Game and Fish Fund Budgetary Oversight Committee

Authorized under *Minnesota Statutes*, section 97A.044, subd. 4b

Citizen Oversight Report on Game and Fish Fund Expenditures Fiscal Year 2011

June 2012

Game and Fish Fund Budgetary Oversight Committee

—Authorized under Minnesota Statutes, section 97A.055, subd. 4b—

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RE: Budgetary Oversight Committee Report on FY 2011

Commissioner, Senators and Representatives:

On behalf of the Game and Fish Fund Budgetary Oversight Committee (BOC), please accept our sincere thanks for your efforts in passing legislation to increase hunting and license fees during the recent legislative session. As you are all aware, fee increases were critically needed this session to preserve the solvency of the Game and Fish Fund and maintain current fish and wildlife management programs and activities across the state. We appreciate your continued support of Minnesota's outdoor recreation heritage, especially in an election year.

Enclosed please find the BOC's Fiscal Year 2011 Review Report. The BOC and its two subcommittees believe that FY 2011 Game and Fish Fund expenditures complied with the overall requirements of the Game and Fish Fund. The Subcommittee sections of our report identify several account-specific concerns and recommendations. We wish to highlight the following topics for your attention:

1. The BOC encourages the Department to continue land acquisition from a variety of funding sources and partnerships in agricultural areas for wildlife habitat to provide opportunities for hunters, trappers, and other recreationists, improve water quality, reduce severity of flooding, and related prairie, wetland, and grassland benefits.

2. The BOC recommends that the Department take additional measures to improve the image of the DNR by making it a higher priority with existing staff. More effective communication with hunters, anglers, and the public on department activities are needed to foster a better understanding of conservation and outdoor recreation and the specific requirements of various sources of funding.

3. The BOC looks forward to seeing how the Department utilizes the information gleaned from the previous LCCMR appropriation for wildlife management area planning to develop standards to optimize game management on WMAs for habitat management, food plots, winter cover, grasslands, and wetlands to improve hunter experiences and management consistency of WMAs across landscape regions.

4. The BOC is concerned that there is currently a $5.6 Million unobligated balance in the Federal Boating Access Grant account. It will be important for the DNR to assign sufficient resources to complete the projects for which these funds are intended in a timely manner to avoid the potential to revert Federal funding and provide additional boating and fishing access.

Again, thank you for your continued support of healthy, abundant, fish and wildlife populations and their habitats. The members of the BOC are available to discuss any of our FY2011 recommendations. We also look forward to continuing discussions concerning how the solvency of the Game and Fish Fund can be maintained.

Yours truly,

/s/ John Hunt
Chair, Game and Fish Fund Budgetary Oversight Committee

Table of Contents

Introduction and Overview

The newly reorganized Game and Fish Fund Budgetary Oversight Committee (BOC) is comprised of members selected from the Wildlife Oversight Committee (WOC) and the Fisheries Oversight Committee (FOC). Both the WOC and FOC are made up of 12 members appointed by the Commissioner of Natural Resources. The BOC Chair is also appointed by the Commissioner. A number of the WOC and FOC members are serving on an oversight committee for the first time, so much of the time this inaugural year was spent on orientation to the Game and Fish Fund, review of general wildlife operations revenue-expenditures-outcomes, review of specific wildlife dedicated accounts, and review of expenditures and outcomes for work completed by other divisions in the department (Enforcement, Forestry, Lands and Minerals, and Operations Support). Wildlife Section Chief Dennis Simon is the department liaison with the WOC and Fisheries Section Chief Dirk Peterson is the department liaison with the FOC.

While this year's oversight of Game and Fish Fund expenditures was cursory rather than in depth, expenditures appeared to be in keeping with statutory requirements and sound management practices. The Section of Wildlife has exceeded expectations for separating employee salaries from allowable dedicated funds such as the Waterfowl Stamp and Pheasant Habitat accounts and continues efforts to streamline operational efficiencies and effectiveness. This has occurred through office and wildlife area consolidations, fleet management, and reorganization of core habitat functions within the section.

The top three recommendations of the WOC this year are:

- Support to continue land acquisition from a variety of funding sources and partnerships in agricultural areas for wildlife habitat to provide opportunities for hunters, trappers, and other recreationists, improve water quality, reduce severity of flooding, and related prairie, wetland, and grassland benefits.

- Take additional measures to improve the image of the DNR by making it a higher priority with existing staff. Communicate more effectively with hunters, anglers, and the public on department activities so there is a better understanding of conservation and outdoor recreation and the specific requirements of various sources of funding.

- Utilize the information gleaned from the LCMR appropriation for wildlife management area planning to develop standards to optimize game management on WMAs for habitat management, food plots, winter cover, grasslands, and wetlands to improve hunter experiences and management consistency of WMAs across landscape regions.

The top recommendation of the FOC this year is:

- The FOC examined the operations of Parks and Trails Division with regard to the Boating Access Program. There is currently a $5.6 Million unobligated balance in the Federal Boating Access Grant account and while the State is not at immediate risk of losing these funds, the Committee requested information on Parks and Trails Division plans to expend these funds for priority projects that will benefit the angling public. The Committee received a list of projects that will result in obligations of available funds over time, provided compliance requirements are met. The list includes a large number of land acquisition projects of which 12 are in various stages of completion and 11 are under development. It will be important for the DNR to assign sufficient resources to complete these projects in a

timely manner to avoid the potential to revert Federal funding and provide additional boating and fishing access.

This report was approved by the Game and Fish Fund Budgetary Oversight Committee (BOC) by an email vote completed on June 25, 2012.

Expenditure Review and Policy Recommendations by DNR Program

Fish Management ($32,417,000)

The Section of Fisheries manages 5,400 lakes and 16,000 miles of fishable streams and rivers. Anglers spend over 30 million days of fishing and harvest about 30 million pounds of fish annually. The section's core functions include fish population management, habitat management, culture and stocking, education and outreach, planning and coordination, and division support.

Budget Recommendations

- With limited dollars available for fisheries management, the committee has concerns whether the State's anglers are served best "in a long term sense" by the percentage of stocking expenditure. Is a "put-and-take" management philosophy better than a "habitat protection / improvement" philosophy? The department should evaluate cost of stocking per unit catch, and report back to the committee next year. This report will allow the committee and its stakeholder anglers to evaluate better the true cost and effectiveness of stocking efforts.

- As the department decides how to spend the newly available enhanced license revenue, the committee suggests backfilling recently cut management efforts as a priority. The committee does not support increased stocking efforts at this time.

Policy/Activity Recommendations

- The committee feels the division should review its efforts at fostering partnerships between itself and anglers. Operation orders are in place that guide but seem to place boundaries on how DNR can interact. The committee would like to continue this discussion with the hope that new thinking can improve this very limited activity.

- The committee applauds the Fisheries Section's response to our discussions and look forward to a successful partnership between the State's Coldwater anglers and the Section in generating new dollars for habitat work on the State's southern trout streams.

- The department needs to be more aggressive in controlling invasive species that affect the long-term health of angling opportunities and water quality by partnering with other agencies and the academic community. The committee requests an assessment of the cost benefit of expenditures and various alternatives.

Wildlife Management ($30,565,000)

The Section of Wildlife manages 1,430 wildlife management areas (WMA) totaling more than 1.3 million acres. Over 50 wildlife species are managed through regulated harvest. These efforts provide opportunities for 575,000 licensed hunters. Game expenditures relate to five core functions: habitat management, population management, education and outreach, planning and coordination, and division support.

Budget Recommendations

With the passage of increased license fees during the 2012 Legislative session, the Game and Fish Fund has been saved from insolvency in the short term. The long-term sustainability of the Game and Fish Fund, however, remains a concern. First and foremost, the fees are not tied to any index such as inflation, cost of living or even gas prices. As a result, the Department's ability to manage

the state's lands proactively is hampered in the long term by an inability to increase revenues to the fund at the same time that expenses are inevitably increasing.

In addition, the long-term solvency of the Game and Fish Fund is of concern as general fund dollars allocated to the Department have been decreasing if not reduced to zero in certain Divisions. As a result, the Game and Fish Fund has been relied upon more heavily by all of the Divisions of the Department, including some by Legislative enactment. As an example, the Division of Forestry now relies on the Game and Fish Fund for forestry management on wildlife management areas (Minnesota Statutes, section 97A.055, subd. 2b) where this was previously paid for by General Fund dollars allocated to the Division of Forestry.

Other budgetary recommendations include:

- Align wildlife revenue with wildlife expenditures so increased funding that has previously been used for fisheries management (approximately $1.5 million) is appropriated and available for wildlife management.

- Support continued funding for finishing the Ecological Classification System (ECS) for wildlife management of forest lands by using additional non-Game and Fish Fund sources such as the Environmental Trust Fund.

Policy/Activity Recommendations

- Improve the coordination of BOC involvement with biennial budget development, work planning, and related annual activities to meeting statutory direction.

- Strongly support efforts to continue WMA acquisition in agricultural areas to provide increased wildlife habitat for hunting, trapping and other recreation, improve water quality, reduce severity of floods, and related benefits.

- Continue fine tuning performance management objectives and outcomes for all division activities. Evaluate the cost/benefits of wider dissemination by including them on the DNR website or other media so that hunters, anglers, and the public have access to the information to increase their understanding of accomplishments, challenges, and opportunities.

- Develop operating standards and optimize game management on WMAs for habitat management, food plots where appropriate, winter cover, grasslands, and wetlands to improve hunter experiences and management consistency of WMAs across landscape regions.

- Support current efforts to realign section personnel resources to focus on key areas of habitat management. Evaluate this reorganization to determine the success of increasing habitat acreage in active management by 2016 and any savings realized in other areas of the operation.

- Ensure that grazing on WMAs is limited to achieving specific resource management goals. Evaluate the costs and benefits of rotational grazing activities on state land and determine impacts to hunting opportunities by 2014.

- Provide regular information through a variety of medium to better inform the public about the projects and activities of the Section of Wildlife (make this a priority using existing staff to achieve this goal).

- Support a formal evaluation regarding the change in management of the Permanent School Trust Fund to examine cost benefit of new legislative direction and resultant impacts to hunters and anglers to the BOC by 2016.

- Support current re-evaluation of population goals to increase deer populations in areas with low numbers.

- Include license vendors in the development of license structures.

- Provide enhanced information to hunters, ELS vendors and other stakeholders so they are aware of the reasons for making decisions on seasons and license options.

Other Issues

Elk, Wolf, and Moose Management

The WOC has reviewed three Big Game Management plans developed by the Section of Wildlife, for elk (Cervus elaphus), wolf (Canis lupus), and moose (Alces alces). Elk population surveys, depredation management, and hunt management are all funded 100% by the Game and Fish Fund ($43,000 budgeted in FY11); wolf population management, legal fees for delisting, and depredation management are all funded from Game and Fish Fund in 2011 & 2012. Moose aerial surveys, mortality research, moose habitat management, and moose plan development were all funded by Game and Fish Fund. It is the recommendation of the WOC that Game and Fish Fund dollars continue to be spent on these three species, especially with regard to the first legal wolf harvest in Minnesota in fall 2012, continued harvest of elk in northwest Minnesota, and for the iconic moose as their population continues to decline in northeast Minnesota. The WOC will continue to monitor and assess Game and Fish Fund spending on these important species in future years.

Wildlife Management of Private Lands

The WOC has reviewed the Private Lands Habitat Management efforts as described in the 2011 Game and Fish Fund Report. The Game and Fish Fund Report states that 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 and assist private landowners. The current Private Lands Program contributes money to a Farm Bill implementation partnership with the Board of Water and Soil resources, which fulfills the goal to maximize the use of existing private lands programs. The majority of land in Minnesota is in private ownership. In order to make significant strides toward improving and increasing habitat in the State it is critical to work with private landowners to implement habitat improvement and restoration projects. The G&FF Report also describes several DNR habitat management programs including wetland management and grasslands management. The DNR also is working to implement a moist soil management program to improve waterfowl habitat. These habitat programs are all programs that could and should be implemented on not only public land but also private lands. The current Private Lands Program does not have the staff to work with private landowners and offer technical assistance to private landowners to implement habitat projects. Wildlife management on private lands is an issue of concern and will be vetted in detail in 2011.

License Center Operations ($4,586,000)

The License center handles the distribution of licenses, stamps, and permits required by hunter, anglers, trappers and commercial game and fish operators. Agents for the Electronic Licensing System (ELS) process approximately 99% of all transactions. More than 2.5 million licenses, permits and various transactions were handled through ELS generating $58 million in revenue for the year.

Policy/Activity Recommendations

- The 2011 administrative cost of generating the Game and Fish Fund revenue was about 8% of revenue. The committee asks, "*Whether $4.6M is too high a cost for collecting $58 million in Game and Fish Fund revenue?"*

- Utilize technology to reduce long-term costs while maintaining or enhancing high quality customer service of license center operations for all lottery processes.

Ecological and Water Resources ($3,679,000)

The Division of Ecological and Water Resources used the Game and Fish Fund for ten programs: aquatic plants, aquatic invertebrates, stream habitat protection, Mississippi River management, Lake Habitat protection, natural resource damage assessments, education and information, environmental review, planning and coordination, and information systems.

Budget Recommendations

- The committee was completely satisfied with the Division's report on expenditures from the Game and Fish Fund.

- However, an area of cost that needs attention is the work-up of Environmental Assessment Worksheet reports. Largely because the Responsible Government Unit is "many," it often falls on the DNR to provide this service. The committee asks, *"Whether a change in funding/statute can prevent the Game and Fish Fund from holding the tab for these costs?"*

Enforcement ($20,305,000)

The Division of Enforcement provides officer and staff hours devoted to the core functions of law enforcement, public safety, and education.

Policy/Activity Recommendations

- DNR should assess the efficacy of the present design of its enforcement effort. The present format may not be the most cost-effective enforcement.
    - A records management system is lacking that can accurately provide violation rate.
    - A significant percentage of actual citations were in response to specific targeted group enforcement efforts.
    - 29% of budget is spent on "not direct field service hours."

  The committee asks the DNR to provide a report on both the effectiveness of various patrol strategies and potential modifications to the Division's design by 2014.

- Continue angler and hunter enforcement activity hours at FY12 levels in spite of enhanced aquatic invasive and other enforcement needs.

- Research alternatives for conducting a survey to assist in determining compliance rates of angling and wildlife regulations by 2014.

Forestry ($1,502,000)

The Division of Forestry administers 3.9 million acres of state forest lands. In addition, they provide timber sale management services on about 600,000 acres of other state lands. Typical harvest on state wildlife management areas can be in the 40,000-acre range. Forestry game and fish

expenditures focus on completing the Ecological Classification System (ECS) and control of invasive species.

Budget Recommendations

- Seek alternative funding such as from the Environmental Trust Fund to finish the Ecological Classification System (ECS) on the remaining 2.5 million priority acres of forested state lands.
- Reduce overhead for managing commercial harvest on WMAs for wildlife habitat management to reduce Game and Fish Fund reimbursement costs.

Policy/Activity Recommendations

- Maintain DNR's dual certification program on 4.8 million state-administered forest lands.
- Monitor access and development easements on the approximately 91,000 acres of new forest legacy lands to ensure benefits are maintained for hunting and trapping.
- Optimize outcomes from commercial harvest on state lands to achieve specific game management objectives by providing an increased level of detail in subsection resource plans.

Lands and Minerals ($1,377,000)

The Division of Lands and Minerals manages real estate transactions on 5.7 million acres of state land and 12 million acres of state mineral rights. The division is responsible for land surveys and managing real estate transactions on game and fish lands.

Budget Recommendations

- Hold the line on professional services charges and Office of Enterprise Technology overhead expenses so that the four year multi-million dollar lands record system is completed on time and within budget.

Policy/Activity Recommendations

- Develop standards so that land acquisition, surveying, and related work can be completed within a timeframe that is commensurate with private and non-profit real estate transactions.

Parks and Trails ($2,694,000)

The Division of Parks and Trails manages the state park system, state trails, water trails, and boat accesses. The game and fish account is used to fund 16% of the water recreation program to improve the quantity and quality of boat accesses across the state. Minnesota is second in the nation for the number of registered boats (814,000) and first in the nation in the number of boats per capita. Federal law requires 15% of Dingell-Johnson Sport Fish Restoration funds be used for acquisition, development, and renovation or improvement of motorboat access for recreational boating.

The committee looked at both the Game and Fish Fund and the Water Recreation Account expenditures for boating and fishing access by the Parks and Trails Division.

Budget Recommendations

- The FOC examined the operations of Parks and Trails Division with regard to the Boating Access Program. There is currently a $5.6 Million unobligated balance in the Federal Boating Access Grant account and while the State is not at immediate risk of losing these funds, the Committee requested information on Parks and Trails Division plans to expend these funds for priority projects that will benefit the angling public. The Committee received a list of projects that will result in obligations of available funds over time, provided compliance requirements are met. The list includes a large number of land acquisition projects of which 12 are in various stages of completion and 11 are under development. It will be important for the DNR to assign sufficient resources to complete these projects in a timely manner to avoid the potential to revert Federal funding and provide additional boating and fishing access.

- A "bottleneck" in the process was a mandatory title review and deed clearance by the Attorney General's Office, which often resulted in delays. This review is important to assure avoidance of problems with title adequacy. The Committee understands that this title review function was transferred back to the DNR Lands and Minerals Division. The Committee recommends that "clearance" is given a high priority within the DNR's Lands and Mineral's Division.

- The Committee also has some concerns that should be explored further by DNR regarding the adequacy of internal controls and accountability of funds that are dedicated from the Water Recreation Account for boating access. It appears that Water Recreation Account dollars may be comingled with other accounts. The Committee recommends that the DNR examine its financial accounting and internal control processes to ensure that both Game and Fish Fund dollars and Water Recreation Account dollars are used consistent with legislative direction and proper accounting practices.

- The Committee recognizes that this function was transferred recently to the Parks and Trails Division from the Fish and Wildlife Division. It will be important to ensure that there is adequate training of both fiscal and program personnel in the Division and Regions to ensure proper accountability of both Game and Fish Fund and Water Recreation accounts. Division management and staff appear to be fully committed to ensuring proper accountability and process improvement for the Game and Fish Fund and the Water Recreation Account.

Policy/Activity Recommendations

- The Committee also requested a description of the strategic planning process for boating access projects to ensure that available Game and Fish Fund and Water Recreation Account monies were going to the highest priority projects. DNR staff explained that the process involves the DNR administrative regions identifying projects with decisions made for access projects based primarily on "opportunity." When asked about overarching goals and priorities, Parks and Trails staff indicated that the description of overall priorities is outlined in program documentation but "consisted primarily of first priority given to lakes with no access, then large lakes with inadequate access."

- The Committee also requested information about public participation in the boating access planning process. DNR staff indicated that all public participation requirements are met through formal environmental review process on proposed projects. The DNR also indicated that there is no "stakeholder" group involvement in the boating access program.

Therefore, little organized public participation occurs identifying boating and fishing access needs. The committee views this as a limiting weakness in today's program.

- The Committee recommends that the Parks and Trails Division work closely with the Fish and Wildlife Division to develop a strategic planning process that outlines overall long-term goals, objectives and priorities. Furthermore, the division should publish operational plans that outline projects that are "approved," "actively in the pipeline," and "just completed," as well as maintain lists of high priority projects for which future funding is needed. These two lists of funded projects and unmet project needs should be contained in an annual report of accomplishments. In addition, the Committee recommends that Parks and Trails solicit participation in a boating access stakeholders group to provide input from the boating and fishing public. This will help the DNR obtain support for this program and its budgetary requests from the Legislature.

- The Committee requests that the Parks and Trails Division address these recommendations in a response to the Committee, and develop a detailed report next year, similar to the Game and Fish Report, on their activities paid for by both the Game and Fish Fund and the Water Recreation Account. The report should include: a description of the strategic planning process used to make decisions on boating access projects with appropriate public input, coordination mechanisms with the Fish and Wildlife Division, and a description of the management and accounting controls that are in place to ensure proper accountability of the Game and Fish Fund and the Water Recreation Account for boating and fishing access.

Operations Support ($960,000)

A new Division of Operations Support provides administrative support for department budget management, infrastructure management such as fleet and engineering services, communications and outreach, and human resources. This division is funded through professional service type agreements that are made with the other divisions who receive a mix of dollars from dedicated funds, General Fund, bonding, and other sources of revenue to cover those expenses. Operations support also includes costs associated with the commissioner's office and four regional offices.

Budget Recommendations

- Develop budget options for operations support consistent with division requirements of cost control strategies.

- Include regional and commissioner's office in any budget scenarios for reductions or enhancements.

Statewide Indirect and Transfers ($1,485,000)

This topic was not examined this year.

Game and Fish Dedicated Accounts

Deer and Bear Management and Deer Management Account ($1,725,000)

The Deer and Bear Management Account is funded from a $1 surcharge on each deer and bear license and a similar surcharge from each validated lifetime license to be used for management of deer and bear.

The Deer Management Account is funded from a $2 surcharge on the sale of each deer license and a similar surcharge from validated lifetime deer licenses for deer habitat improvement or management. Some activities include habitat evaluation, data management, prescribed burns, forest openings, census and surveys, season management, animal population research, personnel and support costs. Fifty cents from each license goes into an emergency deer feeding and cervid health management account.

Policy/Activity Recommendations

- Maintain deer population within goal in 78% of deer permit areas and adjust goals per current stakeholder input meetings.
- Include license vendors in the development of license structures.
- Provide enhanced information to hunters, ELS vendors and other stakeholders so they are aware of the reasons for making decisions on seasons and license options.
- Effectively manage terrestrial invasive species for optimal winter food and cover through increased forest management efforts of 5000 acres per year.
- Support current re-evaluation of population goals to increase deer populations in areas with low numbers.
- Continue to explore additional non-Game and Fish Fund sources to deal with unanticipated cervid health issues.

Waterfowl Habitat Improvement Account ($979,000)

This account is funded through a $7.50 annual stamp that is required by all waterfowl hunters 18 years of age and older. Money from the account may be used for development of wetlands and lakes through habitat evaluation, construction of water control structures, nest cover, rough fish barriers, management of migratory waterfowl, restoration, maintenance, and preservation of waterfowl habitat.

Budget Recommendations

- Develop a plan for incremental increases in the state waterfowl stamp to (at a minimum) keep pace with inflation.

Policy/Activity Recommendations

- Develop a third waterfowl season zone across southern Minnesota to allow for late season field and river hunting opportunities.

- Continue recruitment and retention efforts to reach a goal of 110,000 annual licensed hunters. Current estimate is approximately 90,000 participants.

- Restore 40,000 acres of wetlands and grasslands annually through partnership efforts, RIM easement, WMA acquisitions, and various farm bill programs. This number is an ambitious target in the DNR's *Strategic Conservation Agenda* as well as a BOC recommendation in 2010.

- Establish 16,000 acres of seasonal wetlands using moist soil management techniques. The department conservation goal is 12,000 acres with some stakeholders desiring a much higher target.

- Enhance 1,800 shallow lakes for waterfowl migration habitat. This is a long-term goal first recommended by the BOC in 2010.

- Increase Minnesota's Mississippi Flyway harvest share to 1970s level of one-sixth of the total harvest. This is an ambitious target in the DNR's *Strategic Conservation Agenda*.

Trout and Salmon Management Account ($933,000)

This account is funded through a $10 trout and salmon stamp. Money from this account is used for the development, restoration, and preservation of trout streams and lakes, rearing of trout and salmon , stocking in streams, Lake Superior, and other lakes, and efforts that further access for angling opportunities.

Policy/Activity Recommendations

- The committee reviewed recent changes in the pattern of the Trout and Salmon Stamp expenditure and is ***satisfied***.

- However, the 2011 Game and Fish Fund Report did not adequately define the expenditures from the stamp; we request that next year's report demonstrate in a more comprehensive manner the efficacy and use of these dollars.

Pheasant Habitat Improvement Account ($1,182,000)

The Pheasant Habitat Improvement Account (PHIP) is funded through a $7.50 annual habitat stamp that is required by anyone 18 years and older who hunt pheasants to be used for the development, restoration and maintenance of suitable pheasant habitat. It includes the promotion of pheasant habitat development and maintenance of government farm programs and federal conservation reserve programs.

Budget Recommendations

- Develop a plan for incremental increases in the state pheasant stamp to (at a minimum) keep pace with inflation.

Policy/Activity Recommendations

- Reduce the use of PHIP funds for food plots on private land and reallocate funds for private land management. This was a BOC recommendation in 2010.

- Achieve an annual harvest of 500,000 ringnecks per year. The department target harvest is 450,000. Pheasants Forever supports a long range target of 750,000 which would require 6 million acres of grasslands.

- Continue to place a priority on the partnership with BWSR to continue technical support to landowners and their participation in Federal Farm Bill Conservation Programs.

- Create a best management practice (BMP) guide for food plots on private land and develop a strategy to distribute to landowners as recommended by the BOC in 2010. The plan should be consistent with the pheasant habitat model that includes winter cover, grasslands, and food within a 9-square mile block.

Wild Rice Management Account ($111,000)

This account is funded through a daily and annual wild rice harvesting license with the purpose of managing designated public waters to improve wild rice production.

Policy/Activity Recommendations

- Continue to foster wild rice productivity by partnering with Ducks Unlimited to control negative impacts of beaver impounded wild rice areas.

- Manage 330 lakes by 2013. The current target in the department's *Strategic Conservation Agenda* is 300 lakes.

Wildlife Acquisition Account (Small Game License Surcharge) ($2,520,000)

This account is funded through a $6.50 small game surcharge. At least 50% of money from this account must be spent on price of land costs. The remainder of the account can be used for development and maintenance of wildlife lands and developing, preserving, restoring, and maintaining waterfowl breeding grounds in Canada.

Policy/Activity Recommendations

- Continue to acquire the highest priority WMA lands to provide contiguous blocks large enough to provide hunting and trapping opportunities at a rate of 8,000 acres per year utilizing a variety of funding sources. This target is the same as the target in the department's *Strategic Conservation Agenda* with expected Lessard-Sams Outdoor Heritage funding.

Wild Turkey Management Account ($274,000)

This account is funded through $4.50 of each adult turkey license. Money from this account can be used for the development, restoration, and maintenance of suitable habitat for wild turkeys on public and private land. Some of the activities include timber stand improvement, establishment of nesting cover, winter roost areas, and stable food sources. Spring turkey zones were reduced to nine in 2012. In addition, the department instituted a BOC recommendation to offer unlimited over-the-counter licenses the last two time periods and unlimited over-the-counter licenses for archery hunters for the last time periods.

Policy/Activity Recommendations

- Conduct a survey in 2014 to determine hunter satisfaction with newly created turkey zones.

- Enhance information provided to private landowners to maximize wild turkey productivity as recommended by the BOC in 2010.

- Pursue easements from willing sellers to access public lands open to public hunting surrounded by private land as recommended by the wild turkey management committee in 2010.

Heritage Enhancement Account ($12,521,000)

Revenue for this account is generated from in-lieu-of-sales-tax on the sale of lottery tickets. Half is directed for spending on activities that improve, enhance or protect fish and wildlife resources.

Budget Recommendations

- Conduct an audit to ensure that 87% of this account is spent in the field.

Policy/Activity Recommendations

- Continue "Archery in the Schools" program, hunter recruitment, and restore grants to conservation organizations for habitat improvements.

Lifetime Fish and Wildlife Trust Fund ($316,000)

The WOC received an overview of this fund and makes no budget or policy recommendations this year.

Walleye Stamp Account ($537,000)

The walleye stamp is a voluntary stamp created in 2008. Money in the account is used for walleye stocking of a specific body of water, or costs for supplies and equipment for walleye stocking operations.

Policy/Activity Recommendations

- Stakeholders believe that the Walleye stamp statute implies that the Walleye Stamp moneys are used for stocking beyond the stated goals set forth by DNR. The committee recommends clarification and education for stakeholders.

- The monies collected by the program were to be used entirely for walleye stocking with the exception of a small amount for promotion of the program. The committee asks that an evaluation of the "promotion" effectiveness be done.

- In the original legislation, the program had no set level of non-DNR reared fish that must be purchased. We are told now that 100% must be privately reared fish. The BOC asks, *"Is that the most cost-effective use of the revenues generated by the program?"*

- Recognizing both the huge expenditures on walleye stocking and the success of the mandatory Salmonid stamp, the committee suggests that the DNR should evaluate the potential for making the walleye stamp mandatory. That said, the committee feels strongly that the options for stamp expenditures would need to be changed by the legislature if a mandatory stamp is used.

- The committee requests the department investigate how often retailers ask license buyers, "*Do you want to purchase the walleye stamp?*" The department should determine whether

the low numbers of stamp sales is the product of “not being asked” versus “any other reason.”

Appendix

Additional issues that will be discussed in the coming year include the following:

- Examine the need to maintain an appropriate cash flow balance in the Heritage Enhancement Account to keep expenditures in line with revenue. The intent is to avoid unallotment of funds during a biennium that disrupt ongoing management strategies to enhance grasslands, wetlands, and various other wildlife field operations.

- Examine what opportunities might exist for the department to realize a greater share of revenue collected from mineral exploration or leases on appropriate DNR lands.