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2014-15 Biennial Budget - Natural Resources

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Mission:

The mission of the Department of Natural Resources (DNR) is to work with citizens to conserve and manage the state's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable quality of life.

Statewide Outcome(s):

Natural Resources supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

DNR operates under a "triple bottom line" principle that economic prosperity and vibrant communities depend on a healthy environment and sustainable use of natural resources.

DNR is also a contributor to the statewide outcome:

People in Minnesota are safe

Context:

Key Issues. Minnesota's natural resources play a key role in the state's economic engine and quality of life. Yet, Minnesota is at natural resources sustainability crossroads as complex challenges reshape the state's natural heritage. Invasive species threaten the health and resiliency of Minnesota's lands and waters. Growth patterns in cities, on farmlands, in working forestlands, and around shorelands are impacting land and water conditions and their sustainable use. Climate changes are altering Minnesota's lands and waters and are projected to significantly intensify the negative effects of wildfires, invasive species, and wildlife and plant diseases. Growing markets for renewable energy offer opportunities to conserve natural resources and enhance energy price stability and security. Minnesota's nationally and internationally significant mineral resources are drawing significant development interest, while processing technology and environmental impact mitigation are advancing. Complex social and demographic trends are changing how citizens use and view Minnesota's environment, while creating new demands for diverse outdoor recreation opportunities and services.

Agency Priorities. DNR serves a diverse and changing public as it works to achieve the following mission-critical goals:

Goal 1. Minnesota's waters, natural lands, and diverse fish and wildlife habitats will be conserved and enhanced

Goal 2. Minnesota's outdoor recreation opportunities meet the needs of new and existing Minnesotan's so that all feel connected to nature.

Goal 3. Management of Minnesota's natural resources will contribute to strong and sustainable job markets, economies, and communities.

Goal 4. DNR will be an excellent organization that continually improves its management capabilities in service to its conservation mission.

Budget. DNR operates on direct, open, and statutory appropriations: general fund, game and fish fund, natural resources fund, federal funds, legacy fund, environmental trust fund, and other special revenue. DNR budget information can be found at http://files.dnr.state.mn.us/aboutdnr/budget/fy12-13/budget_spent.pdf

Major shifts in traditional sources of conservation funding are influencing how the department accomplishes its work. This challenges DNR to adjust its strategic funding framework in ways that ensure efficient and consistent delivery of mission-critical services.

Strategies:

DNR's work to sustain Minnesota's natural lands and waters serves as a foundation to achieve the state's triple bottom line – a healthy environment, a strong economy, and vibrant communities. DNR advances mission-critical priorities and contributes to statewide outcomes through the following integrated organizational structure:

- **Division of Ecological and Water Resources** works to ensure the long-term health of watersheds across the state that support water quality and maintain water quantity, biodiversity, and vital ecosystem services.
- **Division of Enforcement** enforces laws related to game and fish, wetlands, aquatic plants, and the operation of watercraft, snowmobiles, all-terrain vehicles, and other recreational vehicles, and provides conservation and safety education programs.
- **Division of Fish and Wildlife** conserves and enhances the state's fish and wildlife populations and their supporting habitats through regulation, restoration, research, monitoring, and education.
- **Division of Forestry** protects citizens and property from wildfire and strives for the sustainable yield of timber resources for forest products while managing state forests for wildlife habitat and recreation.
- **Division of Lands and Minerals** manages agency real estate transactions and promotes, regulates, and provides expertise on mineral exploration, mining, and mine land reclamation.
- **Division of Parks and Trails** operates a system of state park and state forest campgrounds that conserves natural, scenic, and cultural resources; maintains a statewide network of recreational trails; provides public access to lakes, rivers, and streams; and offers education opportunities.
- **Operations Support** provides the policy, business, and managerial foundation to support DNR's mission including planning and facilitating the deployment of the agency's financial, human, and physical resources.

DNR's integrated organizational structure efficiently contributes to vital statewide outcomes.

<u>Minnesota's natural resource-based economy</u>

- DNR offers for sale 700,000 to 900,000 cords of wood annually from state forest lands – about one third of the state's timber harvest while Minnesota's forest products sector has an economic impact of $13.8 billion in sales annually, $6.4 billion value added per year, and 67,300 jobs
- Hunting, fishing and wildlife watching generates $4.3 billion annually and supports 55,000 jobs
- With 12 million acres of state mineral rights, mining is the biggest contributor to northeast Minnesota's economy

<u>Natural resource conservation and enhancement</u>

- Forest certification on 4.8 million acres of state forest lands maintains the market competitiveness of Minnesota's forest industry, providing timber, habitat, clean water, and recreation opportunities
- DNR maps and monitors ground water – two-thirds of public water supply comes from ground water
- DNR monitors the state's surface waters with 2,800 monitoring sites across the state
- DNR manages1,430 wildlife management areas (WMAs) with 1.3 million acres of habitat and 840 shoreland miles administered as aquatic management areas (AMAs)
- DNR manages approximately 150 scientific and natural areas (SNAs), encompassing 180,000 acres

<u>Outdoor recreation</u>

- Minnesota has the nation's highest per-capita participation in fishing, while numbers of hunters, park visitors, trail users, and wildlife watchers are all above the national average. About 29 percent of Minnesotans fish, 15 percent Minnesotans hunt or trap, and 54 percent view or photograph wildlife
- 74 state parks and recreation areas, 54 state forest campgrounds and day use areas, eight state waysides

- 1,300 miles of developed state trails, 23,000 miles of snowmobile trails, 1,500 miles of cross-country ski trails, 2,000 miles of off-highway vehicle trails
- 30 water trails totaling 4,300 miles, 1,600 public accesses, 350 fishing piers and shore fishing sites

Measuring Success:

DNR employs a performance management system that connects agency mission and goals to budgets and uses performance measures and targets to measure conservation results. DNR's "Strategic Conservation Agenda: Performance and Accountability Report", (http://www.mndnr.gov/conservation_agenda/performance) a core part of this system, uses more than 90 performance measures and conservation targets to measure and communicate progress towards agency goals. Performance measures and targets are updated and reported annually. DNR's Outcomes Tracking System provides up-to-date and integrated performance reporting of DNR Grant programs (http://www.dnr.state.mn.us/grants/outcomes/index.html) and programs receiving Legacy Amendment Funds (http://www.dnr.state.mn.us/legacy/dnr-projects.html)

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Natural Resources
Lands and Minerals - Real Estate and Minerals Management

http://www.dnr.state.mn.us/lands_minerals/index.html

Statewide Outcome(s):

Lands and Minerals supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

A clean, healthy environment with sustainable uses of natural resources.

The program operates under the principle that economic prosperity depends on a healthy environment and sustainable use of natural resources

Context:

The Division of Land and Minerals is responsible for three critical economic and environmental areas within the Department of Natural Resources (DNR):

- management of the department's 5.5 million acres of state owned land;
- management of the department's 12 million acres of state-owned mineral rights;
- and reclamation of previously mined land.

The Division of Land and Minerals provides services to local units of government and schools throughout the state. The division manages the calculation and payment of Payment in Lieu of Taxes (PILT), which is a local government aid payment established by the Minnesota Legislature in the late 1970s. The payments are made in lieu of property taxes for DNR-owned land and for tax-forfeited lands. The division identifies mineral resources for the financial benefit of local units of government.

The division's primary customers include the schools and the university; local governments, conservation organizations, businesses, and landowners, and virtually all Minnesota citizens who value business growth, employment opportunities, a healthy environment, and sustainable natural resources.

The division operates on a variety of funding sources including general fund, natural resources fund, cooperative agreements with mining companies, permit fees, and game and fish fund. For more information, see: (http://files.dnr.state.mn.us/aboutdnr/budget/fy12-13/budget_spent.pdf) pages 2-3.

Strategies:

The work of the Division of Land and Minerals is divided into three categories:

- **Real Estate and Land Asset Management** – The division implements the departments strategic decisions, including generating revenue for the permanent school trust, relative to purchases, sales and land exchanges. The division manages transactions for road easements, utility licenses, and various leases; pays real estate taxes and special assessments; reviews county proposed tax forfeited land sales; conducts land surveying, staking, and platting for acquisitions; develops plans for monitoring conservation easements; reviews encroachment and adjoining rights; reviews title actions and maintains land records for all DNR managed lands.
- **Mineral Management** – The division manages minerals resources owned by the state in order to generate revenue for the permanent school trust fund and the general fund. The division monitors global commodity demand and pricing; establishes equitable royalty rates for state owned minerals; develops mineral resource information to support state mineral lease sales and mining; determines ore quality, generates resource and reserve estimates; conducts field inspections; collects rental and royalties due from exploration and mining on state lands; and reconciles and disburses mineral rental and royalty payments to the appropriate accounts.
- **Mineland Reclamation** – The division, as directed by MN statutes, establishes and enforces regulations for reclamation of lands disturbed by mining. Responsibilities include reducing the environmental impacts of mining; ensuring adequate environmental review of proposed developments; issuing permits; ensuring progressive reclamation; enforcing reclamation law; ensuring public review and input to the permitting process; developing mine closure plans and overseeing mine closures.

Results:

The Land and Minerals division monitors a number of performance measures to help track progress in each of the strategic areas described above. Key factors that drive desired outcomes include:

- **Globalization of the mineral industry.** The major funding for the school trust fund is from mineral rents and royalties. The impact of the globalization of the mineral industry and attendant commodity pricing will impact the amount of rents and royalties collected.
- **Acceptance of mining.** There is considerable debate regarding the mining of precious metals such as platinum, palladium, nickel, gold, silver and copper. The ability to mine these minerals will have a significant impact on the school trust fund.
- **Fee for service**. The willingness of citizens and companies to continue to fund government activity through fees may be reaching a turning point. A portion of the activities performed within Lands and Minerals (LAM) are still covered through the general fund. If general funds decline, additional fees will be charged to citizens and companies.
- **Land Record System.** DNR is implementing a new Land Record System which will dramatically change our internal processes and will improve communications regarding the status of real estate transactions. The new system requires accurate linking of data from the current system and new system processes must be fully implemented and maintained into the future.

Performance Measures	Previous	Current	Trend
1. Annual number of real-estate transactions	109	100	Stable
2. Income from state mineral leases	$14,373,000	$27,030,000	Improving
3. Acres of mineland reclaimed annually	~600 acres	~600 acres	Stable

Performance Measures Notes:

1- Comparing averages from FY 2003 through FY 2007 to FY 2008 through FY 2012. Includes fee-title, easement, and condemnation transactions. Given year-to-year variability, the trend is stable. In order to determine the time required to complete land acquisitions, an agreed upon measurement and calculation needs to be established. The new Land Record System will provide a mechanism to track time and to communicate progress regarding the various real estate transactions.

2- Comparing averages from FY 2003 through FY 2007 to FY 2008 through FY 2012

3- Comparing FY 2010 to FY 2011

More information: Strategic Conservation Agenda: Performance and Accountability Report (http://www.mndnr.gov/conservation_agenda/performance)

Natural Resources
Ecological and Water Resources Management

http://www.dnr.state.mn.us/waters/index.html

Statewide Outcomes

Ecological and Water Resources Management supports two firmly linked statewide outcomes:

A clean, healthy environment with sustainable uses of natural resources
A thriving economy that encourages business growth and employment opportunities

The program operates under the principle that economic prosperity depends on a healthy environment and sustainable use of natural resources.

Context

Ecological and water resources management is the job of the Department of Natural Resources (DNR) Ecological and Water Resources Division. The division promotes and delivers integrated land and water conservation to achieve healthy watersheds throughout Minnesota. The program provides critical information and regulatory oversight to state and local governments and landowners to foster natural resources stewardship. Customers include local governments, conservation organizations, businesses, and landowners and all Minnesotans benefited from healthy natural resources.

Funding sources include: general fund, natural resources fund, game and fish fund, legacy funds, environment and natural resource trust fund, and federal grants
(see http://files.dnr.state.mn.us/aboutdnr/budget/fy12-13/budget_spent.pdf pages 4-6).

Strategies

The work of Ecological and Water Resources Division is divided into three categories:

- **Inventory, monitoring, and analysis –** collecting and delivering information on ground and surface water, lake and stream habitat, and rare plants and animals. Quality information on natural resources is the key to sustainable use and maintaining Minnesota's quality of life. State and local governments and the public depend on this information to make good decisions regarding development and natural resource protection.
- **Conservation assistance and regulation** – regulating water use, public water modifications, and dam safety, and providing regulatory oversight to local governments for shoreland, floodplain, and Wild and Scenic Rivers. Population growth and development pressure will result in depletion of ground and surface water without adequate regulatory controls. Dam safety oversight protects the public and natural resources. Environmental review identifies potential impacts of projects and helps permitting address those impacts.
- **Ecosystem management and protection** – managing and preventing the spread of aquatic and terrestrial invasive species, managing Minnesota's Scientific and Natural Area and native prairie bank programs, managing nongame wildlife, and protecting threatened and endangered species. Invasive species threaten the state's lakes, rivers, wetlands, forests, and prairies, including the economies that depend on them. Protecting rare species prevents extinctions within the state. Nongame wildlife species are important to the state's ecosystems and recreational enjoyment of the outdoors.

Results

Ecological and Water Resources Division monitors a number performance measures to track progress in each of the strategic areas. Examples below indicate a performance measure under each strategy. Key factors that drive desired outcomes include:

- **Water sustainability trends.** With projected population growth and increased demand for domestic, industrial, and agricultural water, conflicts over water use, depletion of aquifers, and impacts on surface waters will increase if DNR and partners do not sustainably manage groundwater resources. To do this requires an understanding of groundwater geology and hydrology and work with water users towards conservation and water sustainability.
- **Innovation and continuous improvement.** Providing for wise use and protection of water resources requires a water permitting system that is user friendly and efficient. The division has had excellent success in meeting the 150-day goal established by the legislature and Governor's Office. Nevertheless, increased demand for water and lakeshore development, as well as decreases in general fund support for permitting programs, present challenges to meeting this goal. To help meet the challenge, the division is developing an on-line permitting system and increasing use of general permits.
- **Aquatic invasive species.** The spread of aquatic invasive species is one of the state's top conservation challenges. An increasingly mobile and global society has dramatically increased the number of new invasive species spreading to and within the state. Minnesota is particularly challenged because of the large number of lakes and rivers and corresponding public and private accesses. Also, climate change, habitat alterations, and other environmental disturbances create conditions favorable to invasive species over native species. Zebra mussels are a major concern because their rate of spread within the state has increased over the past five years. Regulation changes and increased emphasis on watercraft inspections and enforcement have been implemented to slow the rate of spread.

Performance Measures	Previous	Current	Trend
1. Number of groundwater monitoring wells	735	848	Improving
2. Percentage of water permits acted on within 150-day goal	Not applicable	99%	Stable
3. Rate of over land spread of zebra mussels to new waters	3 newly confirmed waters	3 newly confirmed waters	Worsening

Performance Measures Notes:

1. Comparing FY 2011 and FY 2012. While DNR is steadily increasing the number of monitoring wells, it is still short of reaching the target of 7,000 wells. The target of 7,000 wells was identified in a report to the LCCMR for a statewide groundwater monitoring network that may take 30 years to fully implement.
2. Determining the 150-day goal for most water related permits required significant database changes to better capture the dates that permit applications were considered complete, thus there is no way to look back at this data prior to FY 2012. Predicted stable trend based on being able to issue 99 percent of permits within 150 days of having a complete application.
3. Comparing FY 2010 to FY 2011. While zebra mussels are being confirmed in additional lakes and rivers every year, the rate of spread would likely be much higher without Minnesota's increasing focus on invasive species legislation, education, and enforcement.

More information: *Strategic Conservation Agenda: Performance and Accountability Report* (http://www.mndnr.gov/conservation_agenda/performance)

Natural Resources
Forest Management
www.dnr.state.mn.us/forestry/index.html

Statewide Outcome(s):

Forest Management supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

A clean, healthy environment with sustainable uses of natural resources.

The program operates under the principle that economic prosperity depends on a healthy environment and sustainable use of natural resources.

Context:

Forest management is the job of the Department of Natural Resources (DNR) Division of Forestry. The division helps sustain Minnesota's quality of life by improving the productivity, health, diversity, accessibility, and use of forests, which are natural assets that will depreciate if not properly managed. The forest products industry relies on a sustainable state timber supply to survive. In turn, the industry provides jobs and millions of dollars of indirect economic benefits to Minnesota. Well managed forests also provide economic benefits from tourism and outdoor recreation. In addition, a healthy forest provides environmental benefits by supporting clean water, wildlife habitat and biodiversity. To ensure a healthy, vibrant, and competitive Minnesota into the future, the DNR and partners must actively manage the state's forests to enhance their utility.

- Minnesota needs healthy forests for a sustainable supply of high-quality wood fiber that will sustain industry and associated jobs into the future.
- Forests are needed to ensure that landscapes remain productive, ecologically healthy, and beautiful in the face of conservation challenges, such as wildfires, land-use and climate changes, invasive species and insects and diseases.
- Society needs forests to pass on an outdoor heritage because forests are a cornerstone for connecting citizens to the great outdoors.

Funding sources include general fund and natural resources fund, with a lesser amount of dedicated funds for specific activities within this category from the Heritage Enhancement Account, federal grants, and special revenue sources (http://files.dnr.state.mn.us/aboutdnr/budget/fy12-13/budget_spent.pdf) see pages 7-10.

Strategies:

The Division of Forestry:

- Provides leadership in forest management and policy development aimed at ensuring all Minnesota forest lands (public and private) are sustained and enhanced into the future
- Manages 4.2 million acres of DNR-administered forest lands for a sustainable supply of forest resources (as defined in Minnesota Statutes section 89.001) including quality timber, abundant wildlife habitat and populations, outdoor recreation, clean water, and biological diversity
- Collaborates with other forest landowners and natural resource professionals to keep working forests forested and actively managed
- Supports the commercial use and public enjoyment of forest resources by maintaining public access, forest roads, and recreational trails
- Manages School Trust lands consistent with goals for the Permanent School Trust Fund

Results:

The following performance measures represent a subset of outcomes for the forest management program. Key factors that influence desired outcomes include:

- **Gaining a competitive edge in global markets:** Minnesota competes with other states as well as globally for forest industry investment. The industry needs a sustainable supply of wood in the state to survive. While the division has increased the amount of wood sold and harvested during the past five year period compared to the previous five year period, the value received for the wood has decreased significantly due to market conditions. Forest products mill closures and reduced timber supply from private lands compound market pressures on state resources. Unpredictable and often volatile timber sales revenue challenges division operations. Because the division relies on revenues from timber sales to support its operations, as revenue from timber harvest and other state funding declines, the amount of forest management the division can accomplish each year is strained. This impacts forest management outcomes on both state and private lands, in turn impacting an already stressed industry. In addition, commercial timber harvest is a low cost way to manage the forest for wildlife habitat and ecological health. The DNR does not have the funds to actively conduct the timber work itself so it relies on commercial harvest to get much of this work done. DNR also manages for Forest Certification on 4.8 million acres of state forest lands to help maintain the market competitiveness of Minnesota's forest industry. Strong investment in the division's operations is needed to help sustain forest resources and jobs in Minnesota and ensure we can continue to manage our forests for wildlife and ecological benefits as well.
- **Enhancing working forests on private lands and responding to parcelization**: The division's Forest Stewardship Program works with non-industrial, private forest owners to encourage forest retention and sustainable management in the face of development pressure. Because private lands represent 40% of Minnesota's forest ownership, and management activity on these lands is relatively low, the need to increase their contribution to forest landscape goals and to the forest economy is critical. Parcelization, the subdivision of land into smaller ownership parcels, is a phenomenon affecting private forest land across the nation and Minnesota. Forest land parcelization has adverse effects on timber availability, wildlife habitat, and recreational access. Division of Forestry's leadership is key to working with private landowners to ensure private forest lands are maintained, well managed and can contribute to the state's timber supply. This will ensure a healthy forest products industry with the ancillary environmental benefits a healthy forest provides.
- **Key management tools to ensure healthy forests and sustainable timber supply:** An up-to-date inventory of state forest lands, including tree cover, size, age, and productivity, is essential to determine timber supply, sustainable management targets and forest industry research and development needs. The division also responds to forest threats by monitoring, detecting and analyzing various pests, diseases, and natural disasters via aerial surveys, evaluations, impact assessments, and treatments. DNR employs two primary forest inventory and analysis programs: Cooperative Stand Assessment (CSA), which is a stand management-level inventory of DNR forest lands; and Forest Inventory and Analysis (FIA), a multi-agency strategic inventory across all forest land ownerships. DNR is pursuing a redesign of CSA to continue meeting user needs within projected budgets and alternative ways to fund FIA at a level sufficient to guide strategic decision making.
- **Incorporating scientific innovation into practice:** DNR pursues innovative ways to enhance Minnesota's forests. The division has created distinctive forest management guides based on Native Plant Communities data collected and analyzed by its staff. Management guides provide progressive science-based information that helps inform management decisions and meet the public demand for environmentally sound forest management.

Performance Measures	Previous	Current	Trend
1. Cords of wood products offered on the market at public auction as DNR timber sales.	812,000	863,000	Stable
2. Acres of Cooperative Stand Assessment (CSA) Forest Inventory completed.	113,560	90,040	Worsening
3. Acres of non-industrial private and non-federal public lands monitored via aerial survey for insect and disease, and other forest health threats.	13 million	13 million	Stable
4. Acres of DNR forest land characterized to Native Plant Community (ecological units) annually.	1,570	99,200	Improving

Performance Measures Notes:

1. Comparing annual average of FY 2003-FY 2007 to annual average of FY 2008-FY 2012. Only including new volumes not previously offered at auction.
2. Comparing annual average of FY 2004-FY 2008 to annual average of FY 2009-FY 2012.
3. Comparing FY 2006 to FY 2012. While DNR aerial surveys continue to cover the total 13 million acres of non-federal public and non-industrial private forest land statewide, the threats detected are increasing in frequency or severity.
4. Comparing annual average of FY 2002-FY 2006 to annual average of FY 2007-FY 2011.

More information: Strategic Conservation Agenda: Performance and Accountability Report (http://www.mndnr.gov/conservation_agenda/performance)

Natural Resources
Forestry – Fire Fighting
http://www.dnr.state.mn.us/forestry/fire/index.html

Statewide Outcome(s):
Forestry Wildfire Protection supports the following statewide outcome(s).

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Context:
Wildfire protection is the job of the Department of Natural Resources (DNR) Division of Forestry, which provides wildfire protection on 45.5 million acres of public and private land in Minnesota. While fire is a natural part of the environment, more people living near wildlands means a greater chance of loss of life, property, and damage to natural resources. Wildfire protection is needed to protect people, natural resources, and the state's quality of life. It serves landowners, homeowners, businesses, rural fire departments, other emergency response partners, and natural resource managers in particular. The forestry division also manages the use of prescribed fire.

The division assures accountability in state fire suppression costs and fosters cooperation with federal and regional firefighting organizations to reduce reliance solely on state resources.

With climate changes, hot, dry conditions can produce larger and more intense fires and longer fire seasons. The amount of resources required to maintain fire response under new normal baseline environmental conditions is likely to increase in coming years. There is a high degree of uncertainty as to what the average annual fire season duration and severity will be, and what that response will cost. However, DNR puts a high priority on cost-effective delivery of fire protection services.

Funding sources include open general fund appropriation, a direct general fund appropriation, and federal funds for fire prevention, in that order of significance. (http://files.dnr.state.mn.us/aboutdnr/budget/fy12-13/budget_spent.pdf) see pages 7-10.

Strategies:
The DNR Division of Forestry is charged with preventing and suppressing wildfires on 45.5 million acres of public and private land in Minnesota.

The Division of Forestry:
- Protects against loss of life by wildfire
- Minimizes loss of property and natural resources
- Responds to fire and natural disaster emergencies in Minnesota and cooperates with federal and regional firefighting organizations by staffing national fire incidents
- Prevents wildfires through education, regulation, and management of an open-burning permit system
- Supports the use of prescribed fire as a natural resource management tool and fuels reduction strategy

Results:
The following performance measures represent a subset of outcomes for the wildfire protection program. These performance measures describe the speed of emergency response, size of fires suppressed by Division of Forestry, and Division of Forestry's effectiveness on protection of structures. The goals associated with these measures are as follows:

- Maintain a response time of 20 minutes or less for areas that DNR is the principle first responder.
- Median fire size is maintained under ten acres in a given year.
- At least 95 percent of structures threatened by wildfire are protected.

As the data shows, Division of Forestry has been effective at achieving the goals for this activity.

Performance Measures	Previous	Current	Trend
1. Average response time to wildfires	average response time was <20 minutes	average response time was <20 minutes	Stable
2. Median wildfire size	median fire size was 0.26-10 acres	median fire size was 0.26-10 acres	Stable
3. Percent of structures threatened by wildfire that are protected	average was 95%	average was 96%	Stable

Performance Measures Notes:

1 & 2- Comparing FY 2000-FY 2006 to FY 2006-FY 2012.

3- Comparing FY 2007-FY 2009 to FY 2010-FY 2012.

More information: Strategic Conservation Agenda: Performance and Accountability Report (http://www.mndnr.gov/conservation_agenda/performance)

Natural Resources
Parks and Trails Management
http://www.dnr.state.mn.us/parks_trails/index.html

Statewide Outcome(s):
Parks and Trails Management supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

Context:
Parks and trails management is the job of the Department of Natural Resources (DNR) Parks and Trails Division. The division seeks to create unforgettable park, trail, and water recreation experiences that inspire people to pass along the love for the outdoors to current and future generations. This is accomplished by implementing four outdoor recreation priorities:

- Connecting people to the outdoors
- Acquiring land and creating opportunities
- Taking care of what we have
- Coordinating with partners

The division provides diverse outdoor recreation opportunities and supports jobs by participating in a sustainable tourism industry. The division provides windows into Minnesota's original landscape by preserving and managing important ecosystems and viewsheds in the state. The division helps visitors understand and appreciate the story of Minnesota's rich natural and cultural heritage through interpretation and outreach.

The division's customers, the recreating public, are resident and non-resident. Its prospective customers and primary target market is young families with children.

Funding sources include general fund, dedicated natural resource funds, state park revenue dedicated account, working capital, legacy funds, lottery-in-lieu, and other statutory appropriations. The Parks and Trails 25 year Legacy Plan (http://www.legacy.leg.mn/sites/default/files/resources/parks_trails_legacy_plan_0.pdf) and the ten year Strategic Parks and Trails Plan (http://www.dnr.state.mn.us/input/mgmtplans/strategic_plan/10year_2.html) guides our investments to develop and improve parks and trails to meet the changing needs and expectations of Minnesotans:

Strategies:
- Provide high quality recreation experiences for campers, hikers, cyclists, horseback riders, canoeists, kayakers, boaters, anglers, hunters, swimmers, in-line skaters, paddle boarders, birders, off-highway vehicle and snowmobile riders, and cross country skiers and others by building a sustainable infrastructure and providing excellent customer service.
- Preserve Minnesota's best landscapes for current and future generations to enjoy.
- Restore native ecosystems, protect natural systems and help stop the spread of invasive species.
- Inspire and provoke visitors to learn about the stories of Minnesota's natural and cultural heritage.
- Identify and purchase high quality resource and recreation lands for public use.
- Increase the number of families and children enjoying the outdoors through market research, communication strategies, and innovative recreation facility and program development.
- Maintain recreational facilities, such as paved trails, bridges and campgrounds.
- Provide leadership in the wise use of energy by creating energy efficient practices and buildings.
- Increase family and youth participation in outdoor recreation skills by offering relevant skill-building programs and promoting opportunities through advertising.

- Encourage and grow key partnerships: the Minnesota Parks and Trails Council, recreation associations, such as the Minnesota United Snowmobiler's Association and Minnesota Motorized Trail Coalition, Explore Minnesota Tourism, clubs, friends groups, local units of government, and state agencies.

Results:

The performance measures in the chart below are a subset of the outcomes for the entire program. Key factors that influence outcomes include:

- **A change in participation in traditional nature-based recreation activities.** In particular, there has been decline in outdoor recreation participation by young adults and their children. This trend threatens Minnesota's storied tradition as an outdoor culture. To stem this trend, DNR Parks and Trails is implementing innovative strategies with its partners to connect Minnesotans to the outdoors and ensure Minnesota's children become the natural resource stewards of tomorrow.
- **Taking care of what we have.** Minnesota has invested significantly in its outdoor recreation system - both natural and cultural resources and built facilities. The state needs to maintain and protect these treasures if unforgettable park, trail, and water recreation experiences are to be available for current and future use.
- **Creating opportunities.** The face of Minnesota is changing. The state's population is becoming more diverse, more urban, and older. If it is to meet the evolving needs of current and future Minnesotans, the state must acquire and develop parks and trails in new and innovative ways that meet the outdoor recreation needs of people of all abilities.
- **Major shifts in traditional sources of funding** influence how the division accomplishes its work. A decline in general fund resources and lack of flexible funding sources are causing service reductions at state parks. The division cannot use dedicated funds to support essential day-to-day operations and maintenance needed for maintaining a high-quality parks and trails system. In Minnesota session laws 2012, the legislature required DNR to prepare a report on the "long-term funding, use, expansion, and administration of Minnesota system of state parks, recreation areas, trails, and state forests day use areas".

The DNR's Parks and Trails Division has earned praise and recognition across the state and country. Recent awards include: American Trails "Best Trails State" (2010), Coca-Cola's "America's Favorite Park" - Bear Head Lake State Park (2010) and Soudan Underground Mine State Park (2011), "Governor's Award for Pollution Prevention" (2010), "Large Access Outstanding Project" award from the States Organization for Boating Access (SOBA) for the McQuade Public Access on Lake Superior (2009), and American Trails Winning Website award for the DNR Water Trails website (2009).

Performance Measures	Previous	Current	Trend
1. Number of state park overnight guests	950,000	1 million	Improving
2. Percent of state park visitors under the age of 45	68%	58%	Worsening
3. Acres of Parks and Trails (PAT) land restored, burned or managed for invasive species control	6,531	12,140	Improving
4. Trail Bridge Rehabilitation or Replacement	4	20	Improving
5. Percent of paved state trail miles in poor condition	26%	24%	Stable

Performance Measures Notes:

1 & 2. Recreation participation by families with children was trending downward prior to FY 2007 in state parks and trails. The division has used Legacy funds to innovate its products, services and communication strategies in order to reverse this trend. It is anticipated that FY 2012 social science research will begin to show a slight reverse in this trend. Overnight stays and participation in interpretive programs in state parks has been on an upward trend since FY 2007. More information will be known about whether this increase includes guests under the age of 45 when FY 2012 research is complete in December. DNR is using market research to develop new products and modify existing products to increase per-capita and next generation engagement in outdoor recreation.

1. Comparing FY 2007-FY 2011
2. Comparing FY 2001-FY 2007

3. Comparing FY 2007 to FY 2011
4. Comparing FY 2008-2009 to FY 2011-2012
5. Comparing FY 2008 to FY 2011

More information: Strategic Conservation Agenda: Performance and Accountability Report (http://www.mndnr.gov/conservation_agenda/performance)

Natural Resources
Parks and Trails – Community Partnerships

www.mndnr.gov/parks_trails

Statewide Outcome(s):

Parks and Trails Community Partnerships supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

Context:

Through community partnerships, the division seeks to create unforgettable park, trail, and water recreation experiences that inspire people to pass along the love for the outdoors to current and future generations. This is accomplished by implementing four outdoor recreation priorities:

- Connecting people to the outdoors
- Acquiring land and creating opportunities
- Taking care of what we have
- Coordinating with partners

The division also serves local units of government in supporting and developing recreational facilities. This includes supporting development of local park and trail systems through grants, as well as water recreation facilities through cooperative agreements. The division program works with local units of government to coordinating with clubs and volunteers to create and maintain trail networks for motorized and non-motorized recreation.

Funding sources include legacy funds, natural resource fund, and federal grants.

Strategies:

- Provide pass-through grants to local government units through the following grants: parks and trails legacy grant program, outdoor recreation grant program, regional park grant program, local trail connections program, regional trail grant program, and the federal recreational trail program.
- Administer and coordinate an extensive Grant-in-Aid (GIA) system that supports local government units and clubs that connects communities and other state facilities.
- Assist communities in establishing cooperative water access sites such as boat launches and fishing piers.
- Partner with local government units to provide cost advantages to the state such as reduced acquisition costs, reduced operations and maintenance and shared enforcement costs. The local unit of government benefits from reduced development or renewal costs, while meeting local recreational demands.
- Supplement local efforts to increase local and regional outdoor recreational opportunities that increase access and economic benefits. A University of Minnesota study found that in 2008 Minnesota trail users spent $3.3 billion in recreation-related spending and contributed $2.8 million in local taxes.

Results:

The performance measures in the chart below are a subset of the outcomes for the entire program. Program managers implement the strategies and regularly evaluate their success and adapt practices to achieve desired results. Key factors that influence outcomes include:

- **Creating opportunities.** The face of Minnesota is changing. Minnesota is becoming more diverse, more urban, and older. This requires the Department of Natural Resources (DNR) to adapt parks, trails, and water-based recreation amenities to meet the outdoor recreation needs of people of all abilities.

Partnering with local units of government is one key strategy to enhance the current outdoor recreational opportunities in Minnesota.

- **Taking care of what we have.** Minnesota has invested significantly in a world-class outdoor recreation system. Recreational facilities need to be maintained and protected if unforgettable park, trail, and water recreation experiences are to be available for current and future use.

One way to measure the success of the program is by the quality and quantity of applications received, funding requests for the competitive grant programs continues to exceed fund availability by three to one.

Performance Measures	Previous	Current	Trend
1. Number of fishing pier projects	6	2	Worsening
2. Miles of Grant-in-Aid (GIA) Trails Groomed and Maintained (Snowmobile, Ski, and Off-Highway Vehicle)	22,791	25,409	Stable
3. Number of GIA Partnerships with Local Communities (Snowmobile, Ski, and Off-Highway Vehicle)	264	279	Stable
4. Number of Park and Trail Grant Applications (non-GIA)	181	260	Improving
5. Number of Park and Trail Grants Awarded/Funded (non-GIA)	69	104	Improving

Performance Measures Notes:

1. Measures were taken from the average for FY 2007-2011 and FY 2012. With declining funding level for the fishing pier program, the number of projects has declined. Despite the reductions in funding, the number of fishing pier applications has actually been steady or increasing. On average, the DNR receives five times as many applications as it is able to fund annually, metro area has been running about ten times more applications than funding will allow.
2. Measures were taken from the average for FY 2007-11 and FY 2012.
3. Measures were taken from the average for FY 2009-11 and FY 2012.

4 & 5 Measures were taken from the average for FY 2007-11 and FY 2012.

For more information: Strategic Conservation Agenda: Performance and Accountability Report (http://www.mndnr.gov/conservation_agenda/performance)

Natural Resources
Fish and Wildlife Management
http://www.dnr.state.mn.us/fishwildlife/index.html

Statewide Outcome(s):

Fish and Wildlife Management supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

A clean, healthy environment with sustainable uses of natural resources.

The program operates under the principle that economic prosperity depends on a healthy environment and sustainable use of natural resources.

Context:

Fish and wildlife management is the job of the Department of Natural Resources (DNR) Fish and Wildlife Division. Minnesota's citizens value the state's rich outdoor heritage and often view their quality of life by the state's abundance and quality of outdoor experiences and recreation opportunities. The level of support for Minnesota's outdoor heritage was demonstrated by the 2008 constitutional Legacy Amendment that was supported by 56% of voters. Other amendments have also garnered significant support: a 1988 constitutional amendment establishing the environmental and natural resources trust fund (77 percent voter support) and a 1998 constitutional amendment preserving the right to hunt and fish (75 percent voter support).

The division supports DNR's three-part mission to support interrelated values of economic development, recreational use, and natural resources protection. The division serves DNR's mission by managing fish and wildlife populations, conserving aquatic and upland habitats, responding to fish and wildlife disease and habitat challenges, and providing economic benefits at local and statewide levels.

Fishing, hunting, trapping and wildlife watching annually provide:

- an estimated 38.9 million days of fish and wildlife related outdoor recreation, including 24.4 million fishing days, 6.5 million hunting days, and 8 million wildlife watching (away from home) days, and
- direct annual expenditures in Minnesota of $4.3 billion.

Funding sources include the game and fish fund (angling and hunting licenses), legacy fund, special revenues, federal grants, natural resource fund, environmental trust fund, and general fund (http://files.dnr.state.mn.us/aboutdnr/budget/fy12-13/budget_spent.pdf) see page 14

The 2012 Legislature approved a fee initiative that is forecasted to bring in increased revenue to the game and fish fund enabling the department to continue and, in some cases, accelerate critical hunting and fishing activities.

Strategies:

Fish and wildlife population monitoring and management is necessary for managing healthy and productive fish and wildlife populations that support high quality and abundant fishing, hunting, trapping, and wildlife recreation viewing opportunities. Recreational opportunities and species sustainability are grounded in well-managed fishing and hunting and trapping seasons, which are based on scientific population surveys. Staff have been increasingly involved in monitoring and managing wildlife diseases such as bovine TB, avian influenza, chronic wasting disease and Newcastle disease.

Habitat protection, enhancement, and restoration is necessary for healthy and productive aquatic and terrestrial fish and wildlife populations. Fish and wildlife managers are responsible for conserving and managing habitat on state lands. Typical practices include creating waterfowl impoundments, conducting prescribed burns, restoring and enhancing wetlands, managing timber harvest, conducting wildlife lake assessments, improving fish spawning areas, restoring aquatic plants, removing dams, restoring channels, and reclaiming lakes.

Technical assistance, public participation, planning, and coordination results in citizens who are knowledgeable about the social and ecological value of healthy environments. In turn, citizens become supportive

of the conservation of natural resources and ecological systems. DNR provides effective citizen partnerships to manage fish and wildlife resources.

Outreach, recruitment, and retention is necessary for increased multicultural, urban, and youth participation and appreciation of the state's outdoor heritage as well as retention of current fish and wildlife recreation participants. This work includes implementing mentored hunts, managing the National Archery in the Schools program, providing skills-based training through youth and women's programs, working directly with the Southeast Asian and other ethnic communities, investing in youth education through the MinnAqua program, and enhancing skills through the Becoming An Outdoors Woman/Family program, and Fishing In the Neighborhood.

Results:

The performance measures in the chart below are a subset of outcomes for the entire program. Program managers implement the strategies and regularly evaluate their success and adapt management practices to achieve the desired results. Key factors that drive outcomes include the following:

- **Loss of habitat** as natural lands and waters are converted and developed for other purposes is a continuing challenge. High conservation value habitat such as grasslands, wetlands, and lakeshore are under threat from drainage, pollution, and land conversion. These ecosystems supply wildlife habitat and are critical for water quality, local economies, and recreation.
- **The cumulative effects of stresses** — a changing climate, invasive species, disease, pollution, and land conversion — all lead to unprecedented challenges to Minnesota's wide range of fish and wildlife species and habitats. Events occurring far from Minnesota, such as the 2010 Gulf oil spill, can also impact migratory wildlife species such as loons and waterfowl.
- **Increasing recreational and economic demands** on fish and wildlife resources create potential for conflict. Some hunters want motorized access, while others want silence. Different people want land managed for different economic uses.
- **Managing interactions between people and wildlife** is a challenge. More people are spending more time in places that bring them into contact—and sometimes conflict—with deer, geese, turkey, bears, and other animals. Wildlife damage to crops and other resources increase with changes in human and wildlife populations and with changes in the quantity and quality of habitat. An increasingly urban population may not be aware of fish and wildlife needs and laws.
- **Retooling management and channeling resources in new ways** prepares DNR to respond to rapidly changing trends. The division will take advantage of new opportunities for managing natural lands to sustain wildlife while meeting emerging markets for biomass energy.

Performance Measures	Previous	Current	Trend
1. Number of wild rice lakes actively managed for waterfowl	173	314	Improving
2. Acres of agricultural landscape in grassland and wetland habitat conservation programs	2.8 million	2.6 million	Worsening
3. Percent of lake trout in Lake Superior, that are naturally reproducing	79%	82%	Improving
4. Percent of deer permit areas within goal range	67%	66%	Stable
5. Number of lake surveys per year	700	~665	Improving

Performance Measures Notes:

There are factors outside the control of program managers that influence these measures such as weather, climate, and land use changes. Habitat conservation programs are largely federal Farm Bill programs with contributions from federal and state protection (fee title ownership).

1. Comparing FY 2005 to FY 2009.
2. Comparing FY 2007 to FY 2011.
3. Comparing FY 2005 to FY 2011.
4. Comparing FY 2007 to FY 2012.
5. Comparing FY 2010 to FY 2012.

More information: Strategic Conservation Agenda: Performance and Accountability Report (http://www.mndnr.gov/conservation_agenda/performance)

Natural Resources
Fish and Wildlife; Licensing

http://www.dnr.state.mn.us/fishwildlife/license/index.html

Statewide Outcome(s):

Fish and Wildlife - Licensing supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

A clean, healthy environment with sustainable uses of natural resources.

Context:

Fish and wildlife licensing is the job of the Department of Natural Resources (DNR) Fish and Wildlife Division. A license is required in order to hunt and fish in Minnesota. The purposes of game and fish licenses are to:

- allow for the control and management of fish and wildlife populations through harvest;
- provide information to managers for determining hunter/angler interest and harvest pressure on given populations;
- support enforcement of game and fish regulations; and
- generate revenue used to manage fish and wildlife habitat and populations.

Registration and titling helps recreation managers to regulate watercraft, snowmobile, ATV and other recreational vehicles and provides revenue to manage recreational trail systems, provide safe use, and provide information for program implementation.

Funding is provided from those who receive the service - hunters, anglers, boaters, snowmobilers, and other recreational motorists.

Strategies:

DNR's License Center is responsible for the development, implementation, and maintenance of the statewide electronic licensing system (ELS). Hunting and fishing licenses can be purchased at any of the 1,500 ELS agent locations, by phone, or online. License Center responsibilities also include commercial licenses (e.g., minnow dealers, game farms, and shooting preserves) and the lottery system for issuing controlled hunt permits (e.g., turkey, antlerless deer, bear, moose, and elk). The License Center issues all watercraft registration and titles and the registration of All-Terrain Vehicles (ATV), snowmobiles, Off-Road Vehicles (ORVs), and Off-Highway Motorcycles (OHM) through the web-based ELS and distributed through 170 deputy registrar locations.

A walk-in service counter provides service to customers for all types of license, registration, and titling transactions. Other services include the statewide distribution of a variety of DNR-related materials. This includes hunting regulations, fishing regulations, waterfowl supplements, boating guides, snowmobile regulations, and Off-Highway Vehicle (OHV) regulations.

Results:

Recently, the License Center implemented the second generation of ELS. The new system applies the latest technology available for point of sale licensing. This includes touch screen point of sale equipment, web integrated programming, and easier online and telephone sales and harvest registration.

Performance Measures	Previous	Current	Trend
1. Game and Fish License transactions per year	3.1 million	2.87 million	Stable
2. Annual watercraft registrations	854,000	809,000	Worsening
3. Annual ATV registrations	250,000	259,500	Improving

Performance Measures Notes:

1, 2 & 3 – Comparing FY 2006 to FY 2011.

Changes in types of game and fish licenses occurred during this period. The number of individual license purchasers is stable.

More information: Strategic Conservation Agenda: Performance and Accountability Report (http://www.mndnr.gov/conservation_agenda/performance).

Natural Resources
Enforcement Natural Resource Laws and Rules

http://www.dnr.state.mn.us/enforcement/index.html

Statewide Outcomes

The Enforcement Natural Resource Laws and Rules Program supports the following statewide outcomes:

A clean, healthy environment with sustainable uses of natural resources

A thriving economy that encourages business growth and employment opportunities

Strong and stable families and communities

The program is also a contributor to the statewide outcome:

People in Minnesota are safe

Context

The enforcement of natural resources laws and rules is the job of the Department of Natural Resources (DNR) Enforcement Division. The division operates to ensure public safety and compliance with laws regarding state game and fish, recreational vehicles, non-motorized recreational activities; natural resource commercial operations, and environmental protection. Major responsibilities include law enforcement, public safety, and education in:

- hunting and fishing seasons, methods of taking wild animals, and possession limits;
- public safety, including regulating Off-Highway Vehicle (OHV) and watercraft operation, alcohol impaired operation, and response to natural disasters;
- regulating commercial use and exploitation of natural resources and products;
- protection of the state's land, air, and water quality; and
- safety training and hunter education for youth and adults.

The Enforcement Division helps ensure sustainable game and fish populations that make Minnesota a destination state for outdoor recreation. This program supports a multi-million dollar tourism industry linked to hunting, fishing, motorized and non-motorized recreation. It also promotes education of Minnesota's diverse outdoor recreationalists in safe and ethical practices. Enforcement possesses specialized equipment and workforce skills that are relied on by other law enforcement agencies in natural disaster response.

Funding sources include game and fish fund, general fund, natural resources fund, water recreation fund and small amounts of remediation fund and federal funds (see http://files.dnr.state.mn.us/aboutdnr/budget/fy12-13/budget_spent.pdf pages 16-18).

Strategies

The Division of Enforcement manages five core program areas:

- **Environmental Protection:** Protection of the environment through enforcement of regulations related to invasive species, the Wetland Conservation Act, protected waters, aquatic plants, wildlife management areas, fire, air quality, timber and solid waste.

- **Fisheries and Game Protection**: Protect fisheries stocks, small game, migratory waterfowl, and big game populations through law enforcement and education efforts. Promote safe involvement in the state's shooting sports through quality education.

- **Recreational Enforcement and Safety Training and Education**: Provide safety training and law enforcement services for All-Terrain Vehicle [ATV]), Off-Highway Motorcycle (OHM), Off-Road Vehicle (ORV), and snowmobiles, and for non-motorized activities.

- **Public Safety and Service:** Respond to citizens' calls for service and support police and sheriff's law enforcement efforts for activities such as disaster response.

- **Water Recreation:** Enhance boat and water safety and public access to waters through enforcement and education, including grants to local law enforcement.

Results

The following performance measures represent a subset of outcomes for the Division of Enforcement. Key factors that drive desired outcomes include:

- **Public Safety Role.** The health and welfare of Minnesotans in their time of need is our highest priority. The division measures its success by its ability to respond to requests for service. The division's emergency response role must be stable and consistent; it cannot be compromised. For example, the efforts of the Division has contributed to a continued fatality rate well below the national average of 6.2/100,000 boat registrations. Minnesota leads the nation in per/capita boat ownership and has been a leader in boating safety outreach and enforcement.
- **Major shifts in traditional sources of conservation funding** influence how the division accomplishes its work. Because public safety activities are funded by general fund appropriations, in years where natural disaster response is elevated there are fewer resources available to deliver other critical public services. Enforcement must assure fund integrity of its dedicated funds that cannot be diverted from their intended purposes. This challenges the division's flexibility; alternative funding models are needed to ensure efficient and consistent delivery of all the Division's vital conservation services.
- **Invasive Species Enforcement.** The spread of aquatic invasive species in the state poses unprecedented challenges to ensuring the persistence and health of Minnesota wide range of fish and wildlife species and habitats and the recreation and economic opportunities they provide. The enforcement division increasingly plays a critical enforcement and education role to address this growing threat to the state's natural resources.
- **Continuous Improvement and New Service Delivery Models.** The effectiveness of law enforcement efforts cannot be gauged simply by tabulating the results of citations and warnings issued. The Division has a three-pronged approach to gaining compliance; information, education, and law enforcement, with enforcement action as the last measure. The Division must keep pace with change and accelerate the use of media to inform and influence citizens to increase voluntary compliance and report violations.

Performance Measures	Previous	Current	Trend
1. Hours of game and fish enforcement worked	210,000	200,000	Stable
2. Students certified through Division Safety Training Programs	38,500	37,000	Stable
3. Recreational fatalities maintained below the national average (Deaths/100,000 registrations)	Boating - 1.47 ATV – 8.38 Snow – 5.00	Boating -1.98 ATV – 5.85 Snow – 2.73	Improving
4. Hours worked in environmental protection	29,000	22,000	Worsening
5. Hours devoted to Public Safety*	6500	5000	Stable

Performance Measures Notes:

1, 2, 3, 4, & 5 – Comparing FY 2011 to FY 2012.

5 - While the measure appears to be worsening, in FY 2011 a major flood increased activity levels above normal. Goals for service are being met and base activity outside of disaster response has remained stable.

DNR is exploring the development of an enforcement data records management system to help track an improved set of enforcement performance measures.

More information: *Strategic Conservation Agenda: Performance and Accountability Report* (*http://www.mndnr.gov/conservation_agenda/performance*)

Natural Resources
Operations Support
http://www.dnr.state.mn.us/aboutdnr/index.html

Statewide Outcome(s):

Operations Support supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

DNR operates under a "triple bottom line" principle that economic prosperity and vibrant communities depend on a healthy environment and sustainable use of natural resources.

Context:

Operations Support provides the critical policy, programmatic, business and managerial support to the Department of Natural Resources (DNR) mission. Program activities engage in planning and deploying the agency's financial, human, and physical resources, and administer pass through grants.

Shared leadership and business services are merged into a single program area. The operations support program is a consolidation of common business activities that support the work and mission of the agency including: safety, planning and performance measurement, policy development, communications, personnel, equipment and facilities, purchasing, information systems, finance, and leadership. The program also provides internal leadership and business services.

- Operations Support maintains key business skills at the lowest possible costs. These skills involve: workforce, planning, allocation of money and capital assets, and decision-making. The program assesses the full costs of decisions for decision-makers. This creates dependable budgeting, planning, and reporting. The program assures a fair and equitable distribution of costs so that money is allocated for its intended, specific purposes.
- Key issues for the operations support program are leadership, decision-making, managing costs, allocation of costs, instituting best management practices and support for innovation, transparency and accountability in reporting results, and managing pass through grants for local units of government and non-profits.
- Primary customers include executive leadership, senior management, operations managers, managerial and supervisory corps, employees at all levels, and grant recipients.
- Operation support activities exist under the oversight of the shared services board that negotiates and recommends service level agreements. These agreements are contracts that stipulate service products, the amount of services, allocation of costs, and measures of performance. The allocated costs are converted into bills to the divisions. Funds received from billings are allocated to business services.

Strategies:

Operations Support establishes business and leadership systems that focus on strategic priorities and agency goals reflect sound management values, and direct design and delivery of coherent systems of support services. Operations support is organized around these core purposes:

- **Coordinate strategic priorities** to achieve DNR's goals. Design and operate a customer-driven implementation process. Train managers how to support and operationalize decisions. Provide effective opportunities for stakeholder participation. Better understand economic trends. Use capital investments to drive economic development.
- **Conduct operations** that reflect DNR's cultural values. Support a diverse and respectful workplace. Build a workforce that is safe, respectful and flexible. Develop the next generation of DNR leaders. Initiate process improvement projects. Ensure adoption of best science and management practices. Adapt programs to changing climate and emerging energy markets.

- **Manage the major support functions.** Improve business practices and transparency. Design a customer-focused delivery system.
- **Enable natural resource results.** Design and deliver of a coherent system of leadership and support services. Assess effectiveness of support functions. Establish a coordinated agenda of department-wide organizational changes.

Results:

The following performance measures represent a subset of outcomes for the Operations Services Division. Key factors that drive desired outcomes include:

- **Significant shifts in workforce composition and future worker availability.** Minnesota agencies face changing demographics, workforce shifts, and loss of institutional knowledge and experience. These trends require workforce planning, recruitment, development, and retention strategies.
- **Major shifts in traditional sources of conservation funding** influence how the department accomplishes its work. This challenges DNR to adjust its strategic funding framework in ways that ensure efficient and consistent delivery of mission-critical services. Increasing reliance on dedicated funds can restrict agency flexibility in responding to changing conditions. DNR must assure fund integrity and allocation is consistent with the appropriate dedicated purpose.
- **Increasing demands and requirements for accountability** at state and federal government levels have resulted in many legislative changes to business operations to ensure a higher level of financial and regulatory accountability. These demands commit DNR to allocate the resources required to provide needed accountability data.
- **Increasing demand for use of renewable energy sources.** State and federal policies support renewable energy development. Technology advances and new incentives mean opportunities for DNR to significantly enhance energy efficiency and reduce its environmental footprint.
- **Increasing complexity of natural resource issues.** The growing complexity of natural resource decision making requires better and more integrated information. DNR must expand its capacity to collect, manage, and make accessible the natural resource information that is vital to fact-based decisions and improved conservation results.

Performance Measures	Previous	Current	Trend
1. Number of recordable work injuries per 100 employees	5.30	6.05	Worsening
2. Percent renewable energy used at DNR facilities; carbon emission from DNR facilities and fleet	0.10%	0.59%	Improving but below target
3. Number of performance indicators tracked at DNR	89	226	Improving

Performance Measures Notes:

The suite of performance measures that are currently being used can be found in the service level agreements and the Strategic Conservation Agenda, Part II.

1 & 2 – Comparing FY 2010 to FY 2011

3 – Comparing FY 2010 to FY 2012. Number of indicators tracked is based on indicators and performance measures tracked in the Strategic Conservation Agenda and the Outcomes Tracking System. The increase represents DNR's continuing commitment to accountability to results through the 2011 launch of its Outcomes Tracking System to support tracking and reporting of outcomes resulting from DNR's investment of Legacy Funds and grants.

More information: Strategic Conservation Agenda: Performance and Accountability Report (http://www.mndnr.gov/conservation_agenda/performance)

Natural Resources
Operations Support-Trust Land Management

http://www.dnr.state.mn.us/aboutdnr/school_lands/index.html

Statewide Outcome(s):

Operations Support-Trust Land Management supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

DNR operates under a "triple bottom line" principle that economic prosperity and vibrant communities depend on a healthy environment and sustainable use of natural resources.

Context:

The Department of Natural Resources (DNR) administers approximately 2.5 million acres of school fund lands, 26,000 acres of university trust fund lands as well as school trust and university trust severed mineral interests of one million acres respectively. DNR administers these lands and mineral interests consistent with legislative direction (Minn. Stat., secs. 84.027 subd. 18; 127A.31; 137.022) to maximize revenue to the permanent school fund and the permanent university fund and ensure the long-term viability of these resources.

Strategies:

DNR manages trust lands to:

- Maximize the long-term economic return from trust lands and mineral resources;
- Give precedence to the long-term economic return in managing school trust lands;
- Manage school trust fund lands efficiently and in a manner that reflect the undivided loyalty to the beneficiaries consistent with all fiduciary obligations to generate revenue;
- Provide for the sustainable economic use of Minnesota's abundant natural resources;
- Maximize revenue while maintaining sound natural resource conservation and management principles;
- Manage the sale, exchange, and commercial leasing of trust lands for returns not less than fair market value;
- Optimize school trust land revenues and maximize the value of the trust consistent with the balancing of short-term and long-term interests, so that long-term benefits are not lost in an effort to maximize short-term gains;
- Maintain the integrity of the trust and prevent the misapplication of its lands and revenues;
- Manage the sale and exchange of lands to limit lands for uses that prohibit revenue generation;
- Effectively and efficiently deliver services to manage trust lands.

Program key partners are DNR management and state executive agencies.

Results:

The following performance measures represent a subset of outcomes for the department's trustee responsibilities. Key factors that drive desired outcomes include:

- Progress with U.S. Forest Service on the exchange of school trust lands within the Boundary Waters Canoe Area Wilderness;
- Mitigation of policy designations that preclude or inhibit revenue generation from trust lands;
- Promotion of revenues from forest products through timber harvest / timber sales;
- Promotion of revenues from state-owned mineral rights through identification, leasing, and development;
- Generation of revenue from real estate transactions that benefit trust land;
- Creation of land asset management principles for trust lands that inform staff on application of policy decisions and potential outcomes to trust land.

Performance Measures	Previous	Current	Trend
1. Income from trust land mineral leases	$19,952,114	$32,955,116	Improving
2. Income from trust land forest products	$2,403,000	$2,287,000	Worsening
3. Number of trust land parcels sold	10	0	Stable

Performance Measures Notes:

The performance measures above are in development as DNR implements a new Operational Order on Management of School Trust Lands initiated in February 2012.

1, 2, & 3 – Comparing FY 2011 to FY 2012.

1 – FY 2012 gross revenues with 80 percent distribution to Permanent School Fund and 20 percent to minerals management account, not to exceed $3 million.

3 - The quantity of school trust forest products and amount of money generated by trust land real estate sales is dependent upon its long term economic return and will fluctuate.

More information: Strategic Conservation Agenda: Performance and Accountability Report (http://www.mndnr.gov/conservation_agenda/performance)

Natural Resources
Operations Support – MN.IT@DNR

http://www.dnr.state.mn.us/aboutdnr/bureaus/mis/index.html

Statewide Outcome(s):

Operations Support –MN.IT supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

DNR operates under a "triple bottom line" principle that economic prosperity and vibrant communities depend on a healthy environment and sustainable use of natural resources.

Context:

MN.IT @ DNR operates within the department's operations support program to provide critical operational and strategic support to the Department of Natural Resources (DNR) mission. A comprehensive suite of IT services are provided at agency, program, and individual computer user levels. Services range broadly from infrastructure support to designing and building business-enhancing and cost-saving software applications.

Staff providing IT services operate within the MN.IT statewide service structure, while maintaining close business-centric relationships with DNR staff at all levels.

- MN.IT @ DNR maintains key IT skills at the lowest possible costs. Decision-makers are kept well-appraised of service costs and their linkage to service delivery. This creates dependable budgeting, planning, and reporting for IT services.
- Key IT issues are leadership support, decision-making, cost management, cost allocation to agency customer groups, and instituting best management practices for innovation, transparency and accountability.
- Primary customers are executive leadership, senior management, operational managers, employees at all levels, grant recipients, citizen recreationists, and external business partners.
- Sources of funding are delivered under the oversight of MN.IT and the DNR shared services board that negotiates and recommends service level agreements. These agreements are contracts that stipulate service products, service delivery terms, allocation of costs, and measures of performance. The allocated costs are converted into bills to the divisions, which are used to fund the services.

Strategies:

MN.IT @ DNR establishes and maintains business systems centered on strategic priorities and agency goals. To maximize outcomes, the agency has created an IT service delivery strategy with flexibility and responsiveness, while maintaining accountability and management best practices:

- **Common Services** – IT Common Services are provided across the entire agency and managed collectively for optimal operational efficiency. Common Services are billed for using a "block funding" model, where large-scale assessments are made twice per year to division customers to fund the Common Services budget. Once established, this budget is available to deliver services and to reinvest in the program and its assets.
- **Utility Services** – IT Utility Services are managed using a dynamic revenue-based model based on direct rate of consumption and billed accordingly. A good example is Email services, which are billed monthly based on the number of accounts a given division customer group maintains – more accounts, more service, more cost.
- **Business Services** – IT Business Services are specific to DNR divisions, who maintain an IT staff complement dedicated to enhancing their specific lines of business. Each division funds these services at a level commensurate with their need, and works with MN.IT @ DNR management to ensure that work

plans are consistent with division objectives. Each service relationship is governed by an individual divisional service level agreement (SLA).

- **Project Services** – IT Project Services is a business construct that allows MN.IT @ DNR management to assign staff to business-enhancing projects while collecting revenue to pay for the activity. It is a flexible system that allows any MN.IT @ DNR staff member to operate in this capacity. Revenue management is subject to rigorous rules to ensure equitable rates while avoiding over-collection.

Results:

The following performance measures represent a subset of outcomes for the Operations Services Division. Key factors that drive desired outcomes include:

- **Maintaining service levels while containing costs.** Like other state agencies, DNR is increasingly reliant on technology to maintain its business operations. Opportunities to increase cost performance are always being considered, but not at the expense of service quality.
- **The exponential increase in use of mobile communications in our society** creates new requirements for delivering information and providing services to DNR customers. The agency must reach mobile customers.
- **Increasing demands and requirements for accountability** at state and federal government levels have resulted in many legislative changes to business operations to ensure a higher level of financial and regulatory accountability.
- **IT Consolidation demands new, more efficient ways of providing IT services.** Agency IT operations must mature into and conform to the high standards and best practices required by MN.IT leadership.

Performance Measures	Previous	Current	Trend
1. Business Application Availability	99.9%	99.9%	Stable
2. Mobile Application Access Rates	375,000 pages	950,000 pages	Improving
3. Key IT Services Maturity (system monitoring, request management, incident management, project management, change management)	CMM level 2.2	CMM level 2.6	Improving

Performance Measures Notes:

1,2, & 3 – Comparing FY 2011 to FY 2012
2 – The large increase in the number of mobile application access rates is likely due to increased popularity and use of smartphones and other mobile devices.
3 - Capability Maturity Model (CMM) estimations are used to rate maturity in processes identified as key areas of standardization and improvement within MN.IT Services. Higher levels are considered better.