

**AT A GLANCE**

**Conserve, and manage natural resources**

- Manage **1.3 million** acres of wildlife management areas, **191,000** acres of scientific and natural areas, and **4.23 million** acres of state forest.
- Protect, monitor, enhance and restore habitat on **5,500** fishing lakes and **16,000** miles of streams and rivers.
- Manage **2,800** surface-water monitoring sites.

**Get people outdoors**

- Operate **75** state parks and recreation areas, **43** state forest campgrounds and **9** state waysides.
- Manage **2.4 million** license sales and **1.4 million** boat/vehicle registrations.
- Manage more than **26,200** miles of trails for hiking, biking, snowmobiles, off-highway vehicles, horseback riding and cross-county skiing.
- Manage **1,700** public water accesses, **368** fishing piers and **35** water trails.

**Build the economy**

- Manage fishing, hunting and wildlife-watching activities supporting **48,000** jobs and **\$3.8 billion** in economic activity.
- Manage **12 million** acres of state mineral rights contributing directly to the mining economy, including 3.5 million acres of school trust lands.
- Meet certification requirements on **5 million** acres of state forest lands that provide timber, habitat, clean water and recreational opportunities, including 2.5 million acres of school trust lands.

**Serve the public**

- Manage **2,800** facilities statewide.
- Direct an annual budget of roughly **\$550** million.
- **4,479** Employees worked **5.6 million** hours, which equates to **2,677** full time equivalents.

**PURPOSE**

**Our mission is to work with citizens to** 1) Conserve and manage natural resources, 2) Provide outdoor recreation opportunities; and 3) Provide for commercial uses of natural resources in a way that creates a sustainable quality of life.

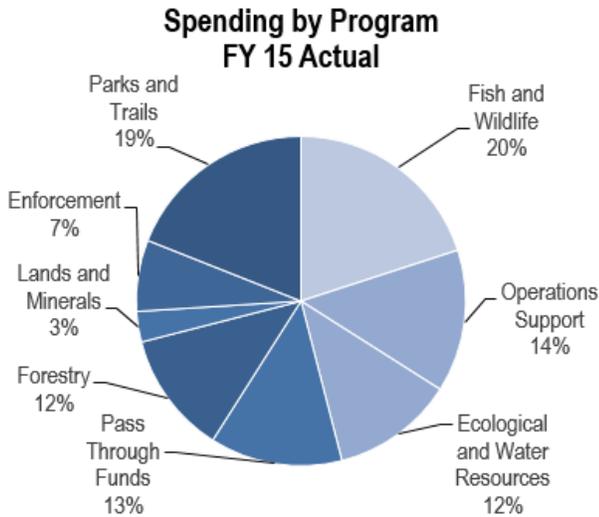
**We fulfill our mission by:**

- **Conserving** the diversity of land, waters, and wildlife so citizens can enjoy the outdoors and benefit from natural resources and related industries.
- **Encouraging** citizens to get outdoors to enjoy the state’s natural wonders.
- **Promoting** responsible use of resources for our collective economic benefit.
- **Managing** an outdoor recreation system that provides hunting, fishing, wildlife-watching, camping, skiing, hiking, biking, motorized recreation, and conservation education.
- **Protecting and promoting** healthy waterways and ground water.
- **Managing** state forests, mineral rights, and school-trust lands for maximum long-term economic return.

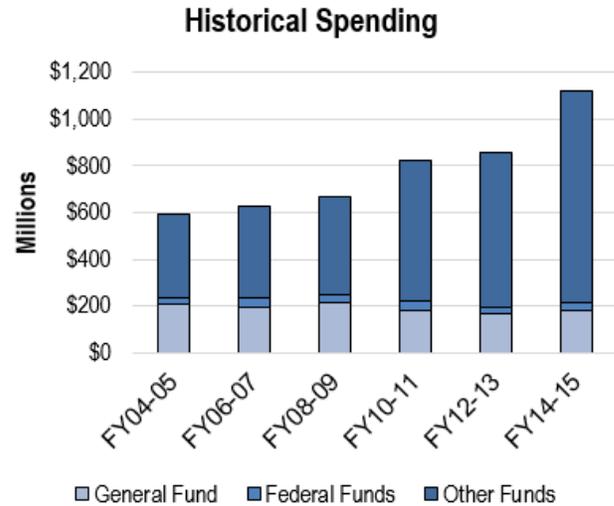
**We contribute to the statewide outcomes of:**

- A clean, healthy environment with sustainable uses of natural resources.
- A thriving economy that encourages business growth and employment opportunities.
- Strong and stable family and communities.
- People in Minnesota are safe

## BUDGET



Source: BPAS



Source: Consolidated Fund Statement

FY 2016-17 biennial budget is approximately \$1.1 billion. The majority of our funding comes from recreational fees and tax revenues. Twenty-seven percent of our funding is one-time, which is dedicated for specific purposes and 19 percent is pass-through grants. We operate out of fifty funds but approximately 39 percent of our financial activity occurs in the Game and Fish Fund and the Natural Resources Fund. This spending focuses on conserving and managing natural resources so Minnesotans can enjoy the outdoors today and tomorrow. About 24 percent of our funding comes from the General Fund. Our major General Fund expenditures relate to operating the state park and forest systems and responding to forest fires. Additionally, we make payments on behalf of the state to counties and Indian tribes as required by statute and treaties, which constitutes 31 percent of our General Fund budget.

## STRATEGIES

To accomplish our mission, we use the following strategies:

- 1. Conserve, enhance waters, natural lands, and fish and wildlife habitats.** We work closely with partners to conserve critical lakes, wildlife and waters by:

  - Accelerating groundwater management—monitoring, permitting, education and compliance -- to ensure sustainable use and quality.
  - Working with farmers, landowners, local officials and citizens to promote conservation of prairies, grasslands and wetlands.
  - Implementing programs to prevent and curb spread of invasive species.
  - Accelerating programs to inventory, monitor status of natural lands, waters and species.
- 2. Provide outdoor recreational opportunities.** We support a robust tourism economy and a high quality of life that attracts people and business to the state by:

  - Implementing programs such as the “I Can” series and “Learn to Hunt” that provide affordable outdoor learning experiences to beginners.
  - Increasing the use of user friendly, digital recreation information, such as new websites and mobile apps.
  - Creating and implementing a new parks and trails system plan to improve existing systems and attract future users.
- 3. Manage natural resources for sustainable economies, and communities.** Through recreation tourism, forest products, and mineral and water resources, we help generate billions of dollars a year for the state by:

  - Maintaining diverse, healthy, sustainable and productive forests that meet certification standards.

- Researching and developing mining technologies that protect the environment.
  - Improving data management systems to provide better access and analysis of groundwater and surface water data for sustainable communities.
  - Leasing mineral rights and real estate and selling land and timber from the school trust lands.
4. **Achieve operational excellence in service to citizens.** We strive to continually improve services offered to citizens by:
- Increasing use of plain language and presenting information in easy-to-understand formats.
  - Protecting public safety with Americans with Disabilities Act (ADA) standards at DNR facilities, parks, trails, and other facilities.
  - Maintaining work standards that reinforce positive, professional conduct, promote diversity, and support staff training and development.
  - Working to increase department energy efficiency and renewable energy use that reduces costs and helps the environment.
  - Developing “continuous improvement” project to improve public service and customer satisfaction.
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Department of Natural Resources legal authority comes from Minnesota Statutes:

- 84, (<https://www.revisor.mn.gov/statutes/?id=84>)
- 84A-84D, (<https://www.revisor.mn.gov/statutes/?view=part&header=CONSERVATION>)
- 85-87A, (<https://www.revisor.mn.gov/statutes/?view=part&header=RECREATION>)
- 88-91, (<https://www.revisor.mn.gov/statutes/?view=part&header=FORESTRY>)
- 92-94, (<https://www.revisor.mn.gov/statutes/?view=part&header=LANDS+AND+MINERALS>)
- 97-102, (<https://www.revisor.mn.gov/statutes/?view=part&header=GAME+AND+FISH>)
- 103A, (<https://www.revisor.mn.gov/statutes/?id=103A>)
- 127A (<https://www.revisor.mn.gov/statutes/?id=127A>)

**Program: Lands and Minerals Resource Management**

[www.dnr.state.mn.us/lands\\_minerals/index.html](http://www.dnr.state.mn.us/lands_minerals/index.html)

**AT A GLANCE**

- Collected **\$22.5 million** in revenue from state-owned land and mineral resources.
- Minnesota ranked **first** in the nation for iron ore production.
- Issued **2** work in public water permits for mining operations in 2016.
- Completed **71** acquisitions of land and interests in land.
- Calculate in lieu of tax payment of approximately **\$31.5 million** for distribution to local government annually.
- Manage **12 million** acres of state-owned mineral rights including **3.5 million** acres of school trust lands.
- Manage real estate activities for **5.4 million** acres of state-owned land, including **2.5 million** acres of school trust lands.

**PURPOSE & CONTEXT**

The Division of Lands and Minerals manages all state-owned mineral rights and provides real estate services for Department of Natural Resources (DNR) managed lands.

We ensure that mining is designed to protect natural resources and that sites are properly reclaimed for future use once mining is complete. The mineland reclamation activity promotes a healthy environment with sustainable use of natural resources.

Our land management activity includes oversight of the school trust lands which generate revenue by leasing state surface lands and mineral rights. These funds go to school districts throughout the state, the University of Minnesota and its students, as well as local towns, cities, and counties.

**SERVICES PROVIDED**

We meet our goals through three bodies of work:

**Minerals Management**

- We gather mineral resource information to encourage further exploration and investment. We maintain a drill core library of past exploration and drillings that provide geological insight into future sites. We map the location of sand and gravel to identify future resources and aid in local planning. We issue state mineral leases through public sales and negotiations.
- We review all exploration plans to ensure environmental protection criteria are met and conduct field inspections of the exploration activity on state and private lands. Exploration companies are searching for valuable deposits of copper, nickel, platinum, palladium, and other precious metals.
- We monitor the terms and conditions of the state leases, including performance requirements.
- We closely monitor iron ore being removed from the state lands. We verify volumes, collect the revenues due, and distribute them to school trust land, the university trust, and local communities.

**Mine Permitting and Reclamation**

- We administer permits to mine that are needed before metallic mineral mining operations may start on any land. We ensure permits include conditions to protect the environment, preserve natural resources, and plan for future use of the land. Amendments or other modifications to the permit to mine are evaluated for expansions and changes in operating plans.
- We administer water appropriation permits and work in public water permits needed for metallic minerals mining and peat mining. We ensure permits include conditions to allow reasonable use and protection of the state's water resources.
- We inspect mining operations to ensure permit compliance. This includes monitoring ongoing operations, reclamation, water use and protection activities, and environmental protection activities.

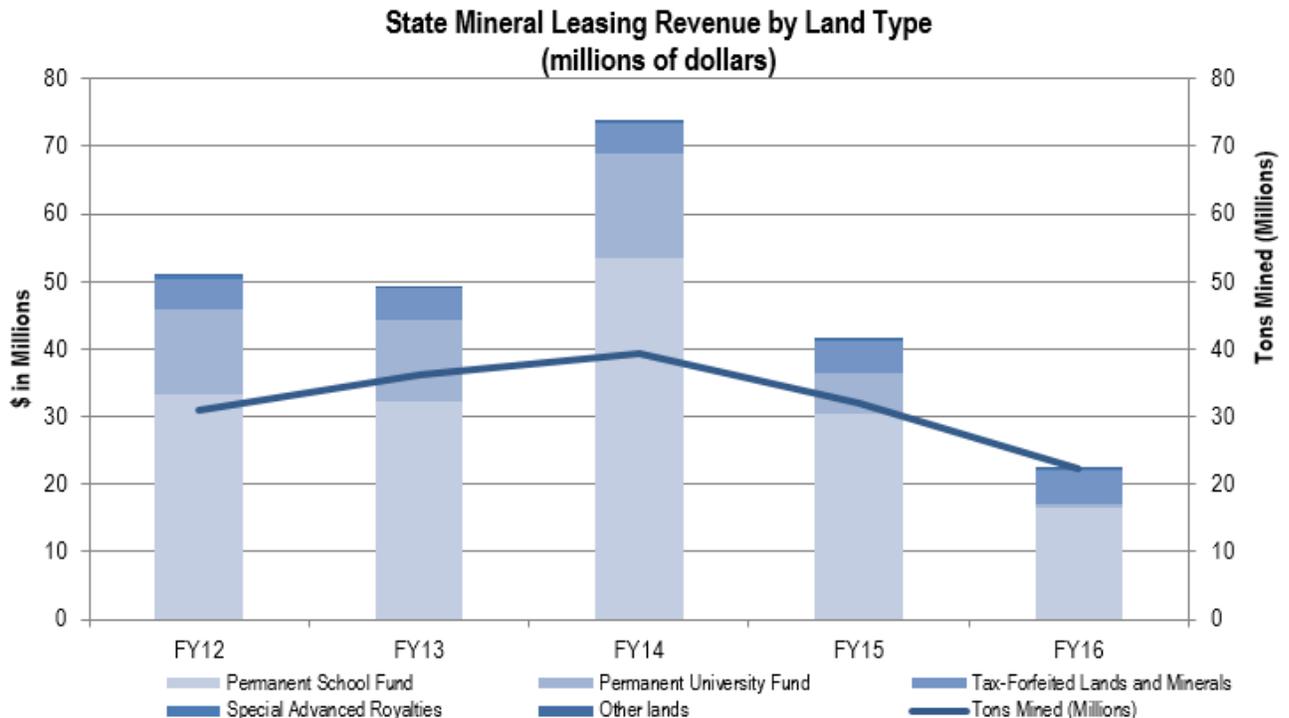
- We conduct environmental research to better understand potential water quality and other mining impacts and to evaluate new ways to reduce impacts.

**Real Estate Management**

- We acquire land through purchase and donation for outdoor recreation and natural-resource protection. We sell some lands to raise revenue for school trust land and to dispose of land no longer needed for natural resource purposes. We trade some land with other units of government or private parties to consolidate landholdings or to obtain land better suited for natural resources.
- We issue licenses for utilities to cross state lands and waters. We issue road easements for crossing state land and water. We issue leases for hunting cabins, boathouses, towers, agriculture, access to private property and other uses.
- We conduct surveys to address boundary issues prior to an acquisition, and to accurately post the boundaries for existing outdoor recreation units and before extensive development such as a water access site or campground.
- We provide direction on monitoring of conservation easements and enforcement of terms and conditions. We review and decide whether to approve the proposed sale of certain tax forfeited land by the counties. We review and decide whether to approve the exchange of tax forfeited land with other entities, subject to final approval by the Land Exchange Board.
- We work with counties to develop land record data and calculate annual payments in lieu of taxes.

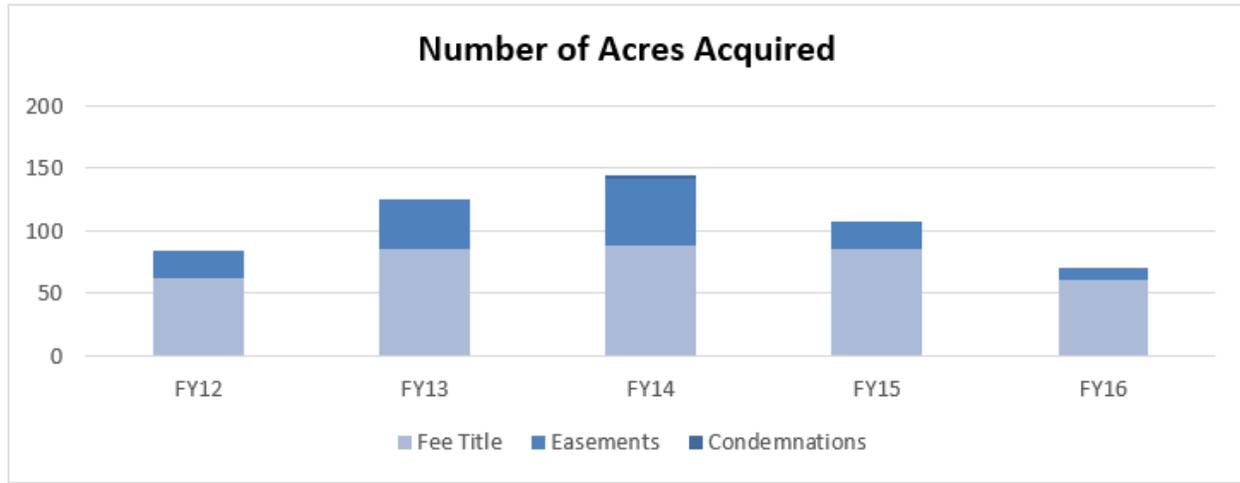
**RESULTS**

**Quantity Performance Measure:** Minerals management - Annual Mineral Leasing Revenue. This chart shows that mineral lease revenue has fluctuated in recent years and reflects recent downturn in taconite mining activity. The line showing tons mined indicates that the tonnage mined is not the sole factor for the change in revenue. Other factors include a higher commodity value for iron ore in FY2014, DNR’s success in negotiating higher royalty rates, and more recently the decision to provide a short term reduction in royalty rates to aid the struggling taconite industry.



**Results Performance Measure:** Mineland reclamation. In the past 4 years, we have issued 27 new or amended permits covering 3,500 acres. We have reclaimed 2,100 acres of previously mined lands for future use.

**Quantity Performance Measure:** Real estate management. The Division of Lands and Minerals is responsible for negotiating the land acquisition for the DNR. The graph shows the number of acres acquired for easements has been significantly decreasing due to a decrease in recent appropriations for conservation easements. The acres acquired for fee acquisitions is a more stable component, showing more modest variation through the years, although there has also been a decline in direct appropriations to DNR for acquisitions.



The legal authority for the Division of Lands and Minerals Program come from Minnesota Statutes:

- 84, (<https://www.revisor.mn.gov/statutes/?id=84>),
- 84A 84, (<https://www.revisor.mn.gov/statutes/?id=84A>),
- 84C (<https://www.revisor.mn.gov/statutes/?id=84C>),
- 85 (<https://www.revisor.mn.gov/statutes/?id=85>),
- 86A (<https://www.revisor.mn.gov/statutes/?id=86A>),
- 89 (<https://www.revisor.mn.gov/statutes/?id=89>),
- 92-94 (<https://www.revisor.mn.gov/statutes/?id=92>),
- 97A (<https://www.revisor.mn.gov/statutes/?id=97A>),
- 103I (<https://www.revisor.mn.gov/statutes/?id=103I>) and
- 477A (<https://www.revisor.mn.gov/statutes/?id=477A>)

**Program: Ecological and Water Resources**

**Activity: Ecological and Water Resources**

[www.dnr.state.mn.us/eco/index.html](http://www.dnr.state.mn.us/eco/index.html)

[www.dnr.state.mn.us/waters/index.html](http://www.dnr.state.mn.us/waters/index.html)

**AT A GLANCE**

- Conduct **100,000** watercraft inspections for aquatic invasive species each year.
- Annually issue **1,200** water appropriation permit decisions and **900** permit decisions for activities affecting public waters.
- **191,000** acres of Scientific and Natural Areas (SNAs) in **163** SNAs.
- **10,100** acres in prairie easements in FY16.
- Install or upgrade stream flow monitoring equipment at **five** new locations and conduct stream flow monitoring at **281** streams in FY16.
- County Geologic Atlases completed for **23** counties statewide through FY16.
- Remove **100 - 200** buildings from flood plains to prevent flood damage each year.
- Minnesota Biological Survey completed in **84** of our 87 counties through FY16.

**PURPOSE & CONTEXT**

The Ecological and Water Resources Division promotes and delivers integrated land and water conservation to ensure healthy surface water, groundwater, and landscapes.

We provide critical information and regulatory oversight to state and local governments and landowners to foster naturalresources stewardship and enhance recreational and economic uses.

Our customers include local governments, conservation organizations, businesses, landowners and Minnesota citizens, who all benefit from healthy natural resources.

**SERVICES PROVIDED**

Our work is divided into three categories:

**1. Inventory, monitoring, and analysis**

- We collect and deliver information on ground and surface water, lake and stream habitat, rare plants and animals, and maintain flood-warning gages.
- We ensure that quality environmental information is available for current and future generations to use and maintaining Minnesota’s quality of life.
- We work to make sure state and local governments have access to this information, so they make good decisions regarding development and natural resource protection.

**2. Conservation assistance and regulation**

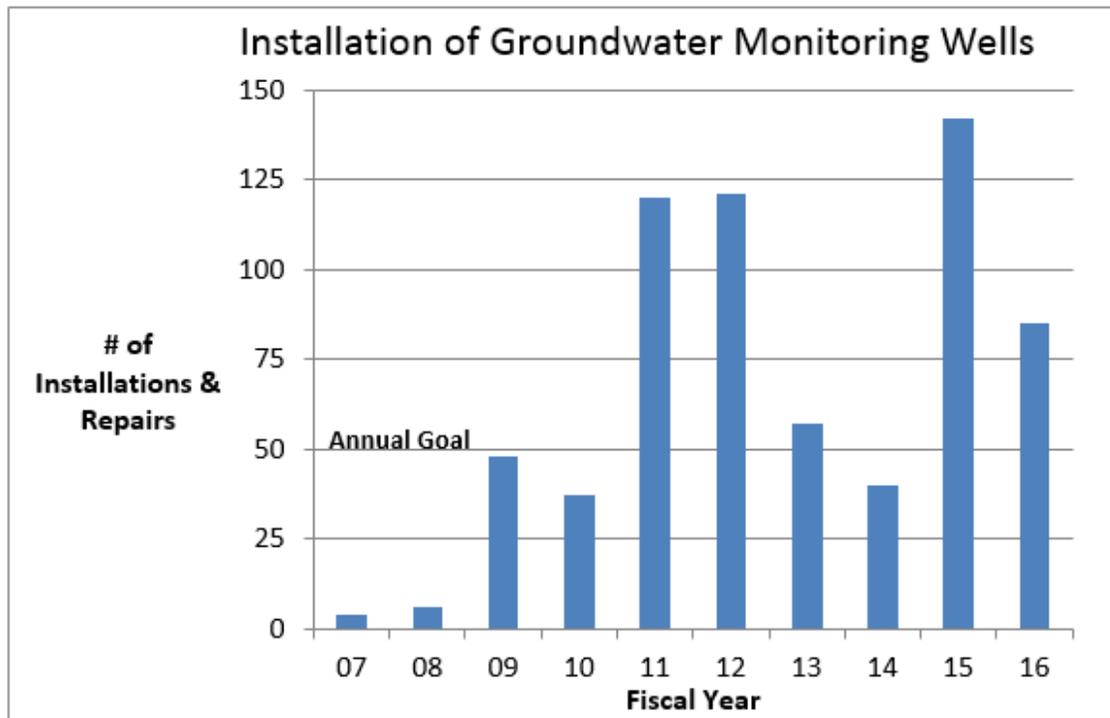
- We ensure recreation, habitat and water quality are maintained by regulating proposed alterations to lakes, wetlands, rivers and streams.
- We provide regulatory and technical oversight to local governments for shoreland, floodplains, and Wild and Scenic Rivers.
- We regulate water use to provide for sustainable surface water and ground water supplies as our population grows.
- We provide oversight of state’s dams, so they operate safely and protect the public and natural resources.
- We engage in environmental review to identify potential impacts of projects and help ensure permitting addresses those impacts.

### 3. Ecosystem management and protection

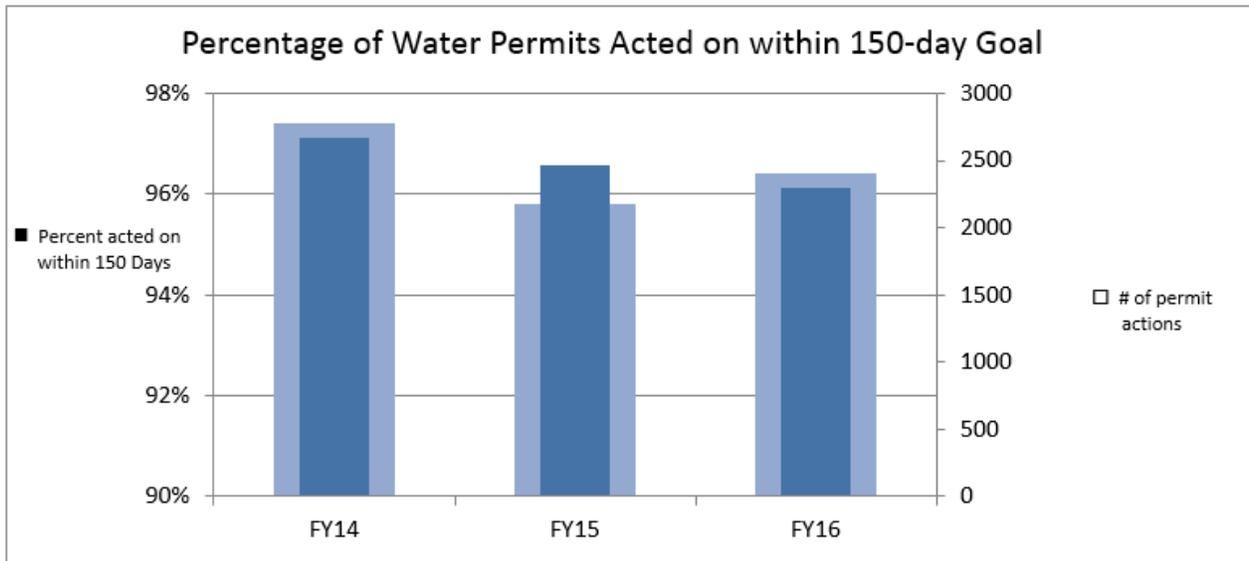
- We manage and prevent the spread of aquatic and terrestrial invasive species that threaten the state’s lakes, rivers, wetlands, forests, and prairies, and the economies that depend on them.
- We manage Scientific and Natural Area and native prairie bank programs, nongame wildlife, and help protect habitat to improve conditions for native species. Nongame wildlife is important to the state’s ecosystems and recreational enjoyment of the outdoors.
- We protect threatened and endangered species to prevent state extinctions.

## RESULTS

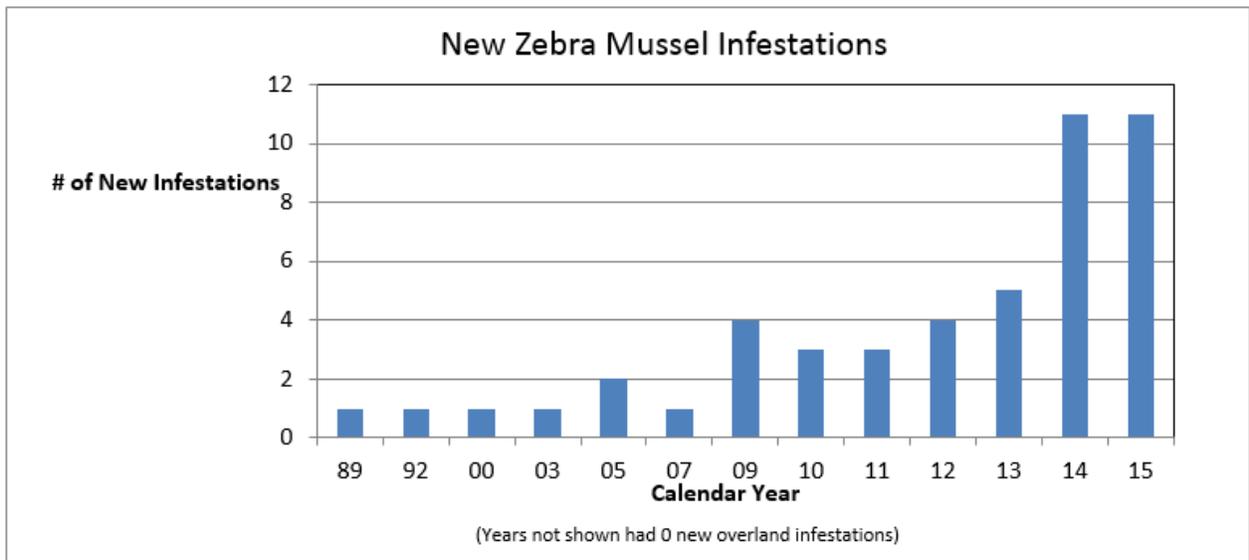
**Quantity Performance Measure: Number of new groundwater monitoring well installations and repairs (50 per year goal).** We have met or nearly met our goal for new installations and repairs nearly every year since 2009. The number of new wells we can drill in a year varies by the depth required and the complexity of the installation.



**Quality Performance Measure: Number of water permits and percent acted on within 150 days.** In the last two years, the number of permit applications received has been lower than the peak year of 2014. In FY16, we are acting on a larger percent of permits within 150 days as we get through the backlog from FY14 and implement some system improvements.



**Results Performance Measure: Number of new lake infestations of zebra mussels due to overland spread (the spread of zebra mussels by inwater equipment or watercrafts).** Minnesota has had 11 or fewer new overland zebra mussel infestations every year despite the increasing number of infested lakes. Once in a lake, zebra mussels can also spread to downstream waters, which is why limiting overland spread is important.



The legal authority for the Ecological and Water Resources Program comes from Minnesota Statutes:

- 84, (<https://www.revisor.mn.gov/statutes/?id=84>),
- 84D (<https://www.revisor.mn.gov/statutes/?id=84D>),
- 86A (<https://www.revisor.mn.gov/statutes/?id=86A>),
- 97A (<https://www.revisor.mn.gov/statutes/?id=97A>),
- 103B-H (<https://www.revisor.mn.gov/statutes/?id=103B>) and
- 115B (<https://www.revisor.mn.gov/statutes/?id=115B>)
- 116G (<https://www.revisor.mn.gov/statutes/?id=116G>)

**Program:** Forestry  
**Activity:** Forest Management

[www.dnr.state.mn.us/forestry/index.html](http://www.dnr.state.mn.us/forestry/index.html)

**AT A GLANCE**

- Manage **59** state forests covering 4.2 million acres for clean water, wildlife habitat, quality timber, outdoor recreation, and biological diversity.
- Provide **30 percent** of the state’s wood fiber that keeps Minnesota’s forest products industry strong, which supports more than 62,800 jobs statewide.
- Maintain **2,360** miles of forest roads that provide access for recreation, general public use, fire protection, forest management, and timber production.
- Reforest **10,000** acres annually by aerial seeding and hand-planting seedlings.
- Maintain forest management certification on **5 million** acres of Department of Natural Resources (DNR)-administered lands as determined by criteria set out and enforced by the Forest Stewardship Council and Sustainable Forestry Initiative.
- Prepare forest management plans for private landowners on **70,000** acres annually through a network of DNR, county, and private consulting foresters.
- Engage **45,000** students annually in outdoor education activities at **130** statewide school forest sites.

**PURPOSE & CONTEXT**

Our goal is to help sustain a quality of life by improving the productivity, health, diversity, accessibility, and use of forests. Healthy forests provide clean water, wildlife habitat, biodiversity, and forest-related products.

Healthy forests ensure the state’s natural areas remain productive, ecologically healthy, and beautiful in the face of wildfires, land-use pressures, climate change, and invasive plants, insect pests, and diseases. They play a key role in protecting water quality and provide low costs, accessible recreation for all Minnesotans.

Our forest products industry relies on a sustainable state timber supply. The industry provides 62,800 jobs and economic benefits worth \$17.1 billion. Well-managed forests also provide economic benefits from tourism and outdoor recreation activities like hunting, hiking, riding, and birdwatching.

Forest management is important to forest landowners, conservation groups, hunters, anglers, and other outdoor enthusiasts, school teachers, students, loggers and other forest operators, forest industry employees, and forestry professionals.

**SERVICES PROVIDED**

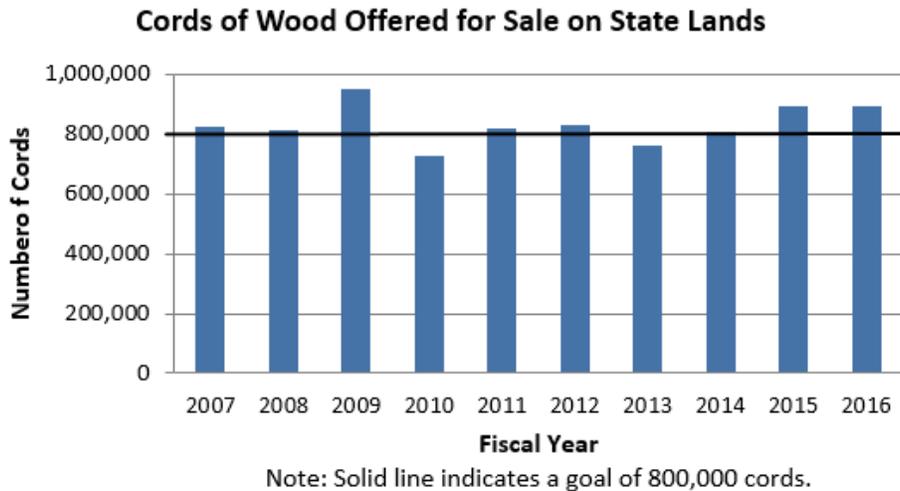
To achieve our goals, we:

- **Manage state forest lands** to improve their health and productivity so they provide clean water, abundant wildlife habitat, a sustainable supply of timber, and outdoor recreation opportunities. We lead forest management and policy development aimed at ensuring Minnesota forest lands (public and private) are sustained and enhanced. We support the commercial use and public enjoyment of forests by maintaining public forest roads and recreational trails.
- **Provide technical assistance to communities and private landowners** through training sessions, printed and online materials, and one-on-one visits to encourage them to keep their forests and lands healthy and intact in the face of development pressure, a changing climate, and growing populations of invasive species.
- **Develop and distribute forest information** to help Minnesotans prepare for and prevent insect and disease infestations and understand how forest resources benefit people, the environment, and the economy.
- **Implement the Sustainable Forest Resources Act** (Minnesota Statutes, Chapter 89A) to gather and incorporate diverse perspectives on forest management, use, and protection.
- **Manage timber on school trust lands** to maximize long-term economic returns to the Trust using sound conservation practices.
- **Work with the forest products industry** to understand needs and adjust, as possible, consistent with sound management practices.

## RESULTS

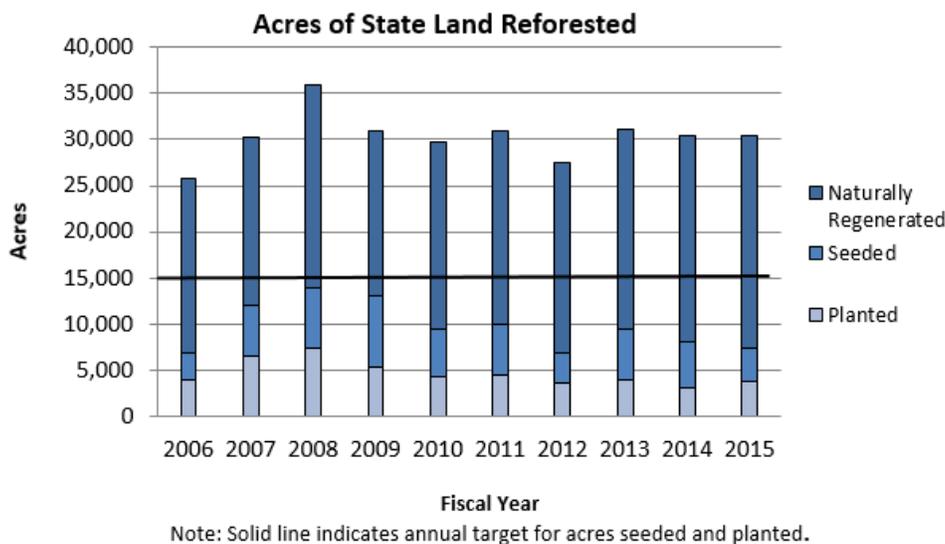
### Quantity Performance Measure: Cords of wood offered for sale on state lands.

The state owns 24 percent of Minnesota's forest land, which is a significant source of raw materials for forest product industries and energy production. Our goal is to maintain the wood offered at public auction at a minimum level of 800,000 cords per year. State timber harvests are a management tool that have a similar effect as the natural disturbances of the past (e.g., wildfires), helping us efficiently and economically provide sustainable timber, wildlife habitat, clean water, and recreational opportunities.



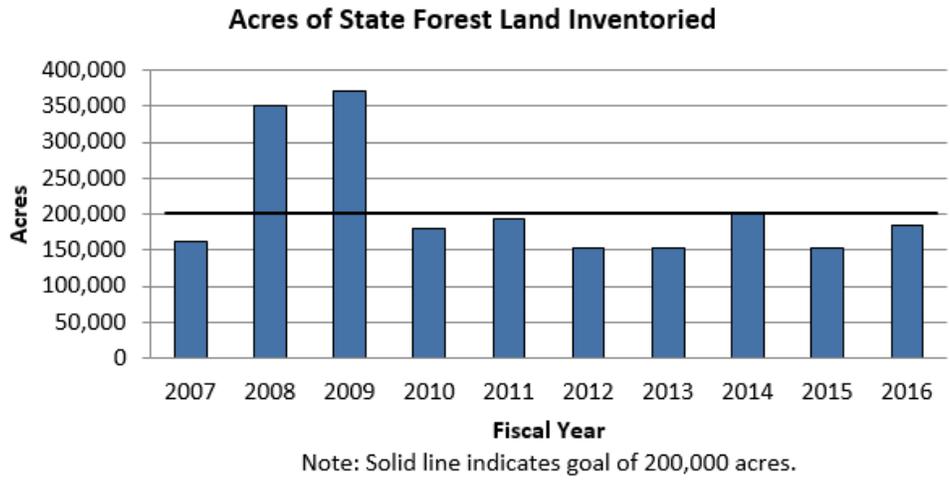
### Results Performance Measure: Acres of state land reforested.

We must reforest the same number of acres as we harvest (Minnesota Statutes, section 89.002, subdivision 2). This is done by planting seedlings, spreading seed by air, and where possible, allowing the forest to grow back on its own (natural regeneration). The approach to reforestation after harvest depends on what tree species are best for the site. If pine should reforest a site, then we plant seedlings for best results. If we want a lowland conifer species like black spruce, we do aerial seeding from helicopters. For aspen growth, we allow natural regeneration or sprouting to occur. For best reforestation results, we should be planting or seeding approximately 15,000 acres per year, given the types of sites we are harvesting. We also protect an average of 5,800 acres of young trees like pine from deer and other animals per year.



**Quantity Performance Measure: Acres of state forest land inventoried.**

The DNR must maintain an up-to-date inventory of state forest lands, including tree species, age, size, and potential productivity to determine timber supply, management targets, and research needs. In keeping with good forest management practices, our goal is to inventory 200,000 acres per year. DNR foresters and hired consultants perform the on-the-ground inventory work.



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The legal authority for the forest management activity comes from Minnesota Statutes 88, 89, 89A, and 90.

- 88, (<https://www.revisor.mn.gov/statutes/?id=88>),
- 89 (<https://www.revisor.mn.gov/statutes/?id=89>),
- 89A (<https://www.revisor.mn.gov/statutes/?id=89A>),
- 90 (<https://www.revisor.mn.gov/statutes/?id=90>),
- 103B-H (<https://www.revisor.mn.gov/statutes/?id=103B>) and
- 115B (<https://www.revisor.mn.gov/statutes/?id=115B>)
- 116G (<https://www.revisor.mn.gov/statutes/?id=116G>)

**Program: Forestry**  
**Activity: Firefighting**

[www.dnr.state.mn.us/forestry/index.html](http://www.dnr.state.mn.us/forestry/index.html)

**AT A GLANCE**

- Respond to **1,200** wildfires in FY2016
- Issue **65,000** burning permits annually.
- Respond in **20** minutes or less to wildfires where we are the first responder.
- Protect at least **95 percent** of structures threatened by wildfires.
- Hold the nation’s largest fire prevention outreach event at the State Fair where **500** firefighters and volunteers present fire prevention activities.
- Maintain **six** wildfire protection plans through the Firewise Program to help **318** communities reduce burnable materials around homes and communities.
- Coordinate emergency response activities and equipment and maintain cooperative agreements with national and local partners.
- Provide out-of-state firefighting assistance through the Minnesota Interagency Fire Center.

**PURPOSE & CONTEXT**

The Division of Forestry provides wildfire protection on 45.5 million acres of public and private land. We do this by:

- Protecting against loss of life by wildfire;
- Reducing loss of property and natural resources;
- Responding to fire and natural disaster emergencies in Minnesota and cooperating with federal and regional firefighting organizations by staffing national fire incidents;
- Preventing wildfires through education, regulation, and an open-burning permit system;
- Using prescribed fires as a tool to reduce burnable materials in natural areas.

Wildfire is a natural part of the environment, however it can cause damage. With more people living in suburbs and rural areas, wildfire protection is critical to protecting people, property, and natural resources. Our protection efforts serve landowners, homeowners, businesses, rural fire departments, other emergency response partners, and natural resource managers.

State authority over wildfire management began in the early 1900s after devastating wildfires destroyed Hinckley, Baudette, Chisholm, and Cloquet. In 1976 the Legislature created an open appropriation account to fund fire suppression efforts, and today the Department of Natural Resources (DNR) is responsible for state wildfire suppression costs.

**SERVICES PROVIDED**

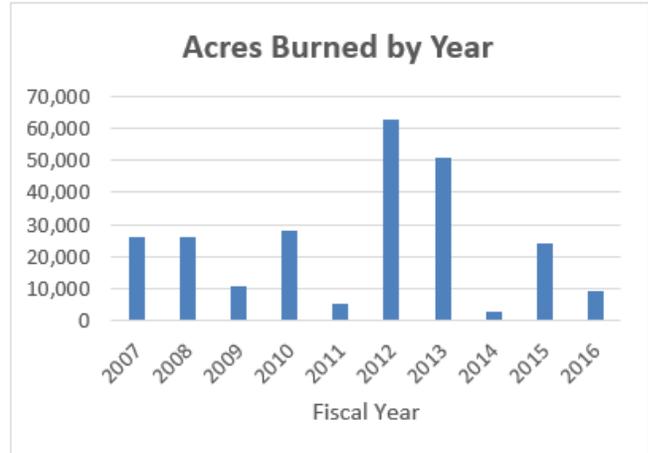
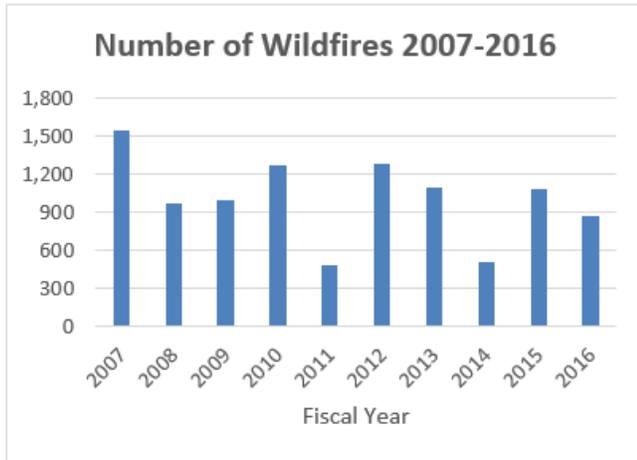
We protect against the loss of life, property, and natural resources from wildfire and enhance natural resource management through:

- **Prevention**—providing educational information and activities, regulating open burning, enforcing state wildfire and open-burning laws, investigating wildfire arson, and helping homeowners, developers, and cities identify and reduce the risk of wildfires around their homes and communities through the Firewise program.
- **Presuppression**—training firefighters and support personnel, operating the Minnesota Interagency Fire Center, maintaining partnerships and aid agreements with other fire protection agencies, tracking statewide availability of specialized ground and aerial suppression equipment, and maintaining an emergency communications network.
- **Suppression**—locating wildfires with aerial patrols, public reports, and lookout towers; seasonally relocating firefighting resources to shorten response times; and controlling the spread of wildfires to minimize their damage. Suppression efforts require trained firefighters, support personnel, and aerial and ground-based equipment.
- **Prescribed burning**—using fire intentionally to prepare sites for reforestation; control insects, diseases, and invasive plants; improve wildlife habitat; maintain natural plant communities; reduce the risk and severity of wildfires; and provide valuable fire suppression training.

## RESULTS

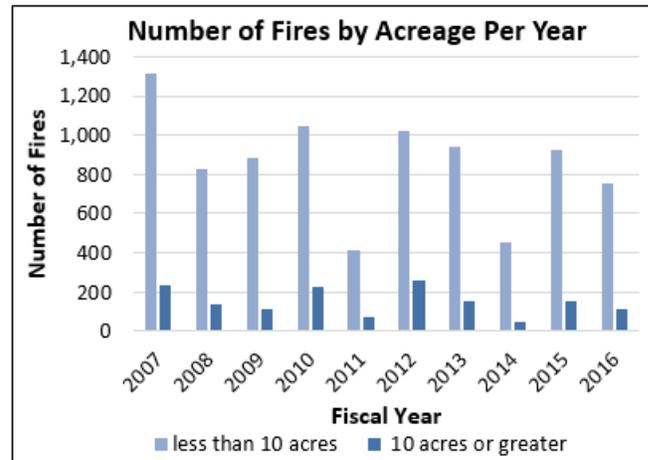
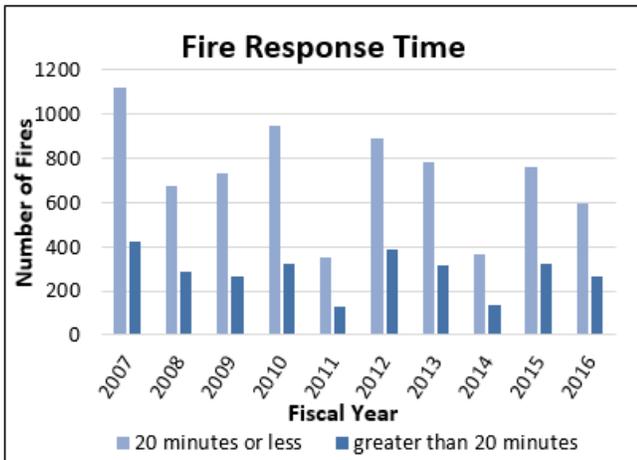
### Quantity Performance Measure: Fires and acres burned.

Wildfire danger levels relate to the weather. A long-term drought from 2011 to 2013 meant high wildfire danger and longer wildfire seasons. During those years, DNR and firefighting partners remained in “high-alert” status over the summer and into the fall to handle the dangerous fire conditions. During this time, Minnesota also exchanged firefighter and equipment support with state, federal, and provincial partners. These reciprocal working relationships continue to be a critical resource for reducing wildfire costs. The need for wildfire protection is unpredictable from year to year, but can be a significant workload when weather patterns are dry.



### Quality Performance Measure: Wildfire size and response times.

The success of our wildfire suppression strategy is due to aggressive initial attack. Our goal is to keep wildfires small—under 10 acres—and respond to them within 20 minutes. Once a wildfire escapes initial attack, suppression costs and damages increase at a rapid rate.



The legal authority for the firefighting activity comes from Minnesota Statutes: 88.01-88.46 (<https://www.revisor.mn.gov/statutes/?id=88>).

**Program:** Parks and Trails  
**Activity:** Parks and Trails Management

[www.dnr.state.mn.us/parks\\_trails/index.html](http://www.dnr.state.mn.us/parks_trails/index.html)

**AT A GLANCE**

- Operate **66** state parks, **9** state recreation areas, **9** state waysides and nearly **5,000** campsites.
- Maintain more than **4,200** miles of hiking/biking/motorized trails and **22,000** miles of snowmobile trails.
- Maintain forest recreation areas including **43** campgrounds and **29** day use areas.
- Maintain **1,500** public water accesses, **368** fishing piers, **35** state water trails.
- Contribute to the state’s **\$13.6 billion** tourism industry with **11** of the top **35** Minnesota tourist attractions, and **31** out of **40** of the top tourist attractions in the four tourism regions of Greater Minnesota.
- Restore and maintain **240,000** acres of natural lands and help preserve **285** rare species.
- Steward **62** historic districts, nearly **600** historic structures and more than **900** archaeological sites.
- Deliver **9,500** outdoor educational programs to **310,000** participants.

**PURPOSE & CONTEXT**

The vision of the Department of Natural Resources (DNR) Parks and Trails Division is to create unforgettable park, trail, and water recreation experiences that inspire people to pass along the love of the outdoors to current and future generations.

State parks and trails make citizens’ lives better by connecting them to nature, helping them to stay healthy and fit, strengthening local communities and economies and conserving the state’s special places and resources.

We serve out-of-state visitors and residents alike. We offer outdoor recreational opportunities within 30 miles of most people in the state. We serve:

- **8.7** million state park visitors (18 percent are out-of-state);
- Owners of **500,000** registered snowmobiles and off highway vehicles; and **818,000** registered watercraft; and
- Local communities, which receive about **\$230 million** each year from park visitor spending.

**SERVICES PROVIDED**

**Our work is divided into four categories.**

**We connect people to the outdoors through our state parks, trails, forest recreation areas and water recreation.** Our naturalist and outreach programs are aimed at experienced and beginner outdoor enthusiasts. We offer skill-building programs so first-timers can explore the outdoors in a safe, engaging way. We appeal to outdoor enthusiasts with an eye toward innovative facilities, services and amenities (such as 100% reservable campsites, self-directed visitor orientation and the 2016 Governor’s Innovation Award winning Park Finder web service) and popular recreational opportunities like mountain biking and paddle boarding.

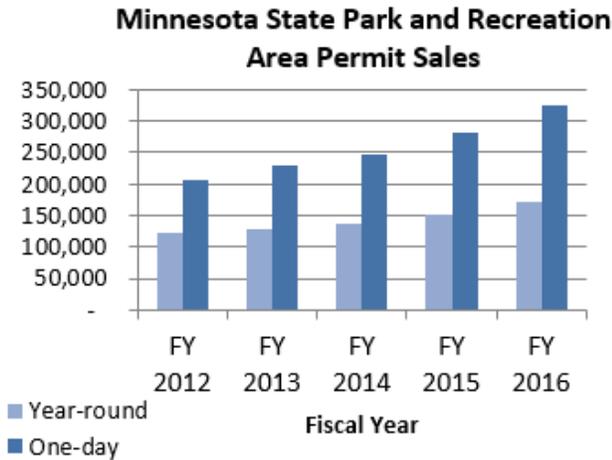
**We acquire land and create new recreational and conservation opportunities.** We focus acquisition and development on conserving the state’s rich natural and cultural history, and meeting future recreation demand. We plan ahead to meet the emerging needs of outdoor enthusiasts and use technology to attract and retain outdoor recreation users.

**We take care of what we have and the people we serve.** Our visitors want high quality customer service, facilities and amenities. With this in mind, we invest Legacy funds to make improvements to our aging infrastructure and reinvigorate visitor services. We also manage unique natural resources for public enjoyment and long-term conservation.

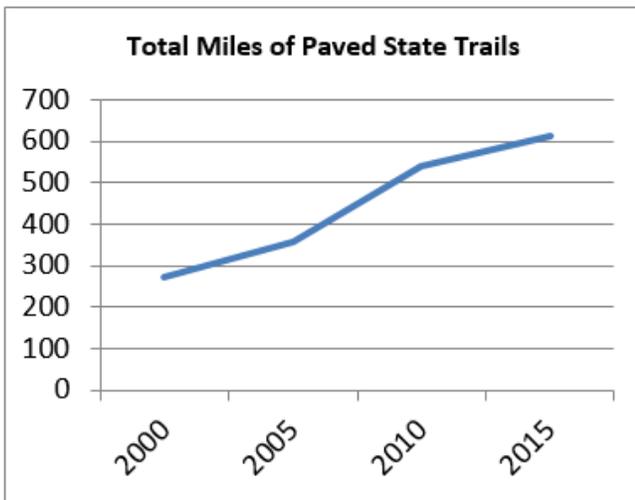
**We work with partners.** We connect with outdoor recreation partners to provide a seamless outdoor recreation system at the local, regional, state and federal level. About 25 percent of our budget is devoted to grant programs that pass funding through to local governments to meet near-home outdoor recreation opportunities (see Parks and Trails Community Partnerships narrative).

## RESULTS

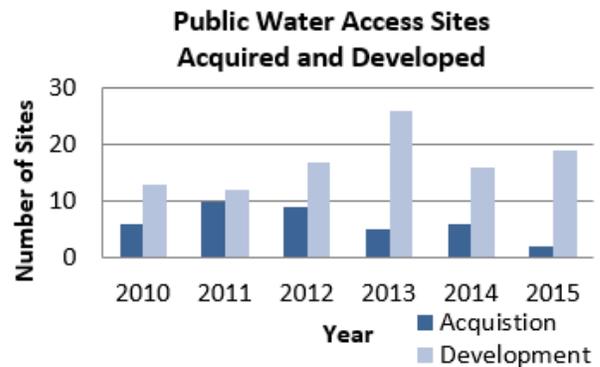
**Quantity Performance Measure: Number of State Park permit sales.** The popularity of state outdoor recreation assets is on the rise, as illustrated by the increase in one-day and year-round permit sales (below). State parks and trails help support healthy communities.



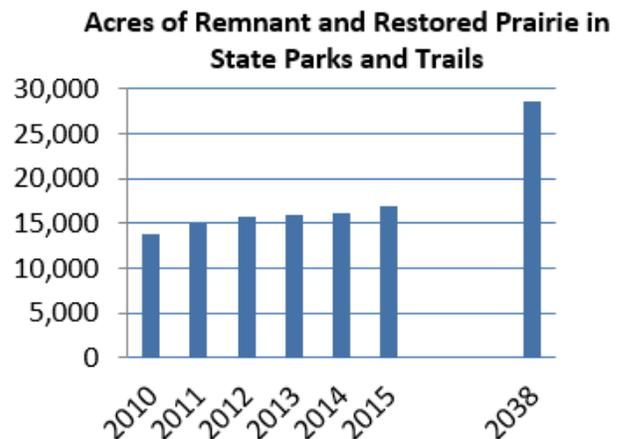
**Quantity Performance Measure: Mile of paved trails for bicycling have more than doubled since 2000, increasing from 271 in 2000 to 613 in 2015.** Our expanding trails system provides social and economic benefits to local communities.



**Quantity Performance Measure: We maintain public water accesses, state water trails, fishing piers and shore fishing sites.** In recent years, our focus has shifted to improving existing water accesses for public safety, storm-water runoff, and boat-cleaning areas.



**Results Performance Measure: We protect, restore and maintain native plant communities and wildlife through active management.** Restoring native plant communities, conducting prescribed burns and managing invasive species on over 17,000 acres every year. We currently manage approximately 16,900 acres of remnant/restored prairie and our goal is to restore an additional 11,700 acres of prairie by 2038.



These measures illustrate just a handful of the outcomes we achieve through our Parks and Trails Management and Operations. More measures and trends can be found at: State Parks and Trails Studies (<http://www.dnr.state.mn.us/aboutdnr/reports/pat/index.html>)

The legal authority for the Parks and Trails Management and Operations Program comes from Minnesota Statutes: 86A.05 (<https://www.revisor.mn.gov/statutes/?id=86A.05>).

**Program: Parks and Trails**  
**Activity: Community Partnerships**

[www.dnr.state.mn.us/grants/recreation/index.html](http://www.dnr.state.mn.us/grants/recreation/index.html)

**AT A GLANCE**

Deliver **370** grants totaling more than **\$25 million** annually to local governments and organizations for parks and trails. These include approximately:

- **70** grants for acquisition and development of local parks and trails;
- **180** grants for snowmobile trail maintenance and grooming;
- **70** grants for off-highway vehicle trail development and maintenance; and
- **50** grants for ski trail maintenance and grooming.

Aid in the development of local trail systems throughout the state by administering grants to volunteer organizations. This “grant-in-aid” (GIA) system now, includes:

- Over **21,000** miles of GIA snowmobile trails;
- Over **1,700** miles of off-highway vehicle trails; and
- Over **700** miles of cross-country ski trails.

**PURPOSE & CONTEXT**

The Parks and Trails Community Partnership program works to provide grants to organizations and local governments to help create new parks and trails and maintain existing parks and trails.

By creating a seamless system of outdoor recreation, local and regional parks and trails complement the state system and contribute to Minnesota’s overall outdoor recreation goals.

Community partnerships benefit:

- Local communities that receive grants and whose economies benefit from trail associated spending.
- Trails users, including 213,000 snowmobile riders and 292,000 off-highway vehicle riders, and over 19,000 cross-country skiers.

Community parks and trails partnerships help provide for thriving local economies. In Minnesota, outdoor recreation generates \$11.6 billion in annual consumer spending, \$815 million in state and local taxes, and 118,000 jobs (Outdoor Industry Association surveys, 2012). Local and regional parks and trails are an important part of the state’s outdoor recreation industry.

**SERVICES PROVIDED**

We provide grants to local governments and organizations for parks and trail acquisition, development, rehabilitation, grooming, maintenance and operations. We administer a variety of grant programs focusing on outdoor recreation, regional parks and trails, local trail connections, as well as Grant-in-Aid (GIA) programs for snowmobile, off-highway vehicle, and cross-country ski trail users. We manage federal programs such as the Federal Recreational Trail Program and the Land and Water Conservation Fund.

Our grant administration services include managing the grant programs; providing information and customer service to grant recipients; ensuring a fair and efficient process for grant selection; ensuring financial accountability; and building partnerships with local, regional, state and federal programs.

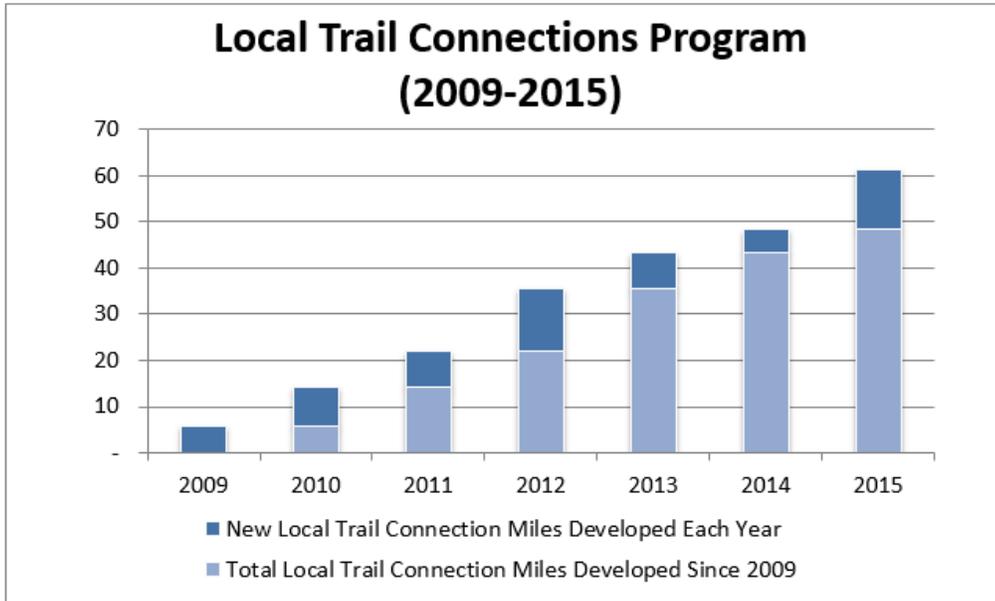
**RESULTS**

**Quality Performance Measure: Miles of New Local Trail Connections Developed**

We aim to achieve high satisfaction among grant recipients while meeting state and federal grant management standards. Our goal is for grants to contribute to a comprehensive outdoor recreation system in Minnesota.

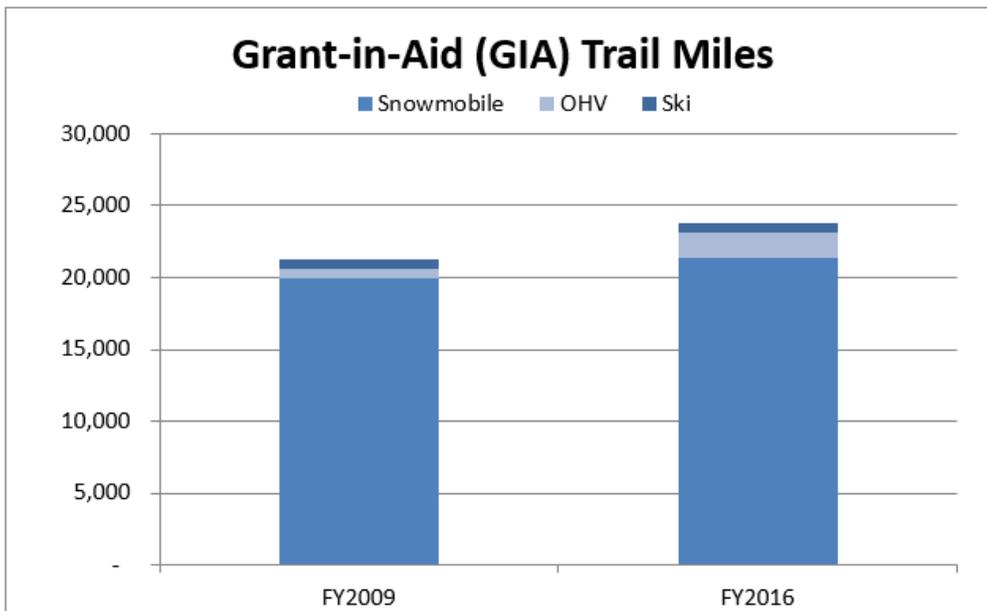
The Local Trail Connections Program is one example where we facilitate new trail connections. These trail segments may be relatively short in length, but are often necessary to create a seamless trail system that meets local needs. These trail

segments may create connections to where people live (such as residential areas within cities or entire communities) and/or to significant public resources (such as historical areas, parks and/or other trails).



**Quantity Performance Measure: Trail Miles Cooperatively Developed and Maintained**

We also manage the Grant-in-Aid (GIA) program, a cost-sharing system of snowmobile, off-highway vehicle, and cross-country ski trails. The GIA trail system has grown by more than 2,500 miles in recent years from 21,308 miles in FY2009 to 23,813 miles in FY2016. This program relies on groups or clubs, with the support and participation of local governments. We provide financial and technical assistance and overall GIA program management. Together, we develop and maintain a much larger trail system than any one group could deliver.



Additional measures are available on DNR’s grant outcomes website at DNR Grant Outcomes Reporting (<http://www.dnr.state.mn.us/grants/outcomes/index.html>)

The legal authority for the Parks and Trails Community Partnerships Program comes from Minnesota Statutes 84.83, 84.794, 84.803, 84.927, 85.019, 85.43, and 85.5535.

**Program: Fish and Wildlife**

**Activity: Fish and Wildlife**

[dnr.state.mn.us/fishwildlife/index.html](http://dnr.state.mn.us/fishwildlife/index.html)

[www.dnr.state.mn.us/rlp/index.html](http://www.dnr.state.mn.us/rlp/index.html)

**AT A GLANCE**

- Manage nearly **1.3 million** acres of state-owned wildlife management areas and **45,000** acres of aquatic management areas.
- Protect, monitor, enhance, and restore aquatic habitat for **5,500** fishing lakes and **15,000** miles of fishable streams and rivers in Minnesota.
- Manage **61** wildlife and **28** sport fish game species.
- Provide services to **1.5 million** licensed anglers, **580,000** licensed hunters and trappers, and **1.6 million** wildlife watchers.
- Protect, enhance, and restore habitats by infusing **\$6.8 million** in competitive matching grants to nonprofit organizations or local governments in metro and greater Minnesota.
- Manage **2.8 million** license sales for hunting, fishing, and other activities, and **1.4 million** registrations for recreational boats and vehicles.
- Provide an electronic license purchasing system operated for license agents and DNR License Center.
- Engage **1,550** Minnesota businesses as point-of-sale agents for hunting and fishing licenses and **170** registration and titling agents.
- Answer more than **80,000** customer and license agent telephone questions annually.
- Collect **\$65 million** in receipts annually.
- Process more than **350,000** pieces of mail annually.

**PURPOSE & CONTEXT**

The Fish and Wildlife Division manages fish and wildlife populations, their habitats, and use of these public resources, including fishing, hunting, and trapping. We serve citizens seeking licenses, registration and titling. To fulfill this work, we also serve licensing agents and deputy registrars.

Our goal is to sustain healthy populations of fish and wildlife, high quality recreational opportunities, and vibrant local economies. In partnership with citizens, we protect and restore natural lands, lakes, and streams, monitor harvested species, anticipate and respond to new challenges, and promote the state’s hunting, fishing and trapping heritage. Hunters, anglers, and wildlife viewers and photographers benefit from diverse, abundant species, accessible public lands, and high quality recreational experiences.

We provide licensing and recreational vehicle services, through use of the Electronic Licensing System (ELS), in an efficient and cost effective manner, including web, telephone, and mobile-device options. Data are used to analyze recreational participation trends. Revenue from vehicle and watercraft registration and titling helps managers regulate watercraft, snowmobile, ATV and other recreational vehicles. It also provides funding for development of recreational trail systems, public water access, lake and river improvements, aquatic plant management, and boat and water safety programs.

Minnesota residents and non-residents benefit with access to natural lands and participation in outdoor recreation offering personal health benefits and maintaining Minnesota’s hunting and fishing heritage – benefitting current and future generations. This boosts Minnesota’s economy including rural communities by supporting more than 48,000 jobs and generating \$3.8 billion in annual statewide expenditures. We support local economies by making licenses available at 1,550 point-of-sale locations statewide.

**SERVICES PROVIDED**

Our work is divided into five categories.

1. **Fish and wildlife population monitoring and management:** To ensure high quality fishing, hunting, trapping and wildlife watching, we monitor and manage fish and wildlife populations for the benefit of citizens.
  - We conduct surveys to 1) monitor fish and wildlife population trends, 2) Inform management decisions, including harvest regulations, and 3) Assess values and attitudes of anglers, hunters, and landowners and to evaluate changes in participation and resource use.

- We use research to understand and predict changes in fish and wildlife populations and to inform management decisions.
  - We raise and stock walleye, muskellunge, northern pike, trout, salmon, and other game fish species to enhance or restore fish populations in lakes and streams or to establish new fishing opportunities.
  - We monitor and manage diseases to reduce risk of outbreaks and high fish and wildlife losses.
  - We reduce human-wildlife conflicts by monitoring wildlife damage and providing assistance to property owners and growers to prevent or reduce damage.
2. **Habitat protection, enhancement, and restoration:** To help sustain healthy, productive fish and wildlife populations, we:
- Manage more than 1.3 million acres of wildlife and aquatic habitat;
  - Contribute to improved habitat management on other public and private lands through technical and financial assistance;
  - Acquire lands through purchase or donation to add high priority parcels to the system's land base which are then enhanced or restored;
  - We enhance and restore grasslands and prairie; conduct prescribed burns and remove woody vegetation to enhance prairies; restore and enhance wetlands; manage forest stands; conduct wildlife lake assessments; improve fish spawning areas; protect and enhance aquatic habitats; and remove dams and restore functions to aquatic systems; and
  - We provide public awareness and access to state lands through posting boundaries, providing parking lots and walking trails, and providing maps (digital and paper) and other user information.
3. **Technical assistance, public participation, planning, and coordination:** Citizen understanding and support is critical to healthy environments. We improve citizen engagement through roundtables, workshops, public input, county and state fairs, customer surveys, web surveys, and other tools. We work with private landowners and local government units to help them improve habitat in grasslands, forests, wetlands, lakes and streams.
4. **Outreach, recruitment, retention, and communication:** We work with partners to provide information and educational opportunities that encourage outdoor recreation and sustain or increase participation in fishing and hunting. This work includes: mentored hunts, the National Archery in the Schools program, skills-based training, youth and women's programs, direct engagement of Southeast Asian and other under-represented communities, MinnAqua, Becoming An Outdoors Woman/Family program, and Fishing In the Neighborhood.

We share with citizens large volumes of information about fish and wildlife populations, habitats, and recreational opportunities. We communicate this information through print media, our website, social media, mobile devices, and video.

5. **Public Information and Customer Service:** We are responsible for the development, implementation, and maintenance of the statewide ELS. We provide easy access for outdoors enthusiasts to purchase hunting and fishing licenses at any of the 1,550 ELS agent locations. Customers can also purchase by phone, mobile-device, and online. We have a walk-in service counter in St. Paul that provides service to customers for all types of license, registration and titling transactions. Commercial licenses are issued for businesses such as minnow dealers, game farms, shooting preserves, and we manage the lottery system for turkey, antlerless deer, bear, and elk seasons.

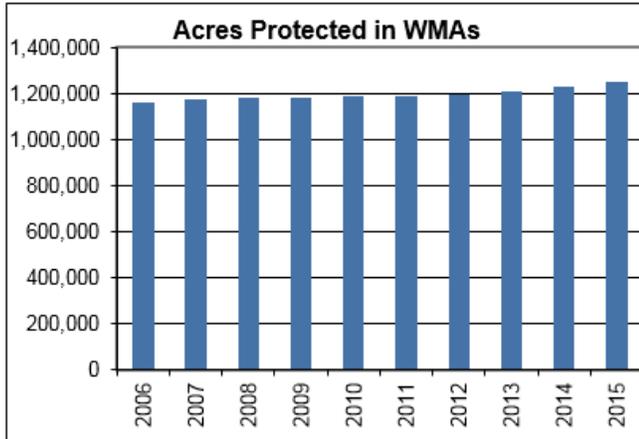
We issue all watercraft registration and titles and the registration of all-terrain vehicles (ATVs), snowmobiles, off road vehicles (ORVs), and off-highway motorcycles (OHMs) through the web-based ELS.

We distribute a variety of DNR-related materials. This includes hunting regulations, fishing regulations, waterfowl supplements, boating guides, snowmobile regulation and off-highway vehicle regulations.

## RESULTS

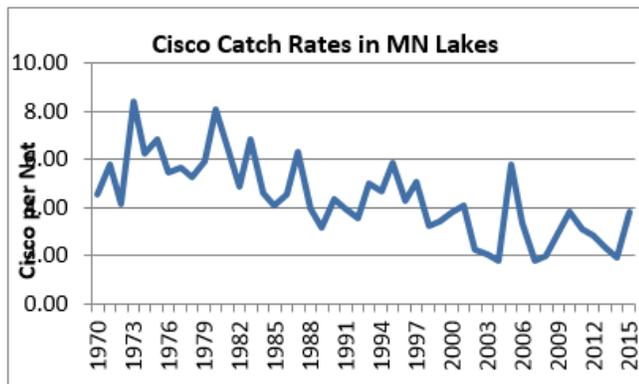
### Results Performance Measure: Acres Protected in WMAs

The Wildlife Management Area (WMA) system is the backbone of DNR's wildlife program. WMAs provide for public recreation and wildlife production. A stable to moderate increasing base of WMA acres has been achieved in recent years.



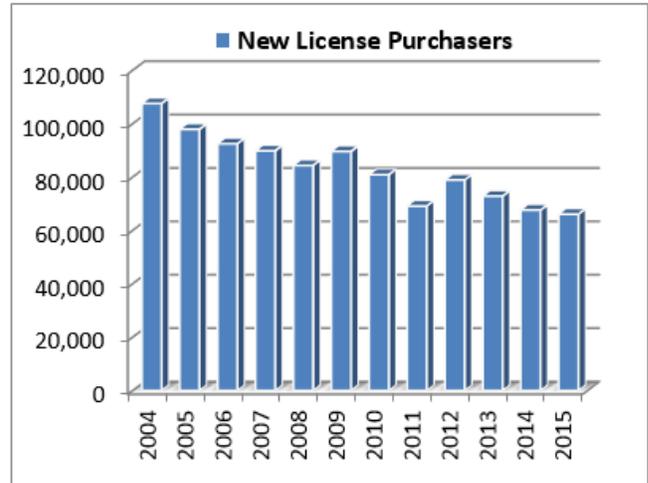
### Results Performance Measure: Cisco catch per net since 1970.

Cisco (or tullibee) are an important forage fish for walleye, northern pike, and muskellunge. Cisco are an early indicator of environmental changes impacting cool water lakes due to their sensitivity to water temperatures and oxygen levels.



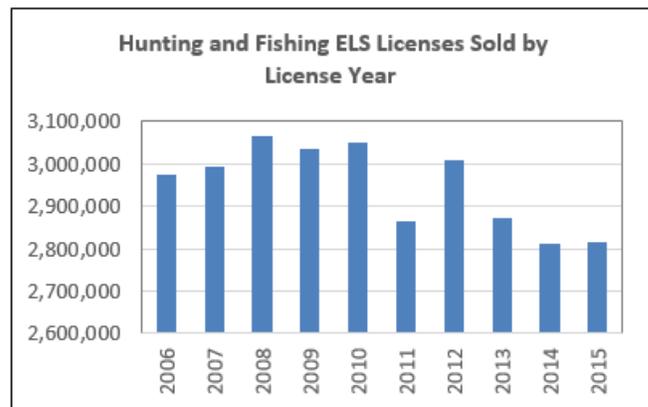
### Quality Performance Measure: New license purchases:

Although fishing and hunting participation rates are higher in Minnesota than nationwide, overall rates are declining. Angling and hunting activities directly fund state fish and wildlife management through license purchases and federal equipment excise taxes. Outreach efforts focus on recruiting and retaining citizens interested in healthy fish and wildlife populations, habitat, and recreation.



### Quantity Performance Measure: Number of Licenses Sold.

License sales and availability are adjusted annually based on multiple factors, including population assessments. Recent years have been lower than normal however expected to trend upward.



The legal authority for the Fish and Wildlife program comes from the following Minnesota Statutes

- 17, (<https://www.revisor.mn.gov/statutes/?id=17>),
- 84 (<https://www.revisor.mn.gov/statutes/?id=84>),
- 84C (<https://www.revisor.mn.gov/statutes/?id=84C>),
- 84D (<https://www.revisor.mn.gov/statutes/?id=84D>),
- 86A (<https://www.revisor.mn.gov/statutes/?id=86A>),

- 97A (<https://www.revisor.mn.gov/statutes/?id=97A>),
- 97B (<https://www.revisor.mn.gov/statutes/?id=97B>),
- 97C (<https://www.revisor.mn.gov/statutes/?id=97C>),

**Program: Enforcement**

**Activity: Enforcement**

[www.dnr.state.mn.us/enforcement/index.html](http://www.dnr.state.mn.us/enforcement/index.html)

**AT A GLANCE**

- 186 Conservation Officers providing outreach, safety education training, and law enforcement of our state's natural resources for citizens and visitors.
- Engage in over 1,300 outreach opportunities annually
- Certified over 54,000 students in safety education programs by working with 7,000 volunteer instructors in all counties in the state.
- Administered over 300 state & federal grants to user groups and local law enforcement partners for outreach, safety education, and enforcement of motorized recreational vehicle laws & regulations.
- Worked with over 100 non-profit shooting sports organizations to increase capacity for high-school shooting sports and recreational shooting through infrastructure improvements and expansions.
- Provide 2,500 hours of flight operations to support resource management and public safety.

**PURPOSE & CONTEXT**

As the primary conservation law enforcement agency in Minnesota, we fulfill the Department of Natural Resources (DNR) mission by protecting natural resources and public safety. Protecting public safety is our highest priority. Our role in protecting natural resources has grown from traditional game and fish enforcement to broader natural resource protection responsibilities that affect quality of life and economic sustainability. We achieve compliance with laws and regulations through outreach, safety education, and law enforcement.

Our 10-year strategic plan addresses how we will accomplish our work in the face of new, broad trends. A decline in outdoor recreation participation means a decline in licenses and permit revenue, which impacts the funding for traditional enforcement activities. At the same time, there are increasing demands for enforcement of invasive species, water appropriation, disaster response, and other natural resource protection laws. Even though our demands are shifting, our work plan continues to be informed by our funding, which does not always allow the flexibility needed to meet the needs in the field.

**SERVICES PROVIDED**

Our work includes outreach, safety education, and law enforcement in four main areas:

**1. Fish and Game Education and Protection**

- We work with recreational and commercial users to protect fish and game populations.
- We manage youth and adult hunting safety education programs.
- We recruit new users through outreach opportunities and shooting range development.

**2. Recreational Safety and Enforcement**

- We work with motorized and non-motorized recreational users to enforce recreational laws and regulations.
- We deliver recreational motorized safety education.

**3. Natural Resource Protection**

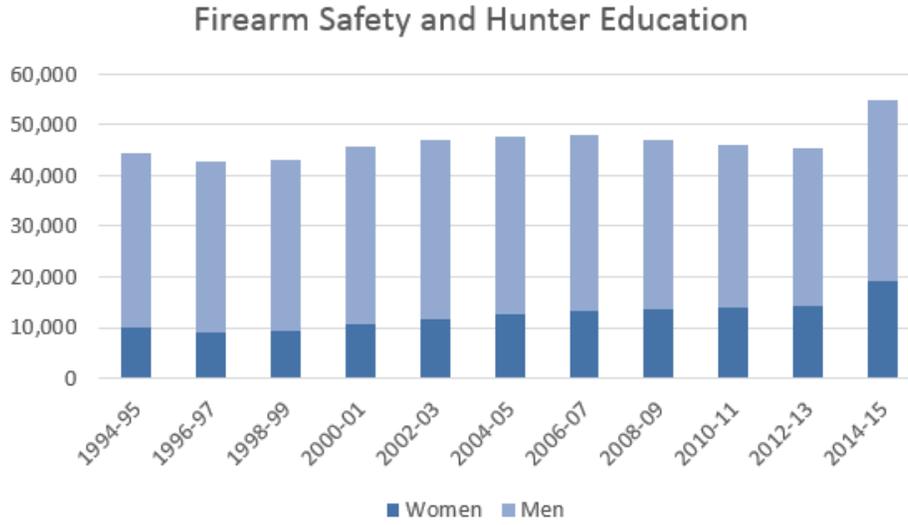
- We enforce regulations related invasive species, wetland protection, water appropriation, water quality, solid waste, timber theft, and air quality.
- We work with partner regulatory agencies to educate user groups on the state's natural resource laws and regulations.

**4. Public Safety**

- As licensed peace officers, we work within the emergency management system to provide mutual-aid assistance in response to disasters, search and rescue, and law enforcement.

## RESULTS

**Quantity Performance Measure: Number of Minnesotans Certified in Firearms Safety and Hunter Education Programs.**  
Outreach efforts continue to increase the number of women certified in firearms safety/hunter education programs.



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The legal authority for the Enforcement Program comes from Minnesota Statutes:

- 84.028 (<https://www.revisor.mn.gov/statutes/?id=84.028>)
- 84.081 (<https://www.revisor.mn.gov/statutes/?id=84.081>)
- 97A.201 (<https://www.revisor.mn.gov/statutes/?id=97A.201>)
- 103G.2372 (<https://www.revisor.mn.gov/statutes/?id=103G.2372>)
- 115.071 (<https://www.revisor.mn.gov/statutes/?id=115.071>)
- 116.073 (<https://www.revisor.mn.gov/statutes/?id=116.073>)
- 138.40 (<https://www.revisor.mn.gov/statutes/?id=138.40>)
- 626.84 (<https://www.revisor.mn.gov/statutes/?id=626.84>)

**Program: Operations Support**

**Activity: Operations Support**

[www.dnr.state.mn.us/aboutdnr/commissioner/index.html](http://www.dnr.state.mn.us/aboutdnr/commissioner/index.html)

**AT A GLANCE**

- Direct budget and accounting policy for effective use of approximately \$550 million per year
- Provide human resource services to 4,479 employees which is the number of individuals that were paid at any one time during the Fiscal Year (This equates to 2,677 full-time equivalent employees)
- Manages over 2,800 buildings of various age, construction, use and lifecycle statewide (2.9 million square feet of building space) with 300+ buildings where DNR employees work
- Manage over 5,000 pieces of fleet equipment made up of approximately 1,600 on-road vehicles, 1,700 off-road vehicles, and 1,800 trailers and attachments
- Coordinate with MN.IT Services @DNR to host 120 business-enhancing information technology applications for DNR
- Provide support for the DNR website which had over 80 million web pages viewed in FY16
- Managed over 546,000 total public contacts in FY15 at the DNR Information Center including calls, emails, walk-ins, guard desk check-ins, brochure distribution and mailings

**PURPOSE & CONTEXT**

We support and provide administrative leadership to the Department of Natural Resources (DNR). We work with Minnesotans to create a better future for our state. We use the best available science to make informed decisions and deliver conservation services in partnership with others. We ensure that our mission is carried out in an integrated and efficient manner through leadership and services.

We are focused on operational excellence and continuous improvement by maintaining an agency-wide performance system and focusing on operational efficiencies. This effort results in better conservation service delivery, improved health and safety of Minnesotans, and a new generation of conservation leaders.

The budget reflects the agency investment in IT services provided by MN.IT @ DNR. Services extend outside of the organization and benefit other units of government, businesses, conservation partners, the public and others for outreach, recreation, and other natural resources purposes.

Services are funded through internal billing mechanisms such as professional services, utilization rates, and approved costs allocation methods.

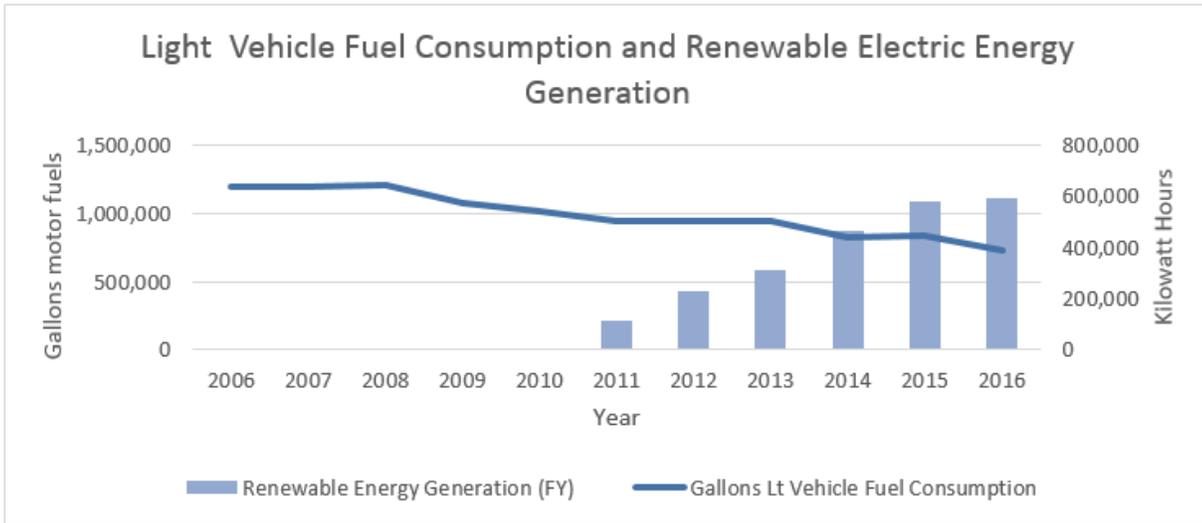
**SERVICES PROVIDED**

We support the agency’s operations in the following ways.

- We provide administrative leadership and direction for the department, government relations management, and management of regulatory activities, including business services as set forth in Minnesota statute.
- We support staff through human resources services including labor relations, ethics, employee development, payroll and hiring services.
- We manage safety, emergency preparedness and disaster response (non-fire emergency).
- We maintain fleet, buildings, and infrastructure that support our conservation mission.
- We administer financial operations and biennial budget processes for the department’s critical functions including revenues, expenditures, internal audit and procurement services.
- We manage pass-through grants for the Outdoor Heritage fund and Environment and Natural Resources Trust fund.
- We utilize policy and planning services to ensure our operations are coordinated to achieve priorities.
- We engage the public through communication services that build staff and public awareness, trust, and support through clear and transparent plain language.
- We provide leadership and management for IT services that support our daily activities.
- We provide engineering and architectural services for the department.
- We provide legal support for our programs.

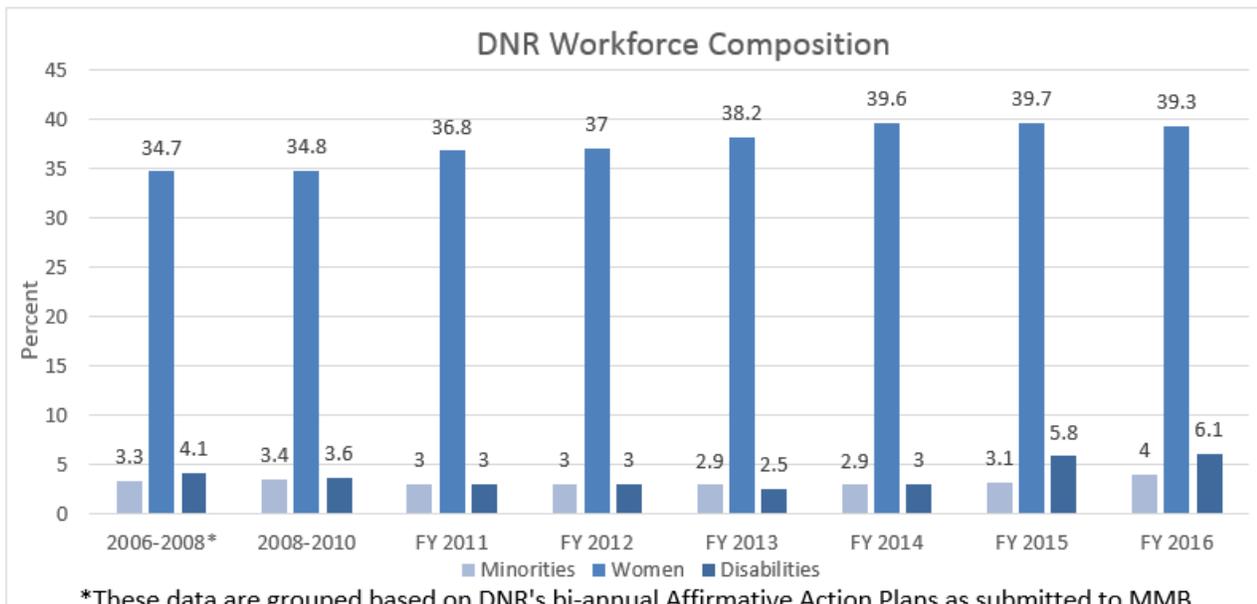
## RESULTS

**Results Performance Measure: Light vehicle fuel consumption and renewable energy generation.** This chart shows an increase in the amount of renewable energy generated by our renewable energy systems and an overall decrease in light vehicle fuel consumption. Cutting overall energy use and increasing the use of renewables is a key agency priority.



\*A new fleet data system was implemented part way through FY12, so data is incomplete or not available for that year.

**Quantity Performance Measure: DNR Workforce Composition.** This chart demonstrates our commitment to diversifying the makeup of our workforce to better reflect the demographics of Minnesota citizens. Many efforts are being utilized to recruit and retain qualified applicants who represent historically underrepresented groups. Our outreach efforts emphasize STEM (science, technology, engineering and math) career areas which are in high demand among all units of government on a local and national level.



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The legal authority for the Operations Division comes from the Minnesota Constitution and following Minnesota Statutes and Minnesota Constitution:

84.01 (<https://www.revisor.mn.gov/statutes/?id=84.01>)

84.025 (<https://www.revisor.mn.gov/statutes/?id=84.025>)

84.0856 (<https://www.revisor.mn.gov/statutes/?id=84.0856>)

84.0857 (<https://www.revisor.mn.gov/statutes/?id=84.0857>)

16A.055 (<https://www.revisor.mn.gov/statutes/?id=16A.055>)

Article 11 of the Minnesota Constitution ([https://www.revisor.mn.gov/constitution/#article\\_11](https://www.revisor.mn.gov/constitution/#article_11))

**Program:** Pass Through Funds  
**Activity:** Pass Through Funds

**AT A GLANCE**

- Approximately \$31.5 million each year to counties for Payment in Lieu of taxes
- \$8.6 million in Indian tribe treaty payments in FY16
- Manage roughly 200 grant contracts totaling more than \$325 million of Environmental Trust and Outdoor Heritage Legacy funds in FY17
- Provide \$320,000 to the Duluth and Como Zoos each year

**PURPOSE & CONTEXT**

DNR “pass-through funds” includes funds that are directed to non-state entities by statute, law or treaty. Since we do not determine who receives the funds and cannot use them for our own operations, these funds are commonly referred to as “pass through” funds.

We are responsible for being fiscal stewards of these funds. To this end, we establish sound business management practices that are consistent with state law, statewide grant management policies, and internal policies.

The financial activity in this budget activity does not include the management of the pass through dollars. The financing relating to managing these dollars occurs in the division that serves as the lead on the specific dollars.

Because of the nature of these dollars, we cannot use them to directly advance our mission. Recipients of these funds, however, are commonly our partners in promoting and advancing the broader goals of protecting and preserving the state’s natural resources. Pass through funds include:

- Payment in Lieu of Taxes (PILT);
- Treaty payments;
- Environmental and Natural Resource Trust Fund grants to third parties;
- Outdoor Heritage Grants to third parties; and
- Lottery-in-Lieu grants to the Duluth and Como Zoos.

**SERVICES PROVIDED**

We provide approximately \$31.5 million annually for Payments in Lieu of Taxes (PILT). PILT is a local government aid payment made by the state to counties for tax-exempt natural resource lands according to Minnesota statutes 477A.10-14 and 17. Most of the payments are for state-owned land and school trust land that is administered by the DNR and for county-administered tax forfeited land.

We make payments of roughly \$8.6 million each year to tribes in accordance with the Leech Lake Band and the 1854 Treaty agreements. According to MS 97A.151 subd. 4 and 97A.155 subd. 1, the Leech Lake Band receives 5 percent of specific Game and Fish proceeds. Per MS 97A.157 subd. 2 and the 1854 treaty, the Grand Portage Band and Bois Forte Band receive \$1.6 million annually plus additional funds if the payment to the Leech Lake Band exceeded \$1.5 million in the previous fiscal year. The additional payment is equal to the amount in excess of \$1.5 million.

We manage approximately 200 grants a year totaling over \$325 million dollars to third party recipients identified by the legislature. These grants come out of the Environmental and Natural Resources Trust (Trust) and the Outdoor Heritage (OHF) Funds. The purpose of the Trust funds are to maintain and enhance Minnesota’s environmental and natural resources. The purpose of the OHF is to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife and that prevent forest fragmentation, encourage forest consolidation, and expand restored native prairie.

## RESULTS

Quantity Measure: Total pass through dollars each year

We provide responsible management for all dollars that we are legally responsible for providing to non-state entities. The table below shows the amount that has been provided in the recent past.

TOTAL AMOUNT OF PASS THROUGH FUNDS  
(by year)

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
77,536,444	87,403,291	94,027,004	111,764,454	105,590,963

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The legal authority for the grants management process comes from M.S. 16B.98 (<https://www.revisor.mn.gov/statutes/?id=16B.98>).