampling will be scaled back and addressed as four components. The overall objective of DNR's CWD surveillance program was to test a statistically significant proportion of the free-ranging white-tailed deer population throughout the entire state within 3 years. With the exception of the need to complete sampling around the Minneapolis/St. Paul area, 2004 represented the final year of statewide CWD surveillance. Consequently, the DNR will now conduct sampling based on risk assessment (e.g., proximity to positive cases in other states, detection of positive animals in cervid farms). DNR will also complete contingency planning and prepare a publication that evaluates the effectiveness of our 2002-2004 CWD surveillance plan (including a spatial analysis of the sampling data, modeling a habitat-based deer distribution on the landscape, and a simulation of disease outbreak given a cluster-sparks model). We will likely work with other agencies that have developed disease models to test the validity of our sampling methods.

In addition to the \$708 thousand spent from this dedicated fund, an additional \$354 thousand of Game and Fish Funds, General Funds, and Beltrami Island Funds were expended for CWD efforts for a total of \$1.062 million from all funding sources in FY05 (see Tables 4 and 5 for a comparison by fund of CWD related expenditures). Staff salaries for the effort were derived from the Game and Fish Fund - Operations and Maintenance (64%), the CWD fund (17%), Deer Management Account (10%), General Funds (9%) and other funds (less than 1%).

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Table 4. Summary of FY05 Effort to Monitor Chronic Wasting Disease in the White-Tailed Deer Population by Activity
(\$ in thousands)

Spending Category	Wild Cervid Health Mgmt Fund (231 D01) - Expenditures	Other State Funds - Expenditures	Total Expenditures All Funds
Salaries	72	354	426
Space Rental, Utilities	0.5	0	0.5
Printing and Advertising	1	0	1
Professional/Technical Services with Outside Vendors	429	0	429
Communications	2	\$0	2
Travel and Subsistence - In State	29	0.2	29
Travel and Subsistence - Out of State	0.5	0	0.5
Supplies	31	0	31
Equipment	2	0	2
Fleet	47	0.1	47
Employee Development	0.2	0	0.2
Other Operating Costs	94	0	94
Professional/Technical Services with State Agency	0.2	0	0.2
Totals	\$708	\$354	\$1,062

Table 5. Summary of FY05 Effort to Monitor Chronic Wasting Disease in the White-Tailed Deer Population by DNR Funding Source
(\$ in thousands)

Fund	Appropriation Name	Hours	Amount	% Spent
Non-Salary				
230	Game & Fish Fund - Operations and Maintenance		326	0.03
231	Emergency Deer Feeding/Wild Cervid Health Management Fund		636	59.87
Salary				
100	General Fund (Area Support)	285	10	0.92
100	RIM General Fund	872	29	2.70
200	Beltrami Island Fund	88	2	0.22
230	Game & Fish Fund - Operations and Maintenance	9,088	271	25.49
231	Emergency Deer Feeding/Wild Cervid Health Management Fund	4,986	72	6.80
232	Deer Management Account	1,403	42	3.97
Totals		16,722	\$1,062	100.00

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Deer Management Account (232)

M.S. 97A.075, subd. 1(b) specifies that at least \$2.00 from the sale of each annual deer license and \$2.00 from each validated lifetime deer license be used for deer habitat improvement or deer management programs. The funds generated in this manner are deposited to a Deer Habitat Improvement Account in the Game and Fish Fund.

Resources. At the beginning of the fiscal year the available balance in this account was \$576 thousand. Additional receipts of \$1.272 million were deposited during the year.

Appropriation and Expenditures. The authority to spend the annual direct appropriation and actual expenditures are given below:

(\$ in thousands)

FY05 Spending Authority	
FY05 Direct Appropriation	1,269
Carryforward from FY04	105
Total	\$1,374
FY05 Expenditures	
Habitat Improvement	569
Deer Management	677
Canceled to account	128
Total	\$1,374

According to statute money in the account may only be used for deer habitat improvement or deer management programs.

Specific examples of deer habitat improvement expenditures include habitat evaluation, data management, private and public land food plot development, forest habitat maintenance, prescribed burns, forest opening development and related coordination, personnel and support costs.

Examples of deer management expenditures include census and surveys, season management, animal management population research and evaluation activities, and related coordination, personnel and support costs.

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Waterfowl Habitat Improvement Account (233)

The creation of the Waterfowl Habitat Improvement Account and how money in the fund can be used is described in M.S. 97A.075, subd. 2. The annual fee for the migratory waterfowl stamp, currently \$7.50, is found in M.S. 97A.475, subd. 5.

Resources. At the beginning of the fiscal year the available balance in this account was \$343 thousand. Ninety percent of the proceeds from the sale of migratory waterfowl stamps are deposited to the account, a total of \$767 thousand during the fiscal year.

Appropriation and Expenditures. The authority to spend the annual direct appropriation and actual expenditures are given below:

(\$ in thousands)

FY05 Spending Authority	
FY05 Direct Appropriation	808
Carryforward from FY04	154
Total	\$962
FY05 Expenditures	
Wetland Development	514
Waterfowl Management	171
Habitat Development, Restoration, Maintenance	117
Land Acquisition	4
Canceled to account	156
Total	\$962

According to statute money in the account may only be used 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; *in addition to the expenditure items listed above, this category includes costs for related coordination and operational support.*
- 2) management of migratory waterfowl; *examples of migratory waterfowl management expenditures include public information, census and surveys, special hunt management, and related coordination and operational support.*
- 3) development, restoration, maintenance, or preservation of migratory waterfowl habitat; *examples of expenditures in this category include wetland maintenance, wetland restoration, food plot development, planting nesting cover, prescribed burns, and related coordination and operational support.*
- 4) acquisition of and access to structure sites;
- 5) the promotion of waterfowl habitat development and maintenance, including promotion and evaluation of government farm program benefits for waterfowl habitat.

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Trout and Salmon Management Account (234)

The creation of the Trout and Salmon Management Account and how money in the fund can be used is described in M.S. 97A.075, subd. 3. The annual fee for the trout and salmon validation stamp, currently \$10.00, is found in M.S. 97A.475, subd. 10.

Resources. At the beginning of the fiscal year the available balance in this account was \$583 thousand. Ninety percent of the proceeds from the sale of trout and salmon stamps are deposited to the account, a total of \$838 thousand during the fiscal year.

Appropriation and Expenditures. The authority to spend--the annual direct appropriation--and actual expenditures are given below:

(\$ in thousands)

FY05 Spending Authority	
FY05 Direct Appropriation	1,030
Carryforward from FY04	91
Total	\$1,121
FY05 Expenditures	
Habitat Improvement	253
Fish culture and stocking	462
easement aquisition and identification	253
Lake Superior	147
Canceled to account	6
Total	\$1,121

According to statute money in the account may only be used for:

- 1) the development, restoration, maintenance and preservation of trout streams and lakes; *specific examples of habitat improvement expenditures include salaries of part-time stream improvement personnel, the purchase of rock and construction materials for stabilization of stream banks, installation of stream improvement structures, fleet costs for trucks and heavy equipment, fish barrier maintenance costs, and maintenance costs for completed habitat improvement projects.*
- 2) rearing of trout and salmon and stocking of trout and salmon in streams and lakes and Lake Superior; *specific examples of culture and stocking expenditures include salaries for part-time hatchery personnel, upkeep and utility costs for hatchery buildings, fish food, fleet costs for hatchery vehicles, purchase and repair of fishing rearing equipment, supplies and chemicals for disease prevention and treatment, and contaminant monitoring.*
- 3) acquisition of easements and fee title along trout waters;
- 4) identifying easement and fee title areas along trout waters; *examples include posting signs on easement boundaries, using GPS to obtain fixed locations at each easement boundary, and producing maps that show trout stream easement locations;*
- 5) research and special management projects on Lake Superior and the anadromous portions of its tributaries.

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Pheasant Habitat Improvement Account (235)

The creation of the Pheasant Habitat Improvement Account and how money can be used is described in M.S. 97A.075, subd. 4. The annual fee for the Pheasant Stamp, currently \$7.50, is found in M.S. 97A.475, subd. 5.

Resources. At the beginning of the fiscal year the available balance in this account was \$351 thousand. Ninety percent of the proceeds from the sale of pheasant stamps are deposited to the account, a total of \$773 thousand during the fiscal year.

Appropriation and Expenditures. The authority to spend the annual direct appropriation and actual expenditures are given below:

(\$ in thousands)

FY05 Spending Authority	
FY05 Direct Appropriation	546
Carryforward from FY04	136
Total	\$682
FY05 Expenditures	
Habitat Development, Restoration, Maintenance	138
Re-imbursement for Habitat Development	246
Promotion and Evaluation	133
Acquisition	125
Canceled to account	40
Total	\$682

By statute money in the account may only be used for:

- 1) the development, restoration and maintenance of suitable habitat for ring-necked pheasants on public and private land including the establishment of nesting cover, winter cover, and reliable food sources; *examples include private land technical assistance, noxious weed control, food plot development, woody cover development, and grassland development*
- 2) reimbursement of landowners for setting aside lands for pheasant habitat;
- 3) reimbursement of expenditures to provide pheasant habitat on public and private land; *examples include reimbursement for food plots, woody cover development, grassland development and wetland restoration projects.*
- 4) the promotion of pheasant habitat development and maintenance, including promotion and evaluation of government farm program benefits for pheasant habitat; *examples include public information for roadside and farmland programs and federal Conservation Reserve Program evaluation.*
- 5) and the acquisition of lands suitable for pheasant habitat management and public hunting.

Money in the account may not be used for:

- 1) costs unless they are directly related to a specific parcel of land under clause (1), (3), or (5) [referring to five clauses listed above or to specific promotional or evaluative activities under clause (4)]; or
- 2) any personnel costs, except that prior to July 1, 2009, personnel may be hired to provide technical and promotional assistance for private landowners to implement conservation provisions of state and federal programs.

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Wild Rice Management Account (236)

The establishment of the Wild Rice Management Account and the use of funds in the account are described in M.S. 84.0911.

Resources. At the beginning of the fiscal year the available balance in this account was \$54 thousand. Additional receipts of \$33 thousand were deposited during FY05.

Appropriation and Expenditures. This account has been established with statutory authority to spend all available receipts. In FY05, the Division of Fish & Wildlife expended \$35 thousand in this account. The balance remaining at the end of FY05 was \$52 thousand

By statute money in the account may only be used for:
Management of designated public waters to improve natural wild rice production.

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Wildlife Acquisition Account (237)

The Wildlife Acquisition Account is established as an account in the Game and Fish Fund under M.S. 97A.071, subd 1. The small game surcharge is established under M.S. 97A.475, subd. 4 and is currently \$6.50.

Resources. The beginning balance in this account was \$503 thousand and additional receipts of \$1.596 million were deposited during the fiscal year.

Appropriation and Expenditures. The authority to spend--the annual direct appropriation--and actual expenditures are given below:

FY05 revenues did not meet projections with current appropriation levels, the account will be in the negative.

(\$ in thousands)

FY05 Spending Authority	
FY05 Direct Appropriation	2,030
Carryforward from FY04	790
Total	\$2,820
FY05 Expenditures	
Acquisition	1,476
Development including maintenance	547
North American Waterfowl Plan	
Canceled to account	797
Total	\$2,820

By statute of the money available and annually appropriated:

- 1) at least 50 percent must be used for land costs; *land cost is defined as the purchase price of land acquired by the commissioner.*
- 2) the remainder may only be used for other land acquisition costs, development and maintenance of wildlife lands; *examples of other land acquisition costs include acquisition-related fees, real estate taxes and assessments paid at the time of acquisition, salaries for acquisition coordination, and other acquisition-related personnel and support costs. Examples of development and maintenance include habitat and user facility development; enhancement and maintenance of farmland, forest, grassland and wetland habitats; development and maintenance of access sites; noxious weed control; prescribed burns; and the costs of fleet, supplies and salaries for full-time and seasonal wildlife personnel engaged in directly-related activities.*
- 3) and activities described in M.S. 97A.071, subd 3: developing, preserving, restoring and maintaining waterfowl breeding grounds in Canada under agreement or contract with any nonprofit organization dedicated to the construction, maintenance, and repair of projects that are acceptable to the governmental agency having jurisdiction over the land and water affected by the projects. The commissioner may execute agreements and contracts if the commissioner determines that the use of the funds will benefit the migration of waterfowl into the state.

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Wild Turkey Management Account (238)

Establishing the Wild Turkey Management Account and the use of funds in the account are described in M.S. 97A.075, subd. 5. The annual fee for the wild turkey stamp is set in M.S. 97A.475, subd. 5, currently at \$5.00.

Resources. At the beginning of the fiscal year the available balance in this account was \$201 thousand. Ninety percent of the proceeds from the sale of wild turkey stamps are deposited to the account, a total of \$135 thousand during the fiscal year. An additional \$8 thousand was transferred in form the game and Fish Fund (230)

Appropriation and Expenditures. The authority to spend the annual direct appropriation and actual expenditures are given below:

(\$ in thousands)

FY05 Spending Authority	
FY05 Direct Appropriation	112
Transfer in from GFF	8
Carryforward from FY04	81
Total	\$201
FY05 Expenditures	
Habitat Development, Restoration, Maintenance	22
Acquisition	85
Re-imbursement for Habitat Improvement	5
Trapping and Translocation	27
Promotio, Surveys and Research	32
Canceled to account	30
Total	\$201

By statute money in the account may only be used for:

- 1) the development, restoration and maintenance of suitable habitat for wild turkeys on public and private land including forest stand improvement and establishment of nesting cover, winter roost area, and reliable food sources; *examples include prairie and grassland management and forest stand improvements.*
- 2) acquisitions of, or easements on, critical wild turkey habitat; *examples include land acquisition and related costs.*
- 3) reimbursement of expenditures to provide wild turkey habitat on public and private land; *examples include food plots on private land.*
- 4) trapping and transplanted of wild turkeys; *examples include wild turkey capture and release;*
- 5) and the promotion of turkey habitat development and maintenance, population surveys and monitoring, and research. *examples include population trend monitoring.*

Money in the account may not be used for:

- 1) costs unless they are directly related to a specific parcel of land under clause (1) to (3) [clauses listed above], a specific trap and transplant project under clause (4), or to specific promotional or evaluative activities under clause (5);
- 2) or any permanent personnel costs.

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Heritage Enhancement Account (239)

M.S. 297A.94, paragraph (e)

Revenue in the Heritage Enhancement Account comes from the in-lieu-of-sales tax on the sale of lottery tickets. Of total in-lieu-of-sales tax receipts, 72.43% are currently deposited to accounts spent for environmental and natural resource purposes. Fifty percent of the 72.43% are directed to the Heritage Enhancement Account for spending on activities that improve, enhance or protect fish and wildlife resources, including conservation, restoration, and the enhancement of land, water and other natural resources.

The percentage of in-lieu-of-sales tax receipts deposited to accounts for environmental and natural resource spending purposes has statutorily decreased during the past five years. The tables below show the history of receipts deposited and expenditures from the Heritage Enhancement Account since FY01, the first year the account existed.

Lottery in-Lieu-of-Sales Tax Receipts
(\$ in thousands)

	FY05	FY04	FY03	FY02	FY01
Total Lottery in-lieu receipts	26,521	25,150	22,868	24,514	23,802
Percent distributed to environmental and natural resources accounts	x 72.43%	x 72.43%	x 87.00%	x 87.00%	x 97.00%
Subtotal	\$19,209	\$18,216	\$19,895	\$21,327	\$23,088
Percent deposited to Heritage Enhancement Account	x 50%				
Lottery in-lieu receipts to Heritage Enhancement Account	\$9,604	\$9,108	\$9,948	\$10,663	\$11,544

Expenditures from Heritage Enhancement Account
(\$ in thousands)

Division	FY05	FY04	FY03	FY02	FY01
Forestry	316	159	223	228	
Fisheries	4,346	3,690	6,298	3,032	4,494
Wildlife	3,328	1,933	3,465	1,950	4,407
Ecological Services	1,689	777	1,703	743	877
Enforcement	1,724	552	1,352	1,272	1,618
Annual Total	\$11,403	\$7,111	\$13,041	\$7,225	\$11,396

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Dedicated Accounts – Fiscal Year 2005**

Lifetime Fish & Wildlife Trust Fund (23A)

M.S. 97A.4742, subd 1

The DNR deposits receipts from the sale of lifetime fishing, hunting, small game, archery deer and sports licenses to the Lifetime Fish and Wildlife Trust Fund. Interest and investment earnings on fund resources are also credited to this account. Each year the DNR transfers from the Lifetime Fish & Wildlife Trust Fund the amount that otherwise would have been collected and deposited from the sale of annual hunting and angling licenses. The DNR does not spend on game and fish programs from the trust fund.

The table below shows lifetime license sales by fiscal year and license category since lifetime licenses were first offered in FY01.

Lifetime License Category	FY05	FY04	FY03	FY02	FY01	All Years
Angling	605	615	585	579	475	2,859
Small game	52	49	49	51	17	218
Firearm deer	342	302	303	375	168	1,490
Individual sports	703	666	671	637	499	3,176
Non-resident angling	3	6	5	2	0	16
Archery	54	59	53	0	0	166
Annual Total	1,759	1,697	1,666	1,644	1,159	7,925

M.S. Chapter 97A.4742, subdivision 2, states in part: “Money in the Lifetime Fish And Wildlife Trust Fund shall be invested by the state investment board to secure the maximum return consistent with the maintenance of the perpetuity of the fund. The income received and accruing from investments of the fund shall be deposited in the lifetime fish and wildlife trust fund”. On June 30, 2005 the balance of the trust fund was \$2.929 million. SBI invests cash from the trust fund in stocks and bonds outside the state treasury. Since SBI began investing for the fund, trust fund investments have increased in value by \$508 thousand. This change in value is classified as unrealized and will remain as such until the specific investments are sold and the investment gain realized.

Annual Activity in Lifetime License Trust Fund
(\$ in thousands)

	FY05	FY04	FY03	FY02	FY01	All Years
Lifetime license receipts	710	680	675	673	478	3,216
Less: transfer to Game and Fish Operations, and other stamp and surcharge accounts	(120)	(90)	(60)	(34)	0	(304)
Interest income credited to the trust fund	2	1	1	8	5	17
Net Annual Increase to Trust Fund	\$592	\$591	\$616	\$647	\$483	\$2,929
Unrealized Gain (Loss)	194	261	90	(37)	0	508

A lifetime license holder receives a current year license by validating the use of the lifetime license. Validation enables the DNR to know which license holders have activated the use of their lifetime license for the current hunting or angling season. A lifetime license holder can validate at a sales agent location or the License Center in St. Paul. License validation is a non-monetary transaction.

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In FY05 a total of 5,616 lifetime license holders validated the use of their license. Based on the number of validations the DNR calculates the amount to transfer to Game and Fish Operations and the dedicated accounts. The table below shows the amount transferred from the Lifetime License Trust Fund in the last four fiscal years.

Annual Transfer from Lifetime License Trust Fund
(\$ in thousands)

	FY02	FY03	FY04	FY05
Transfer to Game and Fish Operations Account	31.1	54.4	80.6	104.1
Transfer to Deer / Bear Management Account	.3	.6	.9	1.0
Transfer to Deer Habitat Improvement Account	.6	1.2	1.8	2.0
Transfer to Wildlife Acquisition Account	2.5	4.2	6.3	13.0
Annual Transfer Total	\$34.5	\$60.4	\$89.6	\$120.2

APPENDIX A

Game and Fish Fund Statement

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APPENDIX B

Game and Fish Fund Allocation to Hunting and Fishing Activity