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## Who Pays for the DNR?

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*The DNR vision is:*

*“We will work with people  
to manage the state’s  
diverse natural resources  
for a sustainable  
quality of life.”*

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# WHO PAYS FOR THE DNR?

Minnesota Department of Natural Resources

**Fiscal Year 1996**

(July 1, 1995 - June 30, 1996)

## I. Purpose

This report provides a summary of the Minnesota Department of Natural Resources' (DNR) funding sources and expenditures and relates them to the total state budget. It addresses the question of how much each individual citizen pays for DNR programs.

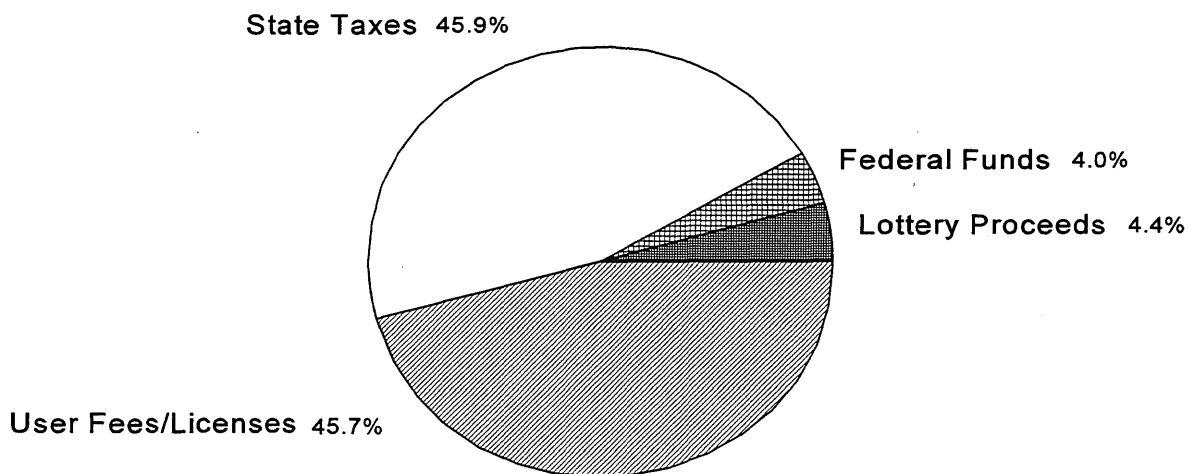
## II. Summary

The DNR's operating budget was \$194.2 million. Programs were funded by a variety of

sources: 1) state tax revenues provide \$89.2 million or 45.9%, 2) user fees/licenses/permits provided \$88.5 million or 45.7%, 3) lottery proceeds provided \$8.6 million or 4.4%, and 4) federal funds provided \$7.8 million or 4.0%. DNR tax supported expenditures were nearly 1% of total General Fund expenditures, and only 6.1% of General Fund expenditures for the Government Operations category. The per capita state General Fund expenditure was \$1,949. The average citizen paid about \$18 for DNR programs, including \$8.44 of Individual Income Tax and \$5.95 of Sales Tax.

Figure 1

### Funding Sources DNR Operating Budget (FY 1996)



Total = 194.2 Million

Source: DNR Biennial Budget

### III. Source of Funds

(Table 1 provides detail on DNR funding for FY 1996.)

#### State Taxes

DNR tax-supported expenditures were \$89.2 million. Of this amount, \$84.3 million was General Fund tax receipts from the following: Individual Income Tax, \$39.3 million or 20.2% of total spending; Corporate Income Tax, \$6.7 million or 3.4% of total spending; Sales Tax, \$27.7 million or 14.3% of total spending; Motor Vehicle Excise Tax, \$3.6 million or 1.9% of total spending; and other taxes, \$7.0 million or 3.6% of total spending.

In addition, \$4.8 million of DNR expenditures, or 2.5% of total spending, was from the Minnesota Future Resources Fund that receives a portion of the Cigarette Tax. The Legislative Commission on Minnesota Resources (LCMR) provides oversight of these funds.

#### User Fee/Licenses/Permits

User fees/licenses/permits funded \$88.5 million, or 45.7% of DNR programs. Of this, \$11.6 million was deposited to the General Fund to partially offset the cost of DNR programs. These fees included water usage, forest campgrounds, timber sales, state parks entry permits, land rentals, mining rents and royalties, and miscellaneous fees.

The balance of these fees were deposited to dedicated non-General Fund accounts. These dedicated fees are charged to specific groups and are used to fund programs that directly benefit those groups. The general taxpaying public does not pay for these programs. Major categories of user fees/licenses/permits

include 1) sales of land, timber, water usage, mining rents and royalties, nursery stock, etc.; 2) vehicle registrations -- watercraft, snowmobile, all-terrain vehicle, off-road vehicle, and off-highway motorcycle, (included in this funding is the gasoline tax paid by the users); 3) hunting and fishing licenses; and 4) miscellaneous receipts -- includes gifts and donations, sale of merchandise, and payment for services.

#### Lottery Proceeds

These are expenditures of state lottery proceeds appropriated to the DNR from the Environment and Natural Resources Fund. They accounted for \$8.6 million, or 4.4% of total spending. The LCMR also provides oversight of these funds.

#### Federal Funds

Federal grants and reimbursements accounted for \$7.8 million, or 4.0% of total spending. (This did not include federal fish and wildlife restoration programs that by statute are deposited to the Game and Fish Fund.) Federal funds are derived from a number of grants programs where the money is granted for specific purposes and complements other DNR programs.

#### Pass-Through Funds

Pass-through funds, which amounted to \$2.0 million, are monies generated by DNR activities that are collected for and distributed to entities outside DNR. They are not considered part of the DNR operating budget but are included in Table 1 to be consistent with other documents.

**TABLE 1**  
**EXPENDITURES BY SOURCE**  
**FISCAL YEAR 1996**

SOURCE	Expenditures (000's)	Percent of Total	Who Pays ?
<b>State Tax</b>			
<b>General Fund</b>			
Individual Income Tax	39,307	20.2%	Individual Taxpayers
Corporate Income Tax	6,700	3.4%	Corporate Taxpayers
Sales Tax	27,702	14.3%	Consumers
Motor Vehicle Excise Tax	3,640	1.9%	Motorists
Other Tax	7,023	3.6%	Miscellaneous Taxes and Fees
Total General Fund	<u>\$84,372</u>	<u>43.4%</u>	
<b>Minnesota Resources Fund</b>			
Cigarette Tax	4,856	2.5%	Cigarette Consumers
<b>Total State Tax</b>	<u>\$89,228</u>	<u>45.9%</u>	
<b>User Fee/Licenses/Permits</b>			
<b>General Fund</b>			
	11,629	6.0%	Natural Resources Users
<b>Game &amp; Fish Fund</b>			
	50,310	25.9%	Anglers, Hunters, etc.
<b>Natural Resources Fund</b>			
Water Recreation	9,654	5.0%	Boaters
Snowmobile	6,339	3.3%	Snowmobilers
ATV, OHV, ORM	995	0.5%	Vehicle User
Non-Game Wildlife	844	0.4%	Voluntary Contributions
Land Acquisition	685	0.4%	Purchasers of DNR Lands
<b>Misc Operating Accounts</b>			
	8,090	4.2%	Various Users
Total User Fee/Licenses/Permits	<u>88,546</u>	<u>45.7%</u>	
<b>Lottery Proceeds</b>			
Environmental Trust Fund	8,636	4.4%	Lottery Players
<b>Federal Funds</b>			
	\$7,824	4.0%	Federal Taxpayers
<b>OPERATING BUDGET</b>	<u>\$194,234</u>	<u>100.0%</u>	
Pass Thru Accts	\$2,030		
<b>TOTAL EXPENDITURES</b>	<u>\$196,264</u>		

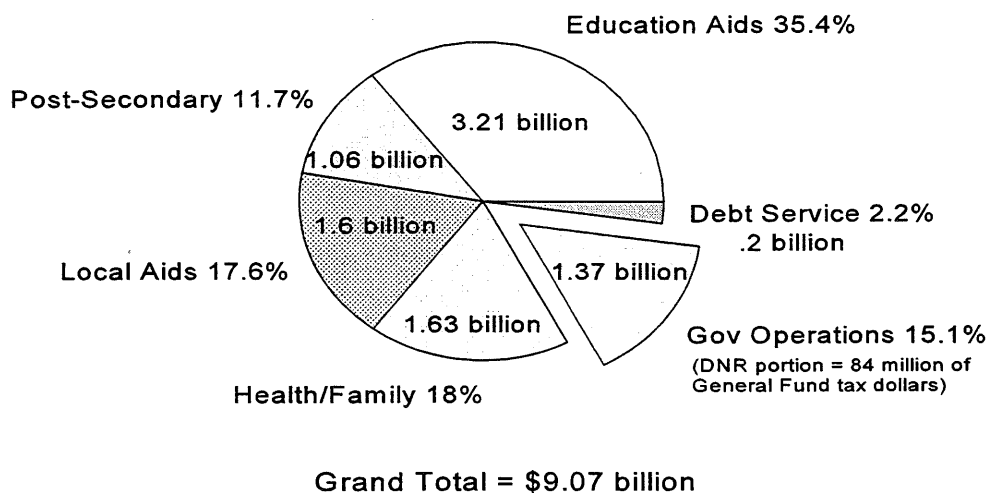
1) This data excludes bond funds.

2) Pass-Through funds: Tax Forefeited Revenues – 80% to Counties;  
Consolidated Conservation – 50% to counties; Once thru cooling – 75% to DTED.

3) General Fund User Fees - includes receipts deposited to Cambridge Deposit Fund.

Figure 2

## Total State General Fund Expenditures by Function FY 1996



Source: MN Dept of Finance February Forecast 2/27/97

### IV. DNR in Relation to Total State General Fund Expenditures

Total state General Fund expenditures were \$9.07 billion. The amounts allocated to the major categories were as follows: 1) Education Aids, \$3.21 billion; 2) Post Secondary Education, \$1.06 billion; 3) Local Aids and Assistance, \$1.6 billion; 4) Health Care and Family Support, \$1.63 billion; 5) Debt Service, \$0.2 billion; and 6) Government Operations, \$1.37 billion. The Government Operations category includes what people often think of as state government. It includes state-operated institutions, legislative, judicial, and constitutional officers, as well as state agencies in the executive branch, including DNR. Included within Government Operations was the \$84 million of tax dollars spent by DNR. This amounted to .93% of the state budget, or 6.1% of Government Opera-

tions. Figure 2 shows these relationships.

### V. Individual Taxpayers Support of DNR

The per capita total state General Fund expenditure was \$1,949 (based on population of approximately 4,658,000). DNR spent \$84 million of General Fund tax dollars. **This amounted to about \$18 per person. Of this, the average person in Minnesota paid Individual Income Tax of \$8.44 and Sales Tax of \$5.95 to fund DNR programs.** Figures 3 and 4 show the breakdown of this money.

Figure 3

### Total General Fund per Capita

Expenditures by Function FY 1996

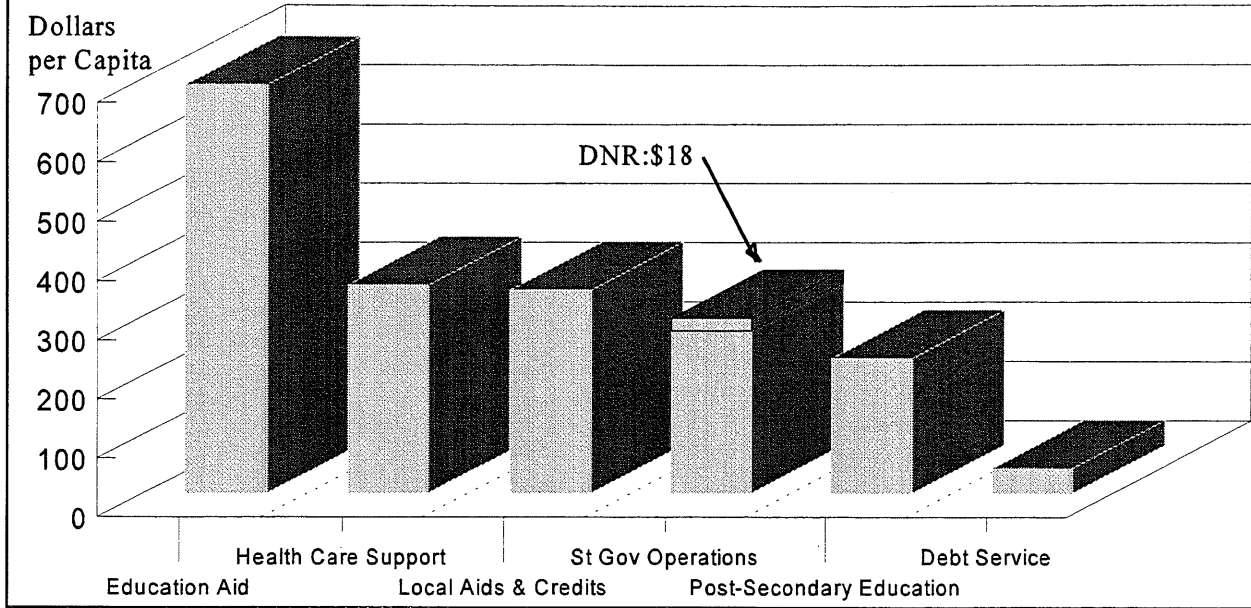
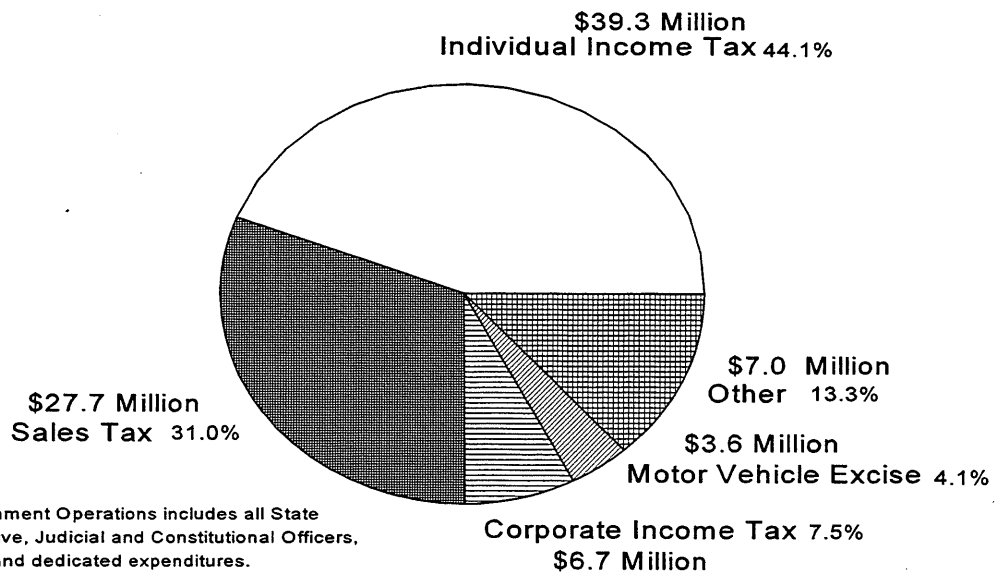


Figure 4

### DNR General Fund Tax Support



Note: State Government Operations includes all State Agencies, Legislative, Judicial and Constitutional Officers, State Institutions, and dedicated expenditures.

Source: MN Dept of Finance February Forecast 2/27/97

Total = \$84 million

