



Natural Resources Fund

Fiscal Year 2017 Annual Report

Table of Contents

Table of Contents	2
Introduction	3
Revenues for Fiscal Year 2017	8
Expenditures for Fiscal Year 2017.....	9
Contacts	10
All-Terrain Vehicle Account (ATV).....	11
Off-Highway Motorcycle Account (OHM).....	12
Off-Road Vehicle Account (ORV)	13
Cross-Country Ski Account.....	14
Forest Management Investment Account.....	14
Invasive Species Account	16
Land Acquisition Account	17
State Land & Water Conservation (LAWCON) Account.....	18
Lottery in Lieu Accounts: State Parks & Trails Account	19
Lottery in Lieu Accounts: Local Trails Grants Account.....	20
Lottery in Lieu Accounts: Metro Parks & Trails Grants Account.....	21
Lottery in Lieu Accounts: Zoos Account.....	22
Minerals Management Account	23
Mining Administration Account.....	24
Natural Resources Misc. Statutory Account (Dedicated Receipts Account)	25
Nongame Wildlife Management Account	26
Snowmobile Trails and Enforcement Account.....	28
State Parks Account	30
Water Management Account	31
Water Recreation Account.....	32

Introduction

This report outlines general information about the Natural Resource Fund including its history, funding structure, and overview of revenues and expenditures. It concludes with detailed information about each of the accounts including brief overviews, sources and uses of the funds, account forecast analysis, FY2017 accomplishments, and links to additional resources.

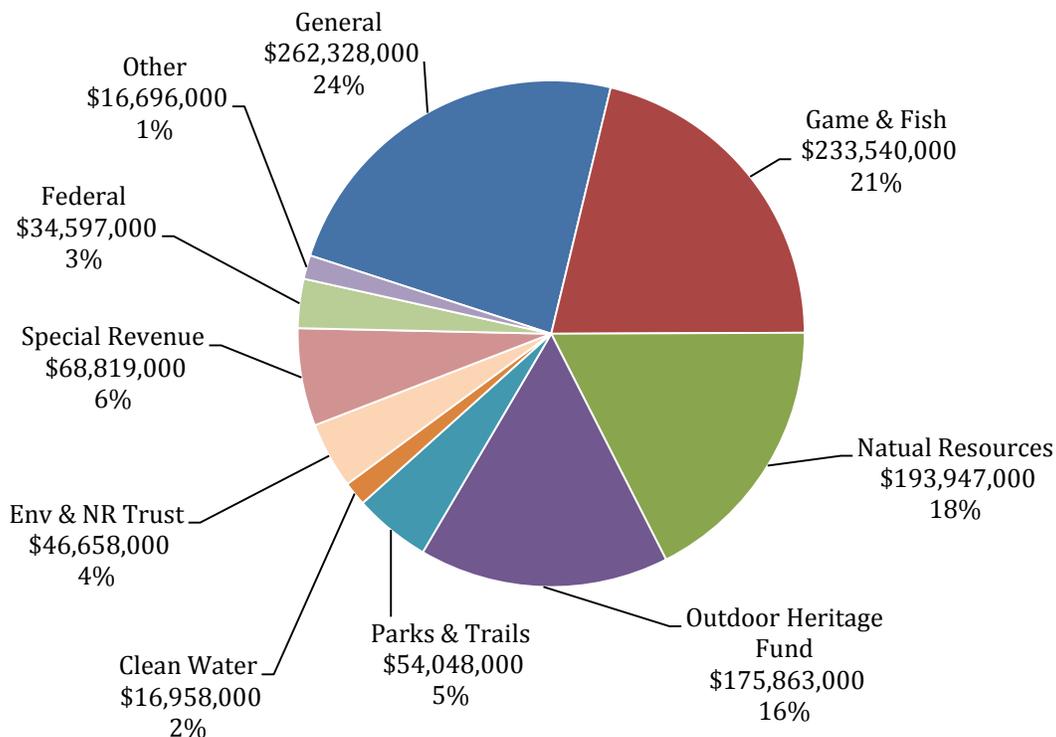
Creation and Purpose of the Fund

The Legislature created the Natural Resources Fund (NR) in the state treasury in 1989 as a Special Revenue Fund for deposit of certain receipts from fees and services associated with natural resource management by the state. (M.S. 16A.53, subd. 2) Special Revenue Funds are dedicated to a variety of purposes specified in the legislation. The Department of Natural Resources (DNR) is the primary user of the fund. In general, fees collected for certain activities are used for operations of our programs, maintenance and development of our statewide natural resources and recreations systems. Revenues also support the enforcement of the state's natural resource laws related to the activities funded through the NR fund.

Natural Resources Fund within the DNR's Funding Structure

For FY2016-2017, the Natural Resources Fund comprised 18 percent (\$193.9 million) of the total DNR budgeted expenditures.

FY16-17 Budgeted Expenditures by Fund
\$1,103,454,000



Accounts in the Natural Resources Fund

The Natural Resources Fund is made up of accounts dedicated for a specific purpose. These accounts are broken down separately in this report and also briefly described on the next two pages along with other activities or programs that are supported by multiple accounts within the fund (Electronic Licensing System and Conservation Corps Minnesota):

Sources and Uses of the Natural Resources Fund Accounts

Account Name	Sources and Uses of the Account Funding
All-Terrain Vehicle Account (ATV)	<ul style="list-style-type: none"> Revenues include fees from registration of all-terrain vehicles, non-resident state trail passes, unrefunded gasoline taxes, and ATV safety training fees. Funds pay for acquisition, maintenance, and development of ATV trails and enforcement activities. (M.S. 84.927).
Off-Highway Motorcycle Account (OHM)	<ul style="list-style-type: none"> Revenues include fees for registration of off-highway motorcycles and unrefunded gasoline tax attributable to off-highway motorcycle use. Funds pay for administration, enforcement, and acquisition, maintenance and development of off-highway motorcycle trails. (M.S. 84.794).
Off-Road Vehicle Account (ORV)	<ul style="list-style-type: none"> Revenues include fees for the registration of off-road vehicles, non-resident state trail passes and the unrefunded gasoline tax attributable to off-road vehicles use. Funds pay for administration, enforcement, and acquisition, maintenance and development of off-road vehicle trails. (M.S. 84.803).
Cross-Country Ski Account	<ul style="list-style-type: none"> Revenues include fees from cross-country ski passes. Funds pay for grants-in-aid for cross-country ski trails sponsored by local units of government and special park districts. (M.S. 85.43)
Forest Management Investment Account (FMIA)	<ul style="list-style-type: none"> Revenues include timber sales from consolidated conservation area lands and state forest lands. Funds pay for reforestation and timber stand improvement including forest pest management, timber sales administration and costs, and state forest road maintenance. (M.S. 89.039, 89.035)
Invasive Species Account	<ul style="list-style-type: none"> Revenues include surcharges on watercraft licenses, non-resident fishing licenses, and civil penalties for violations, and service provider permits. Funds pay for management of invasive species programs including control, public awareness, law enforcement, assessment, monitoring, management planning, and research. (M.S. 84D.15)
Land Acquisition Account	<ul style="list-style-type: none"> Revenues include easements on DNR lands, sale of land, sale of standing timber, leases on wild rice farming and interest. Account is used for the acquisition of natural resource lands within the outdoor recreation system. (M.S. 94.165)
Lottery in Lieu (Local Trails Grants Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for local trail grants. (M.S. 297A.65, 297A.94 (e)(4))
Lottery in Lieu (Metro Parks and Trails Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for metropolitan park and trail grants. (M.S. 297A.65, 297A.94(e)(3))
Lottery in Lieu (State Parks and Trails Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used for state parks and trails. (M. S. 297A.65, 297A.94 (e) (2))
Lottery in Lieu (Zoos Account)	<ul style="list-style-type: none"> Revenues include lottery payments in lieu of sales tax on lottery tickets. Funds are used by the Minnesota Zoological Garden, Como Zoo and Conservatory, and Duluth Zoo. (M.S. 297A.65, 297A.94 (e) (5))

Account Name	Sources and Uses of the Account Funding
Minerals Management Account	<ul style="list-style-type: none"> Revenues include mineral lease income related to management of the state's mineral assets. Funds are spent for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities. (M.S. 93.2236, 93.22)
Mining Administration Account	<ul style="list-style-type: none"> Revenues consist of mining administrative fees charged to owners, operators, or managers of mines. Funds pay for costs of providing and monitoring permits to mine. (M.S. 93.481, subd 7)
Natural Resources Misc. Statutory Account (Dedicated Receipts Account)	<ul style="list-style-type: none"> Account includes various dedicated revenues within the Natural Resource Fund for which the appropriations are statutory – burning permits account, forest bough account, forest resource assessment products and services account, and land management account. Sources and uses of the funds are specified in the individual statutes for the component accounts. (M.S. 88.17, 88.6435, 89.421, 92.685, 103G.301)
Nongame Wildlife Management Account	<ul style="list-style-type: none"> Revenues are from the check-off on income tax and property tax refund claim forms. Funds pay for non-game wildlife programs. (M. S. 290.431)
Snowmobile Trails and Enforcement Account	<ul style="list-style-type: none"> Revenues include fees for registration of snowmobiles, issuance of snowmobile state trail stickers, unrefunded gasoline tax, and training fees. Funds pay for snowmobile programs and acquisition, maintenance and development of trails, training, and enforcement. (M. S. 84.83)
State Land and Water Conservation (LAWCON) Account	<ul style="list-style-type: none"> Federal grant reimbursement funds that are received under the Land and Water Conservation Fund Act. Half is distributed for projects of local units of government and half is distributed to the state for land acquisition and development of the state outdoor recreation system and for administrative expenses necessary to maintain the state's eligibility for the program. (M. S. 84.0264)
State Parks Account	<ul style="list-style-type: none"> Revenues include fees for camping, state park permits, and facility rentals. Funds pay for operation and maintenance of the state park system. (M. S. 85.055)
Water Recreation Account	<ul style="list-style-type: none"> Revenues include fees for titling and licensing watercraft, mooring, and sale of marine gas at state-operated small craft harbors and mooring facilities, unrefunded gasoline tax attributable to boating, fees for permits to control or harvest aquatic plants. Funds pay for water recreation programs such as acquisition, development and maintenance of public water access and boating facilities on public waters, lake and river improvements; maintenance, operation, replacement, and expansion of small craft harbors and mooring facilities, water safety programs, management of aquatic invasive species and aquatic plants. (M.S. 86B.706)
Water Management Account	<ul style="list-style-type: none"> Revenues include fees from permit application fees, water use fees, field inspection fees, penalties, and other receipts according to sections 103G.271 and 103G.301. Funds in the water management account may be spent only for the costs associated with administering (M.S. 103G.27).

Electronic Licensing System (ELS)

The DNR Division of Fish & Wildlife maintains the Electronic Licensing System (ELS). Issuing fees charged on the sales of licenses, permits, and registrations are used to support licensing activities and maintain the system.

The money collected is deposited in the Natural Resource Miscellaneous Statutory Account. The total ELS expenditures for FY2017 from the Natural Resources Fund account were \$788,947 and the total revenues were \$934,608.

Conservation Corps Minnesota

The DNR has worked with Conservation Corps Minnesota (formerly Minnesota Conservation Corps) for over 25 years to preserve and improve the natural resources of the State of Minnesota. This organization, which began in 1981, restores natural resources, conserves energy, responds to emergencies, and offers programs for youth and young adults.

In FY2017, Conservation Corps Minnesota received \$490,000 in funds from various Natural Resources Fund accounts to support the following DNR activities and engaged 576 youth and young adults in natural resource and energy conservation projects across Minnesota by:

- Water Recreation Account, \$50,000 - 1,353 hours developing and maintaining public access and boating facilities on public waters, lake and river improvements, watercraft safety, and exotic species inspections and control;
- ATV Account, \$50,000 - 3,049 hours developing, constructing and maintaining state trail, education and technical skills training;
- State Parks Account, \$150,000 - 8,302 hours developing water access sites within state parks, exotic and invasive species management, and non-motorized trail improvement and maintenance;
- Snowmobile Account, \$75,000 - 1,894 hours designing, constructing, maintaining, training and grooming state trails
- State Park/Trails Lottery In Lieu Account, \$25,000 – 1,163 hours maintaining and operating state parks and trails.
- Aquatic Invasive Species Account, \$25,000 - 1,218 hours for the management of invasive species
- FMIA Account, \$50,000 - 1,803 hours in forest management activities
- OHM Account, \$10,000 - 261 hours spent on acquisition, maintenance and development of off highway motorcycle trails and use areas.
- ORV Account, \$30,000 - 0 hours spent on acquisition, maintenance and development of off-road vehicle trails and use areas.
- Cross Country Ski Account, \$15,000 – 1,231 hours spent on development and maintenance of state cross-country ski trails.
- Parks and Trails Horse Trails (Natural Resources Misc. Statutory Account), \$10,000 – 377 hours spent on acquisition, maintenance and development of horse trails and use areas.

Unrefunded Gas Tax Revenue

With the broader goal that the unrefunded gasoline proceeds should support programs related to non-highway gasoline use, the DNR receives a portion of the unrefunded gasoline tax. Since 1961, these proceeds have supported the state's recreational motorized vehicle activities.

The Minnesota Department of Transportation (MnDOT) transfers to the DNR, twice annually, the estimated portion of the unrefunded gasoline tax that was used by boaters, snowmobiles, and all-terrain vehicles. The amounts are transferred to several accounts in the Natural Resources Fund based on a formula written in statute (296A.18). As the table shows, approximately 2.980 percent of unrefunded gasoline tax revenues – the portion attributed to use by boaters, snowmobile, and ATVs – are transferred into natural resources accounts and are appropriated annually for the purposes described in law.

Distribution of Unrefunded Gas Tax Revenues

Account	Portion of unrefunded gasoline tax transferred to the account	To be used for
Water Recreation	1.50%	Acquisition, development, maintenance, and rehabilitation of sites for public access and boating facilities on public waters; lake and river improvement; and boat and water safety
Snowmobile	1.00%	To fund snowmobile programs and the maintenance and development of snowmobile trails
All-Terrain Vehicle	0.27%	Maintenance and development of ATV trails
Off-Highway Motorcycle	0.046%	Maintenance and development of OHM trails
Off-Road Vehicle	0.164%	Maintenance and development of ORV trails
Total of Unrefunded Gas Tax Revenues	2.980%	

Police State Aid Revenue

The DNR receives police state aid to apply to the employer’s contribution to law enforcement (conservation officers) pensions. Tax receipts from a surcharge on auto insurance gross premiums determine the amount of the aid.

In FY2017, the Natural Resource Fund received \$312,753. This amount was apportioned to the Water Recreation, Snowmobile, All-Terrain Vehicle, Off-Highway Motorcycle, Off-Road Vehicle and State Park accounts based on the amount of Conservation Officers’ salaries paid from each account.

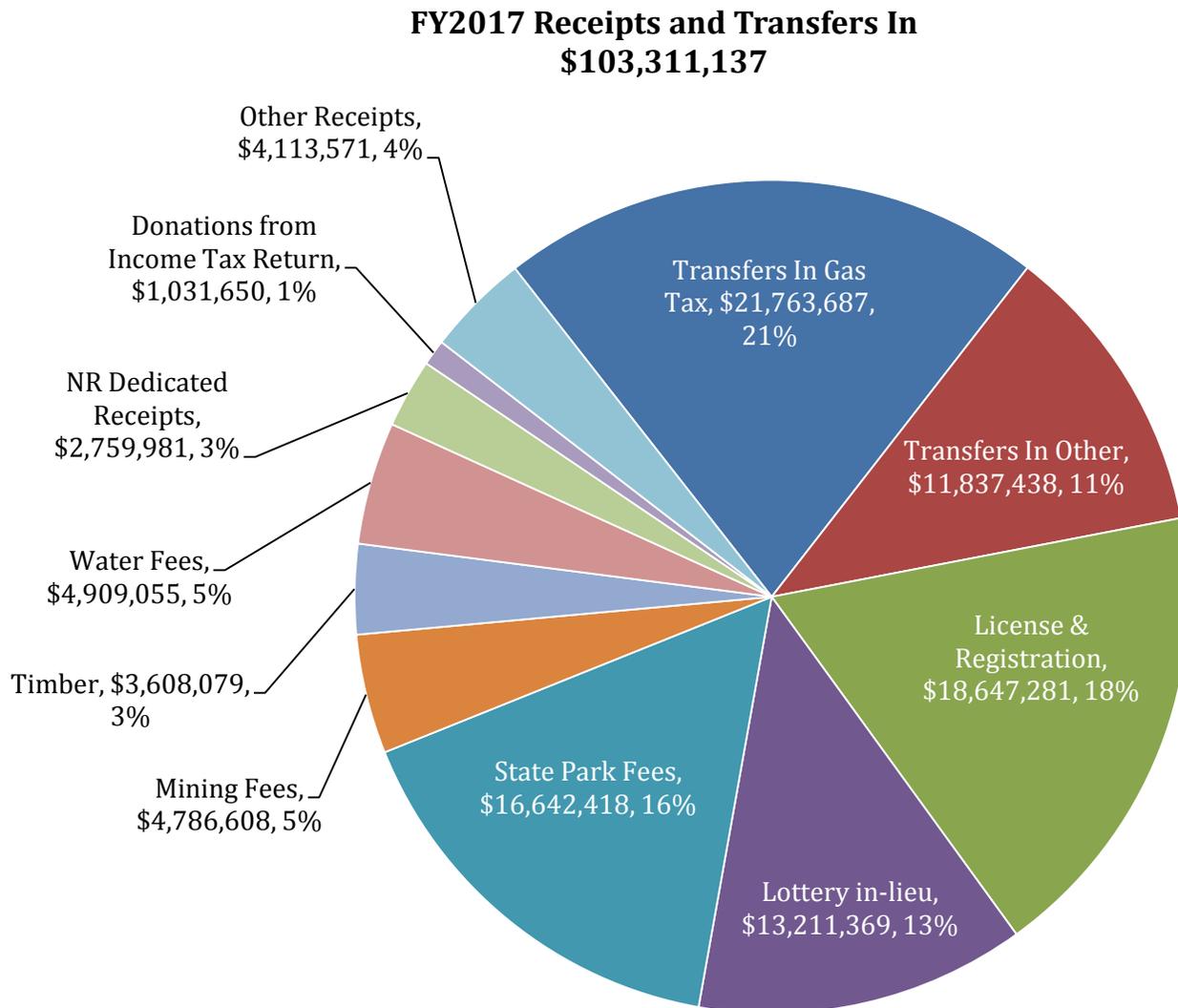
Interest Earnings (M.S. 16A.72)

Minnesota statutes allow interest earnings to be earned on balances in several DNR funds and accounts. Interest is credited to the fund or account and available for appropriation for the purpose for which it was received. The Natural Resources Fund earns interest on donations, gifts, snowmobile receipts, and receipts deposited in the minerals management account, mining administration account, and forest management investment account. The interest earned for 2017 was \$152,631.

Revenues for Fiscal Year 2017

In FY2017, the DNR collected \$103,311,137 in total revenue.

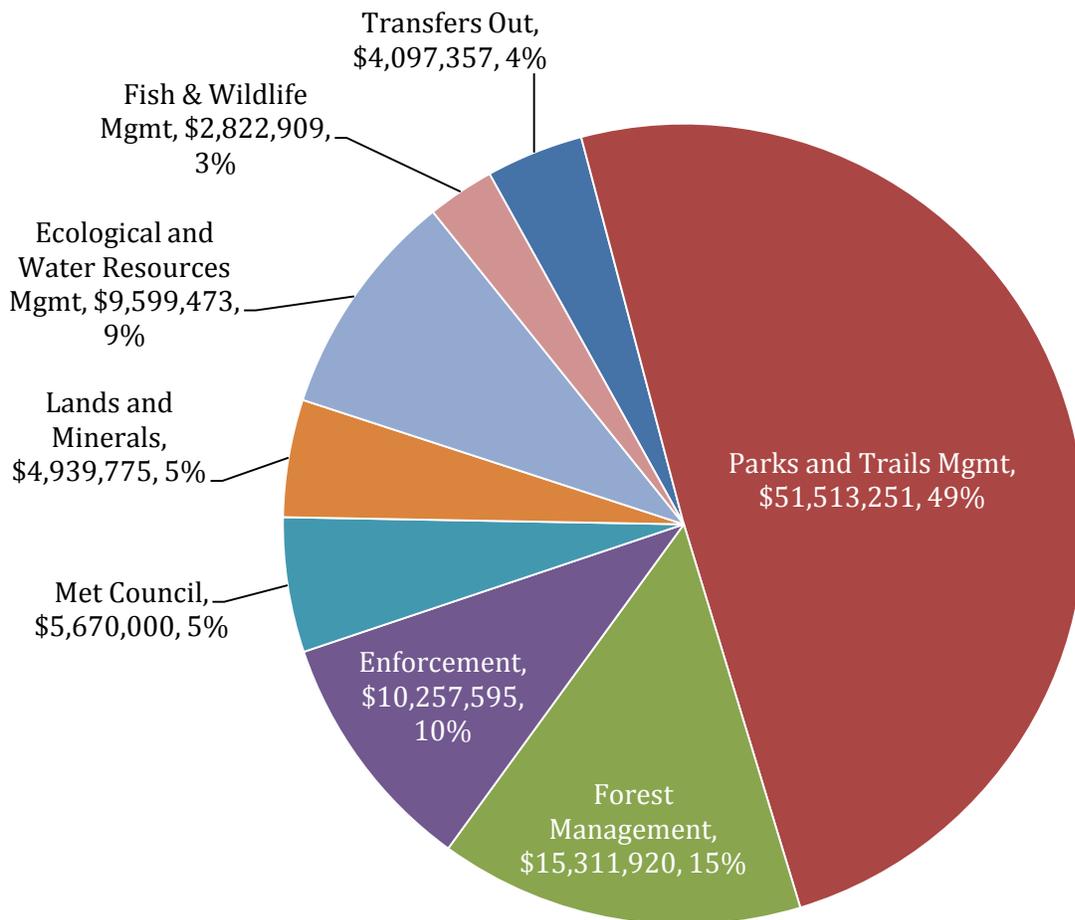
The largest sources of revenues are gas and lottery taxes, licenses and registrations, state park fees, mining fees, and water fees. Unrefunded gasoline tax revenues attributable to certain types of vehicles used in recreation activities comprise the largest amount of Other Receipts (transfers in). For details, see individual funds.



Expenditures for Fiscal Year 2017

In FY2017, the DNR spent \$105,182,280 in total expenditures and transfers out. The Division of Parks and Trails spent the majority of these funds.

FY 2017 Actual Expenditures and Transfers Out \$105,182,280



Contacts

For additional information about the Natural Resources Fund, contact the DNR:

[Email the DNR](#)

Telephone:

(651) 296-6157

(888) 646-6367

TTY: (651) 296-5484

TTY: (800) 657-3929

Location:

500 Lafayette Road

St. Paul, MN 55155-4040

All-Terrain Vehicle Account (ATV)

Brief Overview

- Governing statutes: M.S. 84.773 to 84.781
- Year established: 1984
- Registered all-terrain vehicles in MN: 276,000
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

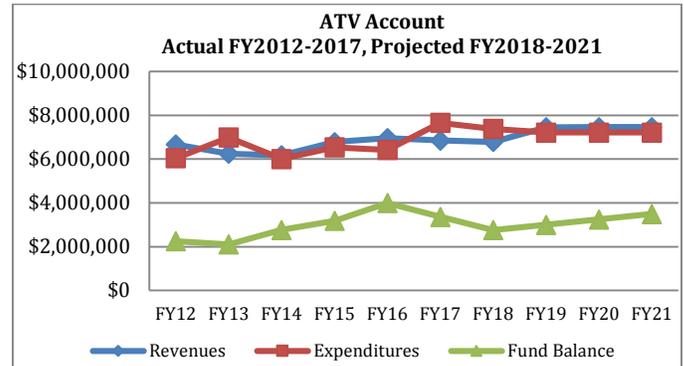
Fees from the registration of all-terrain vehicles and non-resident state trails passes, the unrefunded gasoline tax attributable to ATV use, and the net proceeds from the sale of ATVs forfeited for certain violations of statutes under M.S.84.927 and M.S. 169A.63 are the main sources of funding in the ATV account. Funds in the ATV Account may be used, within guidelines of the Statewide Comprehensive Outdoor Recreation Plan, only for:

- Acquisition, maintenance, and development of trails and use areas;
- Administration, enforcement, and implementation of applicable statutes;
- Grant-in-aid programs to counties and municipalities to construct and maintain ATV trails and use areas, and Grants to local safety programs;
- Education and training program;
- Enforcement and public education grants to local law enforcement agencies; and
- Maintenance of certain forest roads that are part of a designated trail system.

FY17 Financial Summary	
Beginning fund balance	\$3,998,380
Prior year adjustments	\$173,876
Revenues	
ATV Registration	\$4,503,882
Misc Receipts	280,503
Unrefunded gasoline tax & police state aid	<u>2,067,007</u>
Total Revenues	\$6,851,392
Expenditures	
Parks and Trails Mgmt	\$4,149,320
Enforcement	2,999,961
Fish and Wildlife	459,849
Conservations Corps Minnesota	<u>50,000</u>
Total Expenditures	\$7,659,130
Ending fund balance	<u>\$3,364,518</u>
Net change	(\$633,862)

Forecast

ATV registrations account for 66 percent of the revenues. Unrefunded gasoline taxes on ATV's were 29 percent of the revenues. The fund balance has been managed by reductions in spending. Revenues are expected to increase slightly due to fee increases effective 7/1/17.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021.

FY2017 Accomplishments

- The Division of Enforcement provided approximately 21,074 hours of enforcement, education and safety training activities.
- The Safety Training Section recruited and trained additional volunteers for the ATV Safety and Trail Ambassador programs, bringing the total number of ATV Instructors to 1,013 and Trail Ambassadors at 193. The ATV Safety training program certified 4,960 students. There were 173 new ATV Instructors in FY2017.
- The Division of Parks and Trails developed, monitored and maintained approximately 1,212 miles of ATV/OHM trails in state forests, other state trails and the Iron Range OHV State Recreation Area.
- The DNR completed trail improvements on forest trails in Aitkin, Cass, Cook, Pine, and Lake Counties.
- Grants-in-aid were awarded to 72 trail projects through 35 local government sponsors. These grants support local clubs for maintenance, development, and acquisition of approximately 1,000 miles of public, locally controlled ATV trails.

Additional Resources

[Grants Outcomes website](#)

[ATV Safety Training](#)

Off-Highway Motorcycle Account (OHM)

Brief Overview

- Governing statute: M.S. 84.773 to 84.781
- Year established: 1993
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

The sources of funding for the account include registration fees for OHMs and the unrefunded gasoline taxes attributable to OHM use. Money in the account may only be spent for:

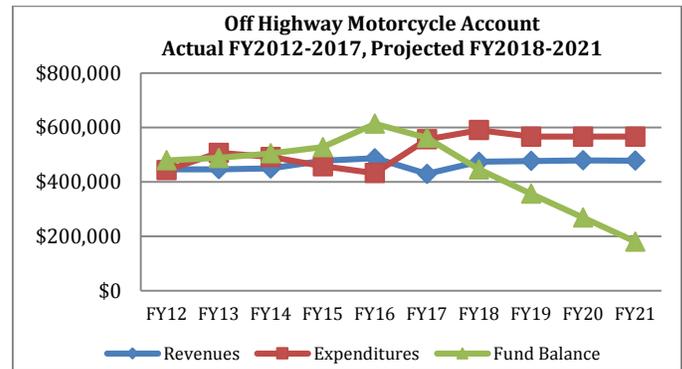
- Administration, enforcement, and implementation of OHM sections of statutes (M.S. 84.787 to 84.795);
- Acquisition, maintenance, and development of OHM trails and use areas; and
- Grants-in-aid to counties and municipalities to construct and maintain OHM trails and use areas. Grants must be guided by the Statewide Comprehensive Outdoor Recreation Plan.

FY17 Financial Summary	
Beginning fund balance	\$614,223
Prior year adjustments	\$12,404
Revenues	
OHM Registration	\$136,205
Misc Receipts	15,843
Unrefunded gasoline tax & police state aid	<u>340,893</u>
Total Revenues	\$492,941
Expenditures	
Parks and Trails Mgmt	\$368,794
Enforcement	131,763
Fish and Wildlife	46,285
Conservations Corps Minnesota	<u>10,000</u>
Total Expenditures	\$556,842
Ending fund balance	<u>\$562,726</u>
Net change	(\$51,497)

Forecast

OHM registrations account for 28 percent of the revenues in this account. Unrefunded gasoline tax revenue on off highway motorcycles were 68 percent of the revenues. The fund balance has been declining and will be managed by reducing expenditures. The

fund balance is expected to continue to decline due to appropriations exceeding revenue.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021.

FY2017 Accomplishments

- Developed, monitored, and maintained OHM trails that were open to the public including the Iron Range OHV Recreation Area. More than 858 motorized miles of ATV/OHM trails and 143 single-track OHM miles are open for public use on state forest lands.
- Monitor trail systems each season and address maintenance needs as they arise. Seven grants to counties, cities, and townships, working with local clubs for the maintenance, development, and acquisition on approximately 200 miles of public, locally controlled OHM trails.
- Provided OHM law enforcement; safety training, trail monitoring and grants (52 combined grants) were issued to local law enforcement agencies to provide for enforcement and education activities relating to OHM use around the state.
- Approximately 1,107 hours were utilized by division staff relation to OHM law enforcement and safety training activities.

Additional Resources

[OHM safety training](#)

[OHM grants-in-aid](#)

Off-Road Vehicle Account (ORV)

Brief Overview

- Governing statute: M.S. 84.773 to 84.781
- Year established: 1993
- OHV Trails: 2,700 miles
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of Funds

Fees from the registration of off-road vehicles and revenues from unrefunded gasoline tax attributable to off-road vehicle use are the principal revenue sources. Money in the ORV Account may only be spent for:

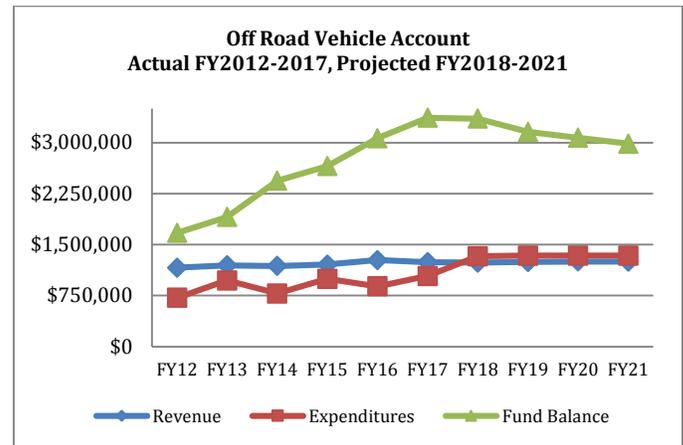
- Administration, enforcement, and implementation of M.S. 84.773 to 84.805;
- Acquisition, maintenance, and development of off-road vehicle trails and use areas;
- Grant-in-aid programs to counties and municipalities to construct and maintain off-road vehicle trails and use areas;
- Grants-in-aid to local safety programs; and
- Enforcement and public education grants to local law enforcement agencies.

FY17 Financial Summary	
Beginning fund balance	\$3,063,492
Prior year adjustments	\$99,228
Revenues	
ORV Registration	\$51,548
Misc Receipts	17,954
Unrefunded gasoline tax & police state aid	<u>1,173,005</u>
Total Revenues	\$1,242,507
Expenditures	
Parks and Trails Mgmt	\$721,254
Enforcement	255,121
Fish and Wildlife	32,447
Conservations Corps Minnesota	<u>30,000</u>
Total Expenditures	\$1,038,822
Ending fund balance	<u>\$3,366,405</u>
Net change	\$302,913

Forecast

ORV registrations account for 4 percent of the revenue in this account. Revenues from unrefunded gasoline taxes attributable to off road vehicle use account for 94 percent. The fund balance peaked in

FY17 and will start to decline due to appropriations slightly exceeding revenues.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021.

FY2017 Accomplishments

- Provided ORV law enforcement, safety training, trail monitoring and grants (52 combined grants) were issued to local law enforcement agencies to provide law enforcement and education activities relating to ORV use around the state.
- Approximately 1,375 hours were utilized by division staff relating to ORV law enforcement and safety training activities.
- Developed, monitored, administered and maintained 47 miles of ORV recreational trails and 36 miles at the Iron Range OHV Recreation Area. In process of planning an adventure touring route from border to border across the northern half of the state for highway licensed high clearance vehicles capable of being ORV registered.
- Provided \$13,700 in grants to counties and cities, for the maintenance, development, and acquisition of public, locally controlled ORV trails and areas.
- Regional Parks and Trails Acquisition and Development staff continued to work on new projects with the clubs and local government sponsors.

Additional Resources

[Grants Outcomes](#)

[ORV safety training](#)

[ORV grants-in-aid](#)

Cross-Country Ski Account

Brief Overview

- Governing statute: M.S. 85.43
- Year established: 2004 (program established in 1983)
- Ski trails: 2,100 miles
- Primary division: Parks and Trails

Sources and Uses of the Funds

Receipts from cross-country ski trail passes are deposited into this account and used for maintenance and grooming of cross country ski trails. Changes during the 2010 legislative session now allow some of these funds to be used for administration of the program and maintenance of the state cross-country ski systems. Any funds for administration must be appropriated by the legislature.

Money deposited in the Cross-Country Ski Account is to be used for grants-in-aid (GIA) for cross-country ski trails sponsored by local units of government and special park districts.

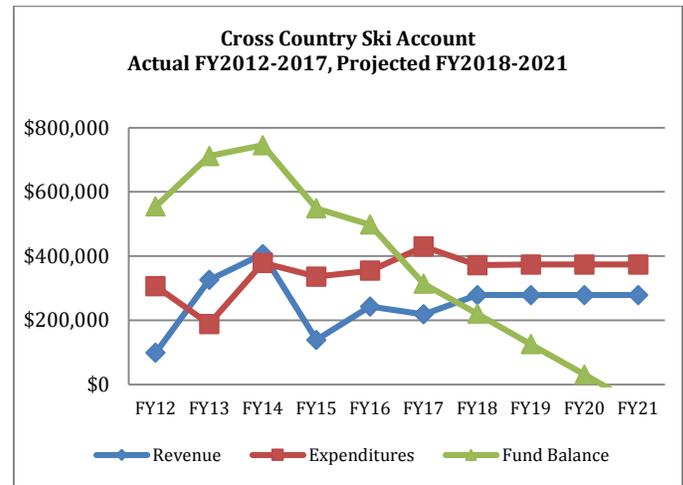
The DNR administers 1,400 miles of state-operated and grant-in-aid cross-country ski trails statewide. By purchasing a ski pass, cross-country skiers support the maintenance and grooming of these cross-country ski trails. Most grant-in-aid cross-country ski trails are maintained by local ski club volunteers.

FY17 Financial Summary	
Beginning fund balance	\$498,254
Prior year adjustments	\$27,140
Revenues	
Cross Country Ski Permit	\$203,308
Misc Receipts	15,315
Total Revenues	\$218,623
Expenditures	
Parks and Trails Mgmt	\$374,825
Fish and Wildlife	40,251
Conservations Corps Minnesota	15,000
Total Expenditures	\$430,076
Ending fund balance	\$313,941
Net change	(\$184,313)

Forecast

Revenues and expenditures vary considerably from year to year due to snow fall. Revenues decreased by 3 percent this year. The fund balance is showing a

decline due to appropriations exceeding projected revenues.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021. The department will manage levels of spending to ensure the account does not go negative as shown above

FY2017 Accomplishments

- Awarded 40 Cross-Country Ski Grants-in-aid (GIA) to local units of government, many partnering with local ski clubs. The grants helped provide 735 miles of GIA ski trails statewide.
- The department allocated \$75,000 toward the grooming of 378 miles of cross-country ski trails maintained by the DNR in state parks, state forests, and on state trails.

Additional Resources

[Minnesota DNR Cross-Country Ski](#)

[Purchase a cross-country ski pass online](#)

[Cross Country Ski Trail Grants-in-Aid \(GIA\)](#)



Forest Management Investment Account

Brief Overview

- Governing statute: M.S. 89.039
- Year established: 2004
- State forests in MN: 59
- Forest roads: 2,300 miles
- Primary division: Forestry

Sources and Uses of Funds

The Forest Management Investment Account (FMIA) was established to create a direct connection between state timber program revenues and expenditures. Primary sources of funding to the FMIA are revenues earned from state land timber sales and related activities. Approximately 800,000 cord equivalents “new” volume are offered for sale annually with forest management objectives focused on maintaining and improving forest health and productivity. On average, 30,000 acres of timberland are regeneration harvested and 10,000 acres are thinned or selectively harvested each year supplying the state’s forest industry with quality wood fiber used for the manufacture of paper, lumber, structural panels, and specialty products.

FMIA dollars can be spent, subject to appropriation by the Legislature, in accordance with the forest management policy and plan, for these purposes:

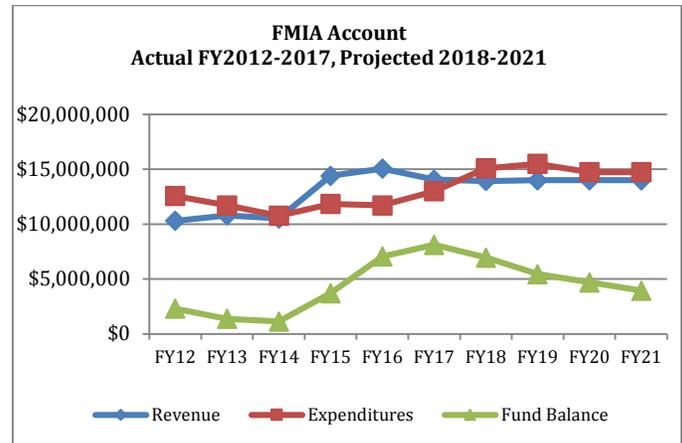
- State timber sales planning, layout, and administration, contract marking of commercial thinning sales, forest inventory, and cultural resource reviews; and
- State land reforestation and timber stand improvement, including forest pest management.

FY17 Financial Summary	
Beginning fund balance	\$7,058,296
Prior year adjustments	\$220
Revenues	
Timber sales, interest & penalty	\$3,594,186
Misc Receipts	53,960
Con, Univ, School Trust, etc.	<u>10,410,003</u>
Total Revenues	\$14,058,149
Expenditures	
Forest Management	\$12,602,459
Lands and Minerals	344,220

FY17 Financial Summary	
Conservations Corps Minnesota	<u>50,000</u>
Total Expenditures	\$12,996,679
Ending fund balance	<u>\$8,119,986</u>
Net change	\$1,061,690

Forecast

The fund balance peaked in FY17 and is starting to decline due to appropriations exceeding projected revenues.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021.

FY2017 Accomplishments

- Offered for sale a total of 1,159,799 cord equivalents, including 914,294 "new" cord equivalents (cords and thousand board feet units only).
- Sold 866,810 timber cord equivalents.
- Harvested 701,858 timber cord equivalents.
- Prepared 2,113 acres for reforestation, planted 3,085 acres, direct-seeded 2,592 acres, and released 990 acres from competition.
- Completed regeneration surveys on 17,312 acres and protected 7,836 acres from animal browse damage by bud capping or repellents.
- Graded approximately 4,902 miles of state forest system roads at least once.
- Completed right-of-way maintenance on 734 miles and graveled 41 miles.
- Updated forest inventory on 75,828 acres.

Additional Resources

[DNR M.S. 16A.125 Trust Cost Certification Report – Legislative Reports by Fiscal Year](#)

[DNR Biennial Operating Budget](#)

[Division of Forestry Website](#)

Invasive Species Account

Brief Overview

- Governing statute: M.S. 84D.15
- Year established: 2007 (program established in 1991)
- Primary Division: Ecological and Water Resources

Sources and Uses of the Funds

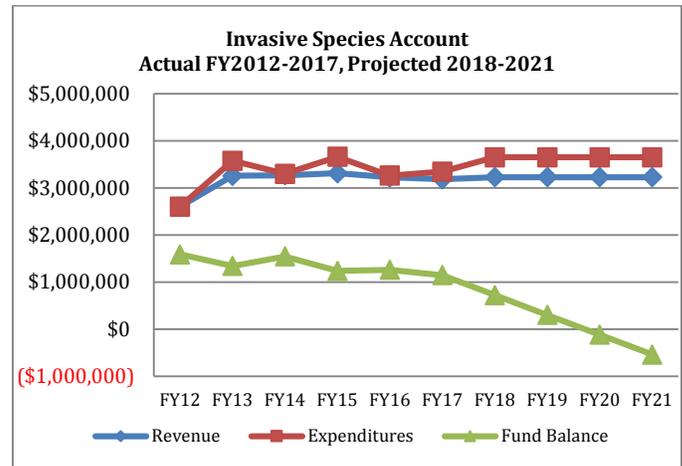
A surcharge on watercraft licenses under M.S. 86B.415, subd. 7, and civil penalties for violations of the law related to prohibited invasive species under M.S. 84D.13 are deposited into the account. Receipts from an annual \$5 surcharge on nonresident fishing licenses under M.S. 97A.475, subd. 7 are transferred each year from the Game & Fish Fund to the Invasive Species Account. The watercraft surcharge accounts for 42 percent of total revenues while the non-resident fishing surcharge accounts for 35 percent.

Funds from the Invasive Species Account are used for management of invasive species and implementation of Chapter 84D. Major activities include control of invasive species, watercraft inspection, public awareness, law enforcement, assessment and monitoring, management planning, and research.

FY17 Financial Summary	
Beginning fund balance	\$1,258,993
Prior year adjustments	\$49,225
Revenues	
Watercraft Surcharge	\$1,325,445
Misc Receipts	7,490
Non Res Fishing Lic Surcharge, Water Rec Account	1,848,589
Total Revenues	\$3,181,524
Expenditures	
Ecological and Water Resources Mgmt	\$2,958,783
Enforcement	359,976
Conservations Corps Minnesota	25,000
Total Expenditures	\$3,343,759
Ending fund balance	\$1,145,983
Net change	(\$113,010)

Forecast

The fund balance has been declining for many years due to appropriations exceeding revenues. Each year DNR ensures a positive balance by reducing expenditures.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021. The department will manage levels of spending to ensure the account does not go negative as shown above

FY2017 Accomplishments

- Worked with other DNR partners to standardize and optimize field data collection, leading to field trials of iPads for data collection and the DNR AIS Survey Manual is being developed.
- Starry stonewort pilot project was developed to enable successful applicants to use multiple techniques to manage new or existing infestations and evaluate the active management.
- A series of four informal Aquatic Invasive Species (AIS) learning sessions (76 participants from 30 counties) and a series of five regional AIS prevention workshops (64 participants from 43 counties) brought together local government staff to actively share and learn from one another's collective experiences, initiate regional and statewide collaborative efforts, gain knowledge on AIS topics of concern, and build stronger inter-county relationships.
- Trained over 900 local government units on watercraft inspections.
- Tested, developed and implemented online lake service provider training.

Additional Resources

[Invasive species program](#)

[Aquatic invasive species grants and partnerships](#)

[Invasive Species of Aquatic Plants and Wild Animals in Minnesota, Annual Report 2010](#)

[Summary Report](#)

Land Acquisition Account

Brief Overview

- Governing statute: M.S. 94.16 and 94.165
- Year established: 1984
- Land leases: 1,700
- Primary divisions: Forestry, Fish and Wildlife, Parks and Trails

Sources and Uses of the Funds

Receipts from the sale of acquired state natural resource land administered by the DNR are credited to the Land Acquisition Account to provide funding to acquire additional state natural resource land in the Outdoor Recreation System and to cover the costs of sale of surplus state land. These funds help the DNR reach the following goals:

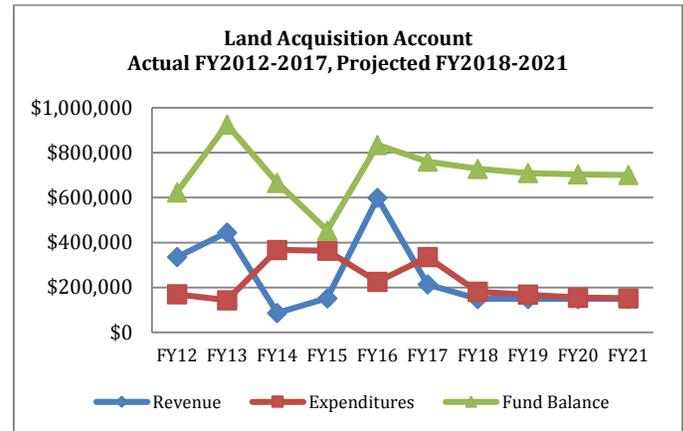
- Consolidating state forest land into large contiguous blocks to increase forest management efficiencies and protect critical forest habitat;
- Acquiring privately-owned “in-holdings” within state parks; and
- Acquiring recreation access; and lands with significant natural resource characteristics.

FY17 Financial Summary	
Beginning fund balance	\$835,083
Prior year adjustments	\$47,173
Revenues	
Sale of Land	\$119,124
Misc Receipts	94,625
Total Revenues	\$213,749
Expenditures	
Lands and Minerals	\$790
Ecological and Water Resources Mgmt	\$0
Forest Management	\$12,846
Parks and Trails Mgmt	129,127
Fish and Wildlife	192,609
Total Expenditures	\$335,372
Ending fund balance	\$760,633
Net change	(\$74,450)

Forecast

The balance of the fund dropped in FY2014 due to increased land acquisition costs. While the amount of the fund balance decreased again in FY2015, an increase in lands sold in FY2015 and FY2016 helped

to stem that decline. The fund balance is slowly declining due to appropriations exceeding revenues. This account is dependent on land sales.



Expenditure projections are based on spending authorized in law for the current biennium and base appropriations carried out through 2021.

FY2017 Accomplishments

- Division of Forestry supported acquisition of 108 acres in Fillmore County as well as a 4 acre acquisition in Olmstead County.
- Division of Parks and Trails completed an acquisition from the University of Minnesota in Bear Head Lake State Park for 241 acres; acquired 7 acres on Paul Bunyan State Trail; completed land sales on Glacial Lakes, Paul Bunyan and Heartland State Trail for 1 total acre. Completed a public water access public sale of 1 acre on Pine Lake in Clearwater Country.
- The FAW Land Acquisition Account was largely dedicated to transaction costs for a number of sales and exchanges. Acquisitions supported with this account were a handful of tax forfeit and school trust parcels. The largest expenditure was relocation cost related to a previous acquisition.

Additional Resources

[Division of Lands and Minerals](#)

State Land & Water Conservation (LAWCON) Account

Brief Overview

- Governing statute: M.S. 84.0264 (previously 116P.14)
- Year established: 2001
- Primary Division: Parks and Trails

Sources and Uses of the Funds

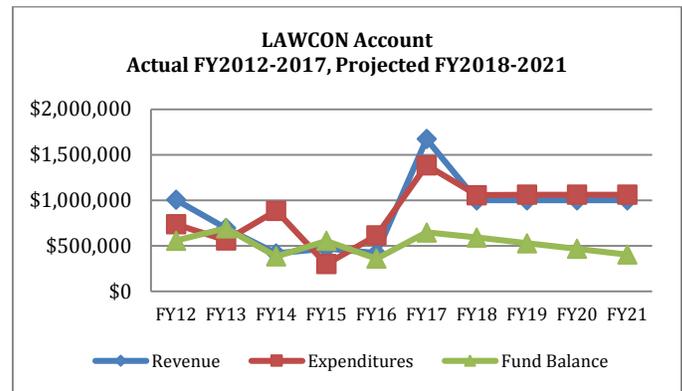
From 1965 to 2015, Minnesota has received over \$74 million from the federal Land & Water Conservation Fund. M.S. 84.0624 distributes 50 percent of each annual apportionment to projects developed, acquired, or maintained by local units of government. The State distributes these funds through the Outdoor Recreation, Regional Park, and Natural and Scenic Areas grant programs. The other 50 percent is allocated to state acquisition and development projects of the state outdoor recreation system as defined in M.S. 86A, and for administrative expenses necessary to maintain the state’s eligibility for the federal Land & Water Conservation Fund grant program.

Each year, the State identifies the specific acquisition and development projects to which its annual federal LAWCON apportionment will be obligated. As the projects are completed, the federal LAWCON funds are reimbursed to the State. All money received by the State for local units of government is appropriated annually and reimbursed to the project sponsor. All money received for state agency projects is deposited in the State LAWCON Account.

FY17 Financial Summary	
Beginning fund balance	\$360,766
Prior year adjustments	\$0
Revenues	
Federal Reimbursement	\$1,584,884
LAWCON Local Reimbursement	89,760
Total Revenues	\$1,674,644
Expenditures	
Parks and Trails Mgmt	\$1,386,326
Ending fund balance	\$649,084
Net change	\$288,318

Forecast

This account is a reimbursement program and can fluctuate depending upon the timing of the expenditures and when revenues are collected.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021.

FY2017 Accomplishments

- Developed new group camp, new campground loop, restroom and shower facilities, camping cabins, picnic shelters, furnishings, and utilities for outdoor recreation in Whitewater State Park. Purchased and installed bike tune up stations in State Parks and Trails.
- Completed grants to the cities of Lonsdale, Canby, Monticello, East Grand Forks and Menahga to expand close to home recreation opportunities.
- Administered the grant program to continue the State’s eligibility to receive future LAWCON apportionments from the National Park Service.

Additional Resources

[Land and Water Conservation Fund \(LAWCON\)](#)

[National Park Service, Land & Water Conservation Fund](#)

[Statewide Comprehensive Outdoor Recreation Plan 2014-2018 \(SCORP\)](#)

[Parks and Natural Areas Funded by the Land & Water Conservation Fund \(LAWCON\)](#)

Lottery in Lieu Accounts: State Parks & Trails Account

Brief Overview

- Governing statute: M.S 297A.94
- Year established: 2000
- Primary division: Parks and Trails

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The funds must be used for specified purposes:

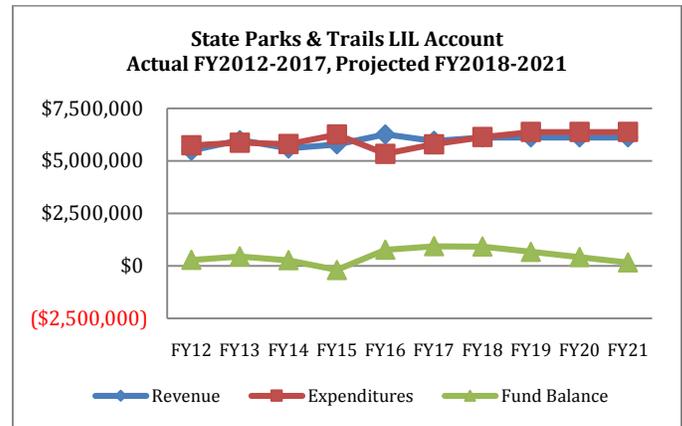
- State Parks and Trails Account (LIL) – money is spent only for state parks and trails

The State Parks & Trails LIL account provides funds to maintain and operate state parks and trails.

FY17 Financial Summary	
Beginning fund balance	\$769,679
Prior year adjustments	\$12,315
Revenues	
State Parks and Trails - Lottery in lieu	\$5,945,116
Misc Receipts	<u>2,084</u>
Total Revenues	\$5,947,200
Expenditures	
Parks and Trails Mgmt	\$5,694,319
Enforcement	72,319
Conservations Corps Minnesota	<u>25,000</u>
Total Expenditures	\$5,791,638
Ending fund balance	<u>\$937,556</u>
Net change	\$167,877

Forecast

The fund balance is declining slightly due to appropriations exceeding revenues.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021

FY2017 Accomplishments

Total expenditures from this account are used to manage state parks and trails by:

- Maintaining the buildings and grounds for day and overnight use;
- Maintaining state non-motorized trails;
- Paying labor costs and purchasing supplies for these activities;
- Providing a safe environment for visitors, orientation, and visitor services; and
- Providing environmental education, resource management, interpretive services, and emergency maintenance when needed (i.e., broken water and sewer lines, power failures, downed trees, etc.).

Additional Resources

[State Comprehensive Outdoor Recreation Plan](#)

[DNR reports](#)

[Strategic Conservation Agenda 2009-2013](#)

[Minnesota State Parks Strategic Plan 2006-2011](#)

[Long range conservation plans and strategies](#)

[DNR publications](#)

[Recreation Grants](#)

[Parks & Trails](#)

Lottery in Lieu Accounts: Local Trails Grants Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary division: Parks and Trails

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The funds must be used for specified purposes:

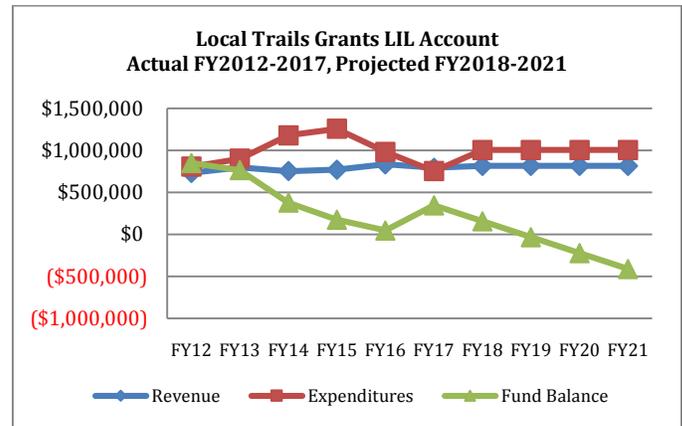
- Local Trails Grants Account (LIL) – money is spent only for local trail grants and

This LIL grant funding is made through the Local Trail Connections Program and the Regional Trail Grant Program, established in MN Statutes 85.019. Funded grant projects include acquisition and betterment of public land and improvements needed for trails. Counties, cities, and towns are eligible for the grants.

FY17 Financial Summary	
Beginning fund balance	\$48,026
Prior year adjustments	\$257,823
Revenues	
Local Trails Grants- Lottery in lieu	\$792,682
Expenditures	
Parks and Trails Mgmt	\$752,599
Ending fund balance	\$345,932
Net change	\$297,906

Forecast

Revenues remain steady through FY21. The fund balance is projected to decrease due to appropriations exceeding revenues through FY2021.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2017 Accomplishments

There were ten grants funded to local communities in FY2017 for Local Trail Connections, Regional Trails and Local Parks. These ten statewide recipients include nine cities and one county. These grants help to acquire and develop local recreation park facilities and trails to connect citizens with the outdoors.

Additional Resources

[Local Grants and Pass through Appropriations](#)

Lottery in Lieu Accounts: Metro Parks & Trails Grants Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary entity: Metropolitan Council

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

Under M.S. 297A.94 (e), 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The funds must be used for specified purposes:

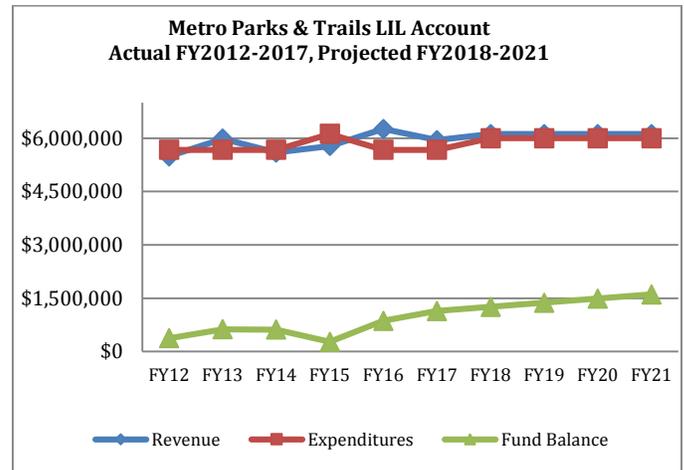
- Metropolitan Parks and Trails Account (LIL) – money is spent only for metro park and trails grants.

The Metropolitan Council allocates the Metro Parks & Trails funds to the metro region park boards. Recipients include the counties of Anoka, Washington, Ramsey, Scott, Carver, and Dakota; cities of St. Paul and Bloomington; the Minneapolis Park and Recreation Board; and the Three Rivers Park District.

FY17 Financial Summary	
Beginning fund balance	\$865,341
Prior year adjustments	\$0
Revenues	
Metro Parks and Trails - Lottery in lieu	\$5,945,116
Expenditures	
Metropolitan Council	\$5,670,000
Ending fund balance	\$1,140,457
Net change	\$275,116

Forecast

The fund balance is slightly increasing due to revenues projected to exceed appropriations.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021.

FY2017 Accomplishments

The Metro Parks and Trails LIL funds are used by the Metropolitan Council to support the seven-county regional park system. This parks system includes 54 parks and park reserves and 8 special recreation features totaling over 55,000 acres open for public use. The system also has 42 regional trails totaling 362 miles. The funding pays for operational and maintenance costs on a cost reimbursement basis.

Additional Resources

[Metropolitan Council](#)

Lottery in Lieu Accounts: Zoos Account

Brief Overview

- Governing statute: M.S. 297A.94
- Year established: 2000
- Primary entities: Minnesota Zoo, Como Zoo & Duluth Zoo

Sources and Uses of the Funds

Legislation provided that the sales of state lottery tickets would be exempt from sales tax, and the lottery would make payments to the state treasury in lieu of the sales tax equal in amount to what the sales tax would have been on the gross proceeds of lottery ticket sales.

Under statute 50 percent of the “lottery in lieu” receipts are credited to these four accounts. State Parks & Trails Account receives 22.5 percent; Metro Parks & Trails Account receives 22.5 percent; Local Trails Grants Account receives 3 percent; and the Zoos Account receives 2 percent. The funds must be used for specified purposes:

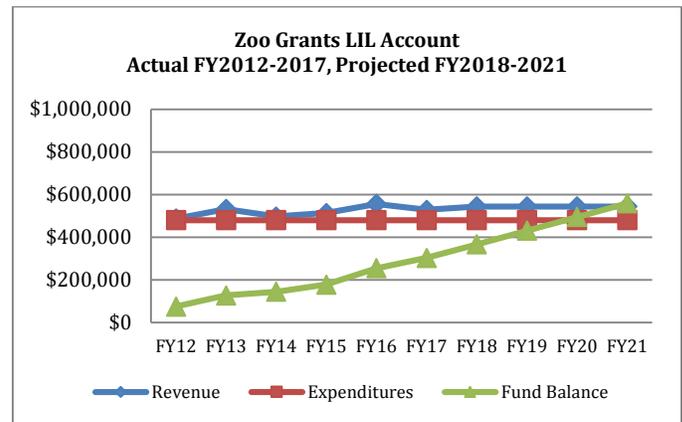
- Zoos Account (LIL) – money is spent only by: the Minnesota Zoological Garden, the Como Zoo and Conservatory, and the Duluth Zoo. The lottery money funds a portion of the operations.

The three zoos named in the legislation receive pass-through appropriations to support operations and activities of the zoos. The Minnesota Zoo, the Como Zoo and the Duluth Zoo each receive \$160,000. The three zoos use these grant funds to help support their general operations.

FY17 Financial Summary	
Beginning fund balance	\$254,456
Prior year adjustments	\$0
Revenues	
Minnesota Zoos - Lottery in lieu	\$528,455
Expenditures	
Operations Support-Como & Duluth Zoos	\$320,000
Minnesota Zoo	160,000
Total Expenditures	\$480,000
Ending fund balance	\$302,911
Net change	\$48,455

Forecast

Revenues and expenditures remain steady through FY2021. The fund balance is increasing due to revenues exceeding appropriations.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021.

Additional Resources

[Minnesota Zoo](#)

Minerals Management Account

Brief Overview

- Governing statute: M.S. 93.2236
- Year established: 2005
- DNR administers mineral rights: 12 million acres
- Primary division: Lands and Minerals

Sources and Uses of Funds

Mineral management responsibilities include state mineral evaluation and promotion, issuing leases for exploration and mining, negotiating royalty rates and rentals, and managing revenue transactions related to mining and exploration. The program also provides technical assistance to local governments on mineral resources and mining issues.

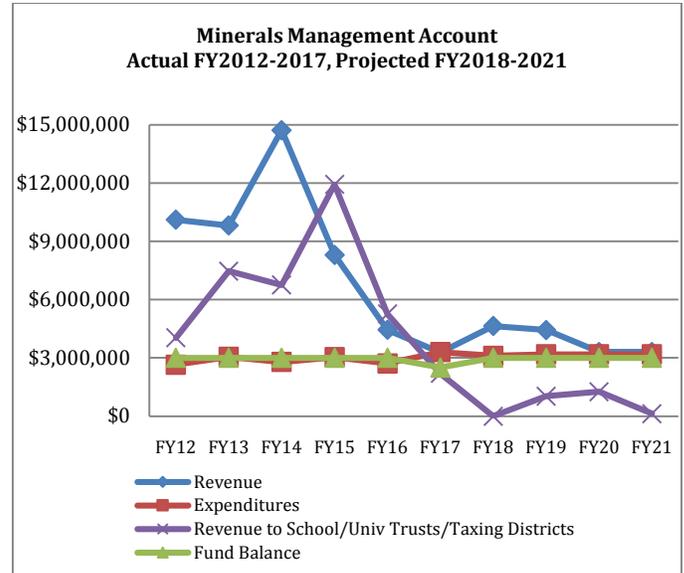
Revenues from state mineral leases are collected from mining companies and distributed in accordance with state law to benefit schools, the university, and local taxing districts. The Minerals Management program objective is to maximize mineral lease revenues for the Permanent School Fund, the Permanent University Fund, and local units of government.

The funds and accounts that directly benefit from mineral income pay for a portion of the costs of state minerals lease and ownership activities. Twenty percent of the payments made under all state mineral leases are credited to this account to pay the costs associated with the administration and management of the state’s mineral resources. Money in the account is appropriated by the legislature to the commissioner for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities.

FY17 Financial Summary	
Beginning fund balance	\$4,724,484
Prior year adjustments	\$68
Revenues	
Iron Ore Rents & Royalties	\$2,778,844
Misc Receipts	<u>495,659</u>
Total Revenues	\$3,274,503
Expenditures	
Lands and Minerals	\$3,295,614
Univ., School Trust, Taxing Districts	<u>2,197,357</u>
Total Expenditures	\$5,492,971
Ending fund balance	\$2,506,084
Net change	(\$2,218,400)

Forecast

Revenues are dropping due to reduced mining throughout the state. The fund balance is declining due to appropriations exceeding revenues. There are no transfers projected for FY18 due to the level of the account falling below the \$3 million threshold.



Note – At the beginning of each fiscal year, the amount of the beginning balance in excess of \$3 million is distributed to the School, University and Taxing Districts according to the proportions of revenue sourced from those lands.

FY2017 Accomplishments

- Completed a very successful Metallic Mineral Lease Sale, with five exploration companies submitting bids to lease 60% of the 195,324 acres that were offered.
- Worked with the State Attorney General’s Office and ERP Iron to recover \$1.85 million in debt that was tied to the Magnetation bankruptcy case.
- Generated \$495,000 in School Trust revenue selling waste rock that was used for the highway 53 bridge.
- Completed a gold mineral potential assessment in the Cook Area and initiated a survey of lithium potential on state-managed mineral rights in Northern MN.
- Enhanced public access to historical mineral exploration data with uploaded content and updated interactive maps on the MnDNR and MCC web sites.

Additional Resources

[Lands and Minerals Publications](#)

Mining Administration Account

Brief Overview

- Governing statute: M.S. 93.481
- Year established: 2008
- Primary division: Lands and Minerals

Sources and Uses of the Funds

The 2008 law provided that ferrous mining (taconite and iron ore) administrative fees would be charged to owners, operators, or managers of mines and the revenues deposited to the new account. The revenues were appropriated to the DNR to cover the costs of administering and monitoring permits to mine ferrous metals.

In the last months of FY2009, the law was amended to provide that deposits to the account would include all fees charged to owners, operators, or managers of mines under M.S. 93.481 and a new section, M.S. 93.482 (Reclamation Fees). The mining administrative fee was extended to include ferrous, nonferrous, peat, and scam mining.

Each year, the annual permits to mine fees are collected based on the number of companies holding permits in the previous calendar year, whether or not there was production at the facilities.

The funds are used for mineland reclamation activities that control adverse environmental impacts of mining, preserve natural resources, and encourage future land utilization planning. These activities also promote the orderly development of mining, encourage good mining practices, and recognize the beneficial aspects of mining. Supported activities within mineland reclamation include:

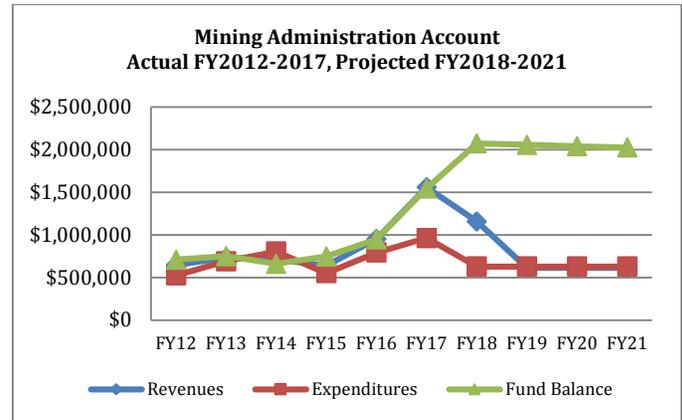
- Mine permitting & site inspections;
- Wetland impact avoidance, minimization, and mitigation;
- Annual report and operating plan review;
- Research toward reclamation practice improvement; and environmental review.

FY17 Financial Summary	
Beginning fund balance	\$947,577
Prior year adjustments	\$0
Revenues	
Mineland Reclamation Fees	\$1,549,008
Misc Receipts	8,858
Total Revenues	\$1,557,866

FY17 Financial Summary	
Expenditures	
Lands and Minerals	\$961,750
Ending fund balance	\$1,543,693
Net change	\$596,116

Forecast

The fund balance continues to increase due to revenues exceeding expenditures.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021.

FY2017 Accomplishments

Administered, monitored, and amended:

- Eight active taconite permits;
- Two closure status taconite permits;
- Six scam mining permits;
- Ten peat mining permits;
- Working with two facilities to develop innovative reclamation projects, including ensuring the facility's compliance with existing rules and approval requirements, and monitoring installation.

Additional Resources

[Mining and Mineral Resources of Minnesota](#)

[Lands and Mineral publications](#)

[Establishment of a Permit to Mine Administration and Application Fee Schedule \(report to legislative committees, published Jan. 2009\)](#)

[Reclamation section publications](#)

[Reclamation: Minnesota DNR](#)

Natural Resources Misc. Statutory Account (Dedicated Receipts Account)

Brief Overview

- Governing statute (year established):
- M.S. 89.421 (2007), Forest Resource Assessment Products
- M.S. 85.46 (2007), Horse Pass Account
- M.S. 89.21 (2012), Forest Campgrounds
- Primary divisions: Forestry, Parks and Trails

Sources and Uses of Funds

The Natural Resources Dedicated Receipts Account is the repository for the statutorily-appropriated dedicated accounts in the Natural Resources Fund.

Money deposited in the Natural Resources Misc. Statutory Account comes from these sources:

- Sales of forest resource assessment products and services; and
- Horse pass and forest campground fees.

Money in the Natural Resources Misc. Statutory Account can be used for these purposes:

- Maintain staff and facilities producing the aerial photography, forest inventory, remote sensing, and satellite imagery products and services;
- For trail acquisition, trail and facility development, and maintenance, enforcement, and rehabilitation of horse trails or trails authorized for horse use; and
- Costs associated with the use of forest campgrounds.

New Sources

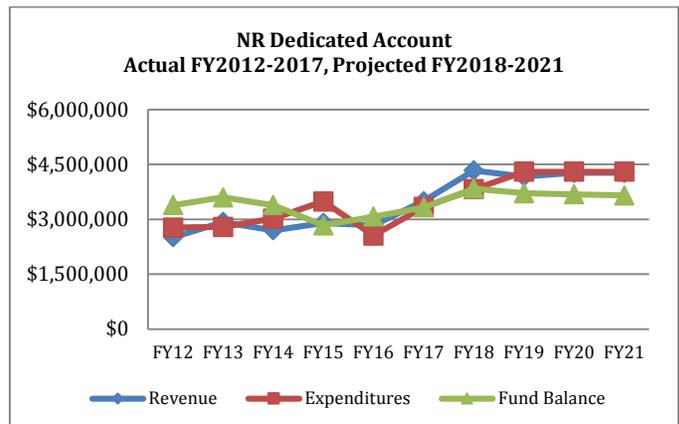
This is the first year that the State Parks and Trails Special Plates are being offered for passenger automobile, recreational vehicle, one ton pickup trucks and motorcycles. A \$50 minimum donation will annually be added to this account with the issue of each license plate.

FY17 Financial Summary	
Beginning fund balance	\$3,075,006
Prior year adjustments	\$91,635
Revenues	
Easement, water & land crossing licenses, water fees	\$568,727

FY17 Financial Summary	
Water fees, inspection & gas storage fees	182,689
Fire burn & Decorative bough permits, misc. forestry fees	1,718,009
Horse Trail Pass, Forest Campground Fees, SP License Plates, misc park fees	508,138
Misc Receipts, ELS transfer-in	<u>517,948</u>
Total Revenues	\$3,495,511
Expenditures	
Forest Management	\$2,696,615
Lands and Minerals	304,401
Parks and Trails Mgmt	254,992
Ecological and Water Resources Mgmt	76,780
Fish and Wildlife	<u>2,012</u>
Total Expenditures	\$3,334,800
Ending fund balance	<u>\$3,327,352</u>
Net change	\$252,346

Forecast

Approximately 49 percent of the total receipts in the Dedicated Receipts Account were from the Forestry Resource Assessment Products and Services Account. Horse Trail pass, forest campgrounds and State Park (SP) Special Plate fee contributed 15 percent of the revenue. The fund balance increased by 8 percent this year. The fund balance is expected to decline slightly due to expenditures exceeding revenues.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021.

FY2017 Accomplishments

National Wetland Inventory: Completed additional remote sensing work (Stochastic Depression Analysis-SDA) in NE & Central MN including assessment of quality on 288 quarter quads in Central and 190 quarter quads in NE.

- 1.2 million acres of wetland monitoring;
- 313,000 acres of blowdown aerial imagery acquired in the Hill City Aitkin area in the summer of 2016;
- 23 million acres of aerial forest health survey;
- 4,084 acres of forest regeneration detection;
- 5000 miles of roads surveyed for Terrestrial Invasive Species;
- 1000 field sheets entered into the Firewise Data Entry program;
- 235 miles of oblique coastal imagery acquired of the north shore from Duluth to Canada, 2,400 individual images acquired.
- Scanned 5000 historical photos;
- Created urban tree inventory maps for 4 municipalities;

- 6 state forest maps completed, Paul Bunyan & Badoura were combined as one map.

Parks and Trails manages:

- 1,100 campsites in 47 state forest campgrounds
- 1,000 miles of horse trails and 500 horse campsites

Additional Resources

[Horseback Riding.](#)

[Frequently asked questions about the horse trail pass](#)

[Horse Trail Pass at Work \(list of funded projects\)](#)

[State Forest Horse Campgrounds and Trails](#)

[Purchase horse trail passes \(electronic licensing center\)](#)



Nongame Wildlife Management Account

Brief Overview

- Governing statute: M.S. 290.431
- Year established: 1980 (program established in 1977)
- Loon abundance: 2.63 loons per 100 acres in Aitkin/Crow Wing index area
- Primary division: Ecological and Water Resources

Sources and Uses of Funds

The principal objectives are the conservation of nongame wildlife species and management and conservation of their habitats.

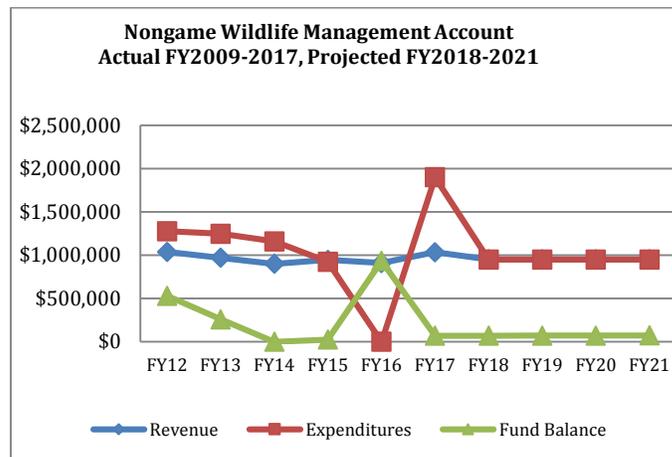
The program works to protect over 800 species of nongame wildlife.

The principal source of funding for this program is contributions by taxpayers on their state income tax and property tax forms, sometimes referred to as the “Chickadee Checkoff.” Individuals who file a state income tax return (M-1) or property tax refund claim (M1-PR) may donate to the Nongame Wildlife Program.

FY17 Financial Summary	
Beginning fund balance	\$934,269
Prior year adjustments	\$0
Revenues	
Donations from income tax return	\$1,031,650
Misc Receipts	<u>3,572</u>
Total Revenues	\$1,035,222
Expenditures	
Ecological and Water Resources Mgmt	\$1,900,187
Ending fund balance	<u>\$69,304</u>
Net change	(\$864,965)

Forecast

Revenues remain steady with a slight increase in FY17. The account is managed to ensure uses to not exceed revenues.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021.

FY2017 Accomplishments

- Collaboration continues with AudubonMN for monitoring the migration of golden eagles, and with the Guanacaste Dry Forest Conservation Fund to solicit donations from Minnesotans for support of Costa Rican students who are assisting with protection and educational efforts about Neotropical migrant birds. They have initiated a new DNA study on the food habits of wintering wood thrushes.
- LCCMR research on loons and white pelicans has been completed and the results have been submitted to the US Fish and Wildlife Service to initiate payment of NRDAR damage payments to the State of Minnesota for loon and pelican conservation remediation actions.
- Coordination continues with bird banders, Nongame Wildlife Program field staff and tern researchers to monitor the status and management needs for the falcons, swans, and common terns.
- Project WILD held 18 workshops and trained a total of 437 educators and youth leaders. Project WET held 23 workshops and trained 539 educators.
- The Bald Eagle webcam has been a huge success and has generated a lot of support for protection of bald eagles and for the DNR Nongame Wildlife Program. Similarly, the peregrine falcon webcam is very popular and is a constructive way to celebrate the recovery of the peregrine falcon in Minnesota.

Additional Resources

[Nongame Wildlife Program](#)

[Statewide Nongame Projects](#)

[Habitat projects](#)

[Research reports](#)

[Wildlife rehabilitation home page, organizations](#)

[Tomorrow's Habitat for the Wild and Rare: Action Plan](#)

[License plates](#)

[Online donation to Nongame Wildlife program](#)



Snowmobile Trails and Enforcement Account

Brief Overview

- Governing statute: M.S. 84.83
- Year established: 1982
- Registered snowmobiles: 216
- Primary divisions: Enforcement, Parks and Trails

Sources and Uses of the Funds

Fees from the registration of snowmobiles, trail pass, and one percent of the unrefunded gasoline taxes attributable to snowmobile use are the main sources of funding in the Snowmobile Account. The account funds may be spent only as appropriated by law, for:

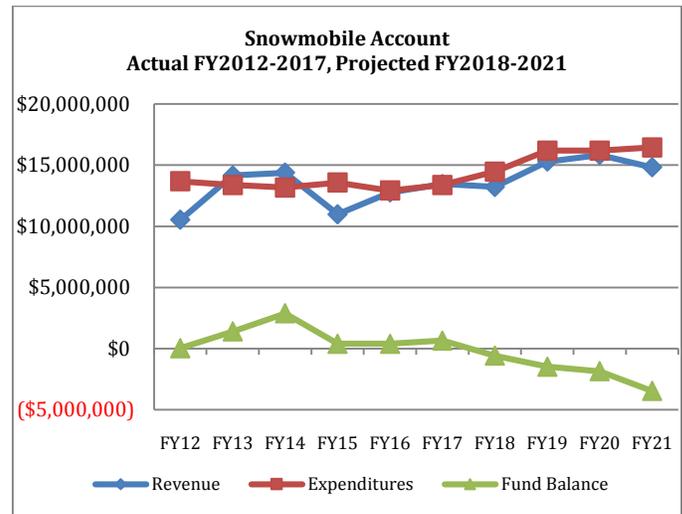
- A grant-in-aid program to local units of government for construction and maintenance of snowmobile trails;
- Acquisition, development, and maintenance of state recreational snowmobile trails;
- Snowmobile safety programs; and
- Administration and enforcement of the laws concerning snowmobiles in M.S. 84.81 to 84.91, and grants to local law enforcement agencies.

FY17 Financial Summary	
Beginning fund balance	\$396,354
Prior year adjustments	\$195,963
Revenues	
Snowmobile Registration	\$5,708,940
Misc Receipts	373,263
Unrefunded gasoline tax & police state aid	<u>7,371,174</u>
Total Revenues	\$13,453,377
Expenditures	
Parks and Trails Mgmt	\$10,937,189
Enforcement	1,833,363
Fish and Wildlife	520,654
Lands and Minerals	13,000
Conservations Corps Minnesota	<u>75,000</u>
Total Expenditures	\$13,379,206
Ending fund balance	\$666,488
Net change	\$270,134

Forecast

Revenue from registrations and trail permits are correlated with the weather's impact on snowmobiling. An on-going structural imbalance

between spending and receipts is being managed on an annual basis.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through FY2021. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2017 Accomplishments

- 12,550 hours on enforcement, education and safety training activities.
- 62 grants issued to counties and local government for law enforcement and education and trail maintenance.
- Employees and volunteer instructors trained 6811 youth and adults through the snowmobile safety education program.
- Developed, managed, and maintained more than 900 miles of recreational snowmobile trails that were open to the public.
- Administered grants-in-aid that were available to local units of government to create and maintain locally initiated trails totaling 21,328 miles, through 178 grants.

Additional Resource Links

[Snowmobiling home page](#)

State Parks Account

Brief Overview

- Governing statute: M.S. 85.052, subd. 4.
- Year established: 2000
- State parks: 66
- State recreation areas: 9
- Yearly visitors: 9.4 million
- Primary Division: Parks and Trails

Sources and Uses of the Funds

We manage 66 state parks, 9 state recreation areas, 8 state waysides, and 62 state forest campgrounds/day use areas.

Fees paid by visitors who purchase products and services within a state park, state recreation area or wayside, and for special state park uses, are credited to the State Parks Account.

Money in the State Parks Account is available to operate and maintain the state park system, under M.S. 85.055, subd. 2, when appropriated by the legislature. Costs of the DNR electronic licensing system attributable to state park permits also comes out of this account.

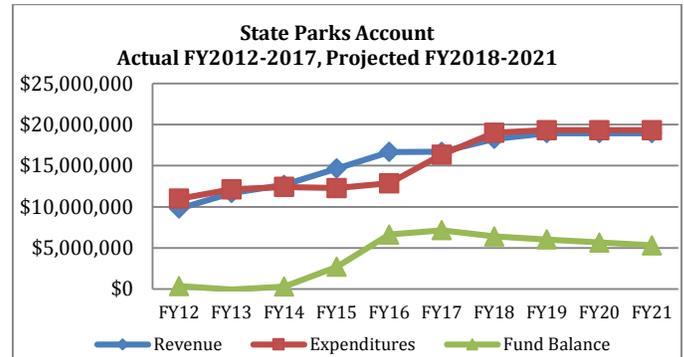
FY17 Financial Summary	
Beginning fund balance	\$6,618,862
Prior year adjustments	\$179,701
Revenues	
Camping Fees	\$8,077,956
Park Permits	5,288,654
Park facilities rentals & concessions	1,991,406
Misc Receipts	1,309,274
Unredeemed gift cards & police state aid	17,883
Total Revenues	\$16,685,173
Expenditures	
Parks and Trails Mgmt	\$16,110,080
Enforcement	75,262
Fish and Wildlife	2,197
Conservations Corps Minnesota	150,000
Total Expenditures	\$16,337,539
Ending fund balance	\$7,146,197
Net change	\$527,335

Forecast

Camping fees accounted for 48 percent of revenues, park permits were 32 percent, and park facility

rentals and concessions were 12 percent. Revenues and expenditures remain steady.

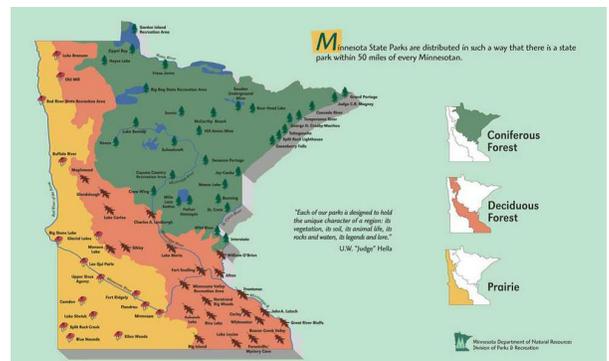
The State Parks Account is 13 percent of Parks and Trails total division budget.



Revenues and expenditures in the State Parks Account continue to grow at a steady pace. Current estimates show that the fund is structurally balanced through 2021.

FY2017 Accomplishments

- The DNR saw record attendance and camping use at the parks. The Fall Color Campaign, excellent staff work, and great weather helped spur the high attendance.
- Accomplished resource management activities such as native plant community restoration, prescribed burning and invasive control on approximately 504 acres of division lands. Conducted Wild & Scenic River easement monitoring and reviewed/administered easement authorization requests.



Additional Resources

[Minnesota State Parks](#)

[A Strategic Conservation Agenda](#)

[State Parks Permits](#)

[Reservations](#)

[State Park Studies](#)

Water Management Account

Brief Overview

- Governing statute: M.S. 103G.27
- Year established: 2011
- Primary Division: Ecological and Water Resources

Sources and Uses of the Funds

Money deposited in the Water Management Account comes from these sources:

- Water Use fees (about 83% of revenue comes from this source);
- Fees from Field Inspections;
- Penalties;
- Application fees for water use and public waters work permits;
- Other receipts according to section 103G.271 and 103G.301; and
- Interest earned on money in the account accrues to the account.

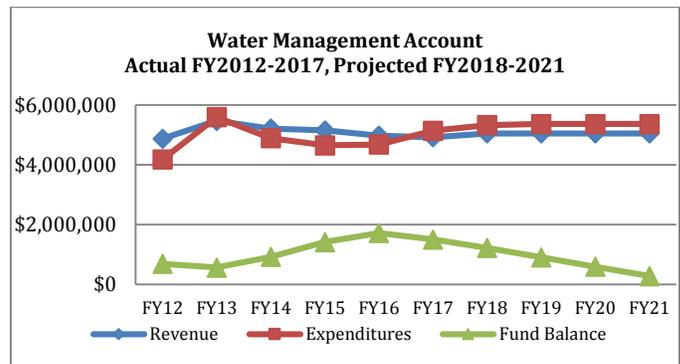
In accordance with M.S. 103G.27, money from this account may only be spent on costs associated with administering Chapter 103G. Currently, funds are used only by staff in the Ecological and Water Resources Division (EWR). EWR uses the money in the Water Management Account for these purposes:

- Staff time to process permit applications for water use and for work in public waters;
- Staff time to process water use reports and verify fees;
- Field inspections of proposed public water alteration proposals;
- Dam safety inspections and permit processing cost;
- Public water inventory mapping;
- Calcareous fen protection;
- Surveys of lake outlets and ordinary high water elevations;
- Stream, lake and groundwater gaging work (when related to permit requirements);
- Great Lakes Compact-related work;
- Drought;
- Water conservation;
- Obtaining field survey data for technical analyses; and
- Preparing topographic maps and profiles.

FY17 Financial Summary	
Beginning fund balance	\$1,720,154
Prior year adjustments	\$1,183
Revenues	
Water Fees	\$4,909,055
Misc receipts	<u>10,952</u>
Total Revenues	\$4,920,007
Expenditures	
Ecological and Water Resources Mgmt	\$5,138,974
Ending fund balance	\$1,502,370
Net change	(\$217,784)

Forecast

Revenues are projected to remain steady through FY2021. Appropriations slightly exceed revenues causing the fund balance to decline.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021.

FY2017 Accomplishments

- Completed permit reviews and made decisions on 1,140 water appropriation and 832 public waters permit applications and change requests to existing permits. 150 well construction preliminary assessments were completed.
- Processed 9,786 water use reports and verified correct water use fee payments. 90% of water use reports are completed online and 10% are submitted on paper.
- Issued 14 dam safety permits and permit amendments.
- Inspected 188 dams, including 26 Class 1 high-hazard dams and 14 Class 2 significant-hazard dams.
- Collected water use information from 146 permit holders in the Lake Superior watershed. This information is used to compile an annual summary report for the Great Lakes Regional Water Use Database.

Water Recreation Account

Brief Overview

- Governing statute: M.S. 86B.706
- Year established: 1985
- Public water access sites: 1,700
- Primary divisions: Parks and Trails, Enforcement, Fish and Wildlife, Ecological and Water Resources

Sources and Uses of the Funds

Money deposited in the fund is used for water recreation programs such as public water access, boating facilities, small craft harbors, and water safety.

The majority of money deposited in the Water Recreation Account comes from these sources:

- Fees from registration and titling of watercraft; and
- Unrefunded gasoline tax attributable to watercraft use.

Money in the Water Recreation Account can be used for these purposes:

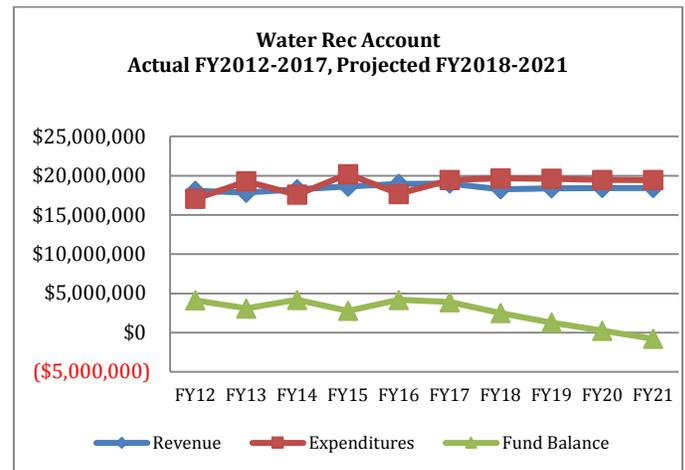
- Acquisition, development, maintenance, and rehabilitation of public water access and boating facilities on public waters, lake and river improvements, and boat and water safety;
- Maintenance, operation, replacement, and expansion of state-operated or state-assisted small craft harbors and mooring facilities, and the debt service on state bonds sold to finance these facilities;
- Administration and enforcement of Chapter 86B as it pertains to watercraft titling and licensing and the use and safe operation of watercraft;
- Grants for county-sponsored and administered boat and water safety programs;
- State boat and water safety efforts; and
- Management of aquatic invasive species.

FY17 Financial Summary	
Beginning fund balance	\$4,176,373
Prior year adjustments	\$170,430
Revenues	
Watercraft Registration	\$6,415,949
Misc Receipts	1,460,477
Unrefunded gasoline tax & police state aid	<u>11,122,571</u>

FY17 Financial Summary	
Total Revenues	\$18,998,997
Expenditures	
Parks and Trails Mgmt	\$10,644,424
Enforcement	4,529,830
Fish and Wildlife	2,033,107
Ecological and Water Resources Mgmt	1,424,749
Lands and Minerals	20,000
Conservations Corps Minnesota	50,000
Invasive Species Account	<u>750,000</u>
Total Expenditures	\$19,452,110
Ending fund balance	\$3,893,690
Net change	(\$282,683)

Forecast

Fees for watercraft registration, license issuance and watercraft titling are 34 percent of the revenue for this account. Unrefunded gasoline taxes on watercraft (transfers into the account) made up 58 percent of the revenue. Revenues and expenditures have been fairly steady. The fund balance is projected to decline due to appropriations exceeding revenues through FY2021.



Expenditure projections are based on spending authorized in law for the current biennium and carried out through 2021. The department will manage levels of spending to ensure the account does not go negative as shown above.

FY2017 Accomplishments

- The Division of Parks & Trails manages: more than 1,650 public water access sites; over 4,500 miles of State Water Trails for canoeing, kayaking, boating and camping on 34 rivers and Lake Superior; and 10 small craft harbors/protected accesses on Lake Superior, including 2 state owned marinas.

- Water Recreation funds, often matched with federal boating access funds, support major improvements to the quality of public water access through development projects. These projects incorporate best management practices for accessibility, storm water runoff, shoreline erosion, and controlling the spread of aquatic invasive species. Water Access Site renewal projects included: Lake of the Woods - Zipple Bay (Lake of the Woods County), Island Lake (St. Louis County), Coon Lake (Anoka County), Spring Lake (Dakota County), Green Lake - City of Spicer (Kandiyohi County), Clearwater Lake (Stearns County), Grindstone Lake (Pine County), Mississippi River - Goose Lake (Wabasha County). One access site was replaced: Girl Lake (Cass Lake).
- The Division of Enforcement trained 7015 youth and adults in boating safety.
- Conservation Officers provided 22,839 hours of boating safety work on our lakes and rivers. This work includes safety checks, addressing illegal operation and search and rescue.
- Issued nearly 4,700 permits to lakeshore property owners to manage aquatic plants for access or reasonable recreational opportunity while protecting fish and wildlife habitat.
- The License Center issues all watercraft registrations and titles through a Web based ELS available from 175 registration agents (deputy registrars). In 2017, 826,351 boats were registered statewide.
- Surveyed 85 counties to assess shoreland administrative activities financed through Natural Resource Block Grants, and prepared a summary report to share the results.
- Provided assistance, training, and oversight to local governments in administering zoning ordinances and reviewing development requests to protect shorelands and state-protected riverway. Provided 8 workshops dealing with variances, shoreland ordinance administration and higher shoreland standards.

Additional Resources

[Strategic Conservation Agenda 2009-2013](#)

[Welcome to the Grants Outcomes website](#)

[State Comprehensive Outdoor Recreation Plan](#)

[Minnesota State Parks Strategic Plan 2006-2011](#)

[Long range conservation plans and strategies](#)



