

**NATURAL RESOURCES**

**EXECUTIVE BUDGET BILL**

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2004; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this bill, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF NATURAL RESOURCES**

**APPROPRIATIONS SUMMARY:**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	2,082.5	
GROSS APPROPRIATION .....		\$ 242,142,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental		
transfers .....		3,437,900

ADJUSTED GROSS APPROPRIATION ..... \$ 238,705,000

Federal revenues:

Total federal revenues ..... 27,806,600

Special revenue funds:

Total local revenues ..... 0

Total private revenues ..... 1,871,400

Total other state restricted revenues..... 180,203,500

State general fund/general purpose ..... \$ 28,823,500

**FUND SOURCE SUMMARY:**

GROSS APPROPRIATION ..... \$ 242,142,900

Interdepartmental grant revenues:

IDG, engineering services to work orders..... 1,472,800

IDG, MacMullan conference center revenue..... 1,300,600

IDG, land acquisition services to work orders..... 664,500

Total interdepartmental grants and intradepartmental

transfers ..... 3,437,900

ADJUSTED GROSS APPROPRIATION ..... \$ 238,705,000

Federal revenues:

DAG, federal ..... 2,831,700

DOC, federal ..... 60,900

DOD, federal ..... 31,000

DOE, federal ..... 1,000

DOI, federal ..... 16,980,000

DOI, oil and gas royalty revenue..... 150,000

DOI, federal timber revenue..... 3,300,000

DOT, federal .....	4,203,300
EPA, federal .....	<u>248,700</u>
Total federal revenues .....	27,806,600
Special revenue funds:	
Private funds .....	1,371,400
Private-gift revenues .....	<u>500,000</u>
Total private revenues .....	1,871,400
Aircraft fees .....	219,900
Air photo-geographic information system.....	135,000
Automated license system revenue.....	429,300
Clean Michigan initiative fund.....	277,800
Delinquent property tax administration fund.....	1,065,900
Forest recreation fund.....	1,120,700
Forest resource revenue .....	24,955,500
Game and fish protection fund .....	55,940,500
Game and fish protection fund - deer habitat reserve ...	2,263,100
Game and fish protection fund - turkey permit fees .....	1,457,200
Game and fish protection fund - waterfowl fees.....	90,500
Game and fish - wildlife resource protection fund .....	1,344,100
Harbor development fund .....	245,900
Land exchange facilitation fund.....	5,503,100
Land sale revenue .....	2,640,200
Marine safety fund .....	4,588,200
Michigan civilian conservation corps endowment fund ....	1,311,500
Michigan state waterways fund.....	14,553,300

Michigan natural resources trust fund.....	2,920,100
Michigan state parks endowment fund.....	11,576,600
Nongame wildlife fund .....	592,500
Off-road vehicle trail improvement fund.....	2,759,800
Park improvement fund .....	33,547,300
Publications revenue .....	58,700
Recreation improvement fund.....	1,414,400
Shop fees .....	56,300
Snowmobile registration fee revenue .....	1,780,100
Snowmobile trail improvement fund.....	<u>7,356,000</u>
Total other state restricted revenues.....	180,203,500
State general fund/general purpose.....	\$ 28,823,500

**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	42.6
Commission .....	\$ 90,000
Unclassified salaries .....	438,600
Education and outreach--32.6 FTE positions.....	2,991,500
Executive direction--10.0 FTE positions.....	<u>1,711,900</u>
GROSS APPROPRIATION .....	\$ 5,232,000

Appropriated from:

Interdepartmental grant revenues:

IDG-MacMullan conference center revenue.....	21,400
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Special revenue funds:

Aircraft fees .....	500
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Air photo - geographic information system.....	10,500
Automated license system revenue.....	3,000
Delinquent property tax administration fund.....	9,000
Forest resource revenue .....	266,100
Game and fish protection fund .....	1,735,600
Harbor development fund .....	600
Land exchange facilitation fund .....	37,100
Land sale revenue .....	54,300
Marine safety fund .....	41,300
Michigan civilian conservation corps endowment fund ....	500
Michigan natural resources trust fund.....	7,600
Michigan state parks endowment fund.....	28,800
Michigan state waterways fund .....	308,800
Nongame wildlife fund .....	4,800
Off-road vehicle trail improvement fund.....	2,700
Park improvement fund .....	1,876,900
Publications revenue .....	500
Recreation improvement fund.....	5,200
Snowmobile registration fee revenue .....	4,200
Snowmobile trail improvement fund.....	32,200
State general fund/general purpose .....	\$ 780,400

**Sec. 103. ADMINISTRATIVE SERVICES**

Full-time equated classified positions .....	244.2
Program assistance and review--12.0 FTE	
positions .....	\$ 739,100

Human resources--24.0 FTE positions .....	2,056,700
Budget and support services--10.0 FTE positions .....	776,200
Office of financial services--26.0 FTE positions .....	2,264,700
Office of land and facilities--141.2 FTE positions .....	17,772,500
Grants, contracts, and customer systems--31.0 FTE positions .....	<u>5,241,700</u>
GROSS APPROPRIATION .....	\$ 28,850,900

Appropriated from:

Interdepartmental grant revenues:

IDG, engineering to work orders .....	1,472,800
IDG, land acquisition services to work orders.....	664,500
IDG, MacMullan conference center revenue.....	1,279,200

Federal revenues:

DOI, federal .....	320,300
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Special revenue funds:

Aircraft fees .....	112,900
Air photo - geographic information system.....	700
Automated license system revenue.....	426,300
Clean Michigan initiative fund .....	277,800
Delinquent property tax administration fund.....	1,020,800
Forest resource revenue .....	1,659,300
Game and fish protection fund .....	8,543,100
Land exchange facilitation fund .....	5,424,400
Land sale revenue .....	1,825,300
Marine safety fund .....	368,600

Michigan civilian conservation corps endowment fund ....	5,900
Michigan natural resources trust fund.....	756,500
Michigan state parks endowment fund.....	46,000
Michigan state waterways fund.....	883,700
Nongame wildlife fund.....	3,700
Off-road vehicle trail improvement fund.....	63,200
Park improvement fund.....	1,377,800
Publications revenue.....	58,200
Recreation improvement fund.....	5,300
Snowmobile registration fee revenue.....	65,600
Snowmobile trail improvement fund.....	77,100
State general fund/general purpose.....	\$ 2,111,900

**Sec. 104. DEPARTMENTAL OPERATION SUPPORT**

Building occupancy charges.....	\$ 2,000,100
Rent - privately owned property.....	335,700
Gifts and bequests.....	<u>500,000</u>
GROSS APPROPRIATION.....	\$ 2,835,800

Appropriated from:

Special revenue funds:

Private - gift revenues.....	500,000
Forest resource revenue.....	753,100
Game and fish protection fund.....	675,500
Land sale revenue.....	51,400
Marine safety fund.....	44,600
Michigan state parks endowment fund.....	211,200

Michigan state waterways fund .....	203,800
Michigan natural resources trust fund.....	62,700
Park improvement fund .....	304,800
Snowmobile trail improvement fund.....	20,800
State general fund/general purpose .....	\$ 7,900

**Sec. 105. WILDLIFE MANAGEMENT**

Full-time equated classified positions .....	183.0
Wildlife administration--14.5 FTE positions.....	\$ 1,448,200
Wildlife management--159.5 FTE positions.....	20,258,100
Natural resources heritage--9.0 FTE positions .....	1,192,700
State game and wildlife area maintenance .....	<u>200,000</u>
GROSS APPROPRIATION .....	\$ 23,099,000

Appropriated from:

Federal revenues:

DOD, federal .....	31,000
DOI, federal .....	8,083,500
EPA, federal .....	1,000

Special revenue funds:

Private funds .....	100,000
Game and fish protection fund .....	8,626,800
Game and fish protection fund - deer habitat reserve ...	2,020,100
Game and fish protection fund - turkey permit fees .....	1,457,200
Game and fish protection fund - waterfowl fees.....	90,500
Nongame wildlife fund .....	563,600
State general fund/general purpose .....	\$ 2,125,300

**Sec. 106. FISHERIES MANAGEMENT**

Full-time equated classified positions .....	225.0	
Fisheries administration--8.5 FTE positions.....	\$	959,600
Fish production--57.4 FTE positions .....		7,372,400
Fisheries resource management--159.1 FTE positions .....		15,734,500
Stream habitat improvement .....		<u>1,284,800</u>
GROSS APPROPRIATION .....	\$	25,351,300

Appropriated from:

Federal revenues:

DOE, federal .....		1,000
DOC, federal .....		45,900
DOI, federal .....		7,410,400
EPA, federal .....		142,100

Special revenue funds:

Private funds .....		100,000
Game and fish protection fund .....		17,651,900
State general fund/general purpose .....	\$	0

**Sec. 107. PARKS AND RECREATION**

Full-time equated classified positions .....	785.7	
State parks--581.2 FTE positions.....	\$	38,285,700
Recreational boating--201.5 FTE positions.....		12,306,700
Michigan civilian conservation corps--3.0 FTE positions .....		1,305,100
State parks improvement revenue bonds - debt service ...		<u>1,066,900</u>
GROSS APPROPRIATION .....	\$	52,964,400

Appropriated from:

Federal revenues:

EPA, federal ..... 104,600

Special revenue funds:

Private funds ..... 316,600

Harbor development fund ..... 245,300

Michigan civilian conservation corps endowment fund ... 1,305,100

Michigan state parks endowment fund ..... 10,753,700

Michigan state waterways fund ..... 12,061,400

Off-road vehicle trail improvement fund ..... 211,700

Park improvement fund ..... 27,966,000

State general fund/general purpose ..... \$ 0

**Sec. 108. FOREST, MINERAL, AND FIRE MANAGEMENT**

Full-time equated classified positions ..... 329.5

Forest and timber treatments--109.0 FTE positions ..... \$ 11,878,700

Forest management planning--13.0 FTE positions ..... 4,556,900

Adopt-a-forest program ..... 50,000

Forest fire protection--137.5 FTE positions ..... 9,506,000

Forest recreation and trails--33.0 FTE positions ..... 4,400,000

Forest management initiative--9.2 FTE positions ..... 1,009,000

Minerals management--17.3 FTE positions ..... 1,979,700

Forest fire equipment ..... 1,700,000

Cooperative resource programs--10.5 FTE positions ..... 2,512,100

GROSS APPROPRIATION ..... \$ 37,592,400

Appropriated from:

Federal revenues:

DAG, federal .....	1,556,700
DOI, federal .....	2,000
EPA, federal .....	1,000

Special revenue funds:

Private funds .....	804,800
Aircraft fees .....	106,500
Air photo - geographic information system .....	103,000
Forest recreation fund .....	1,120,700
Forest resource revenue .....	20,740,900
Game and fish protection fund .....	1,781,800
Michigan natural resources trust fund .....	1,106,400
Michigan state parks endowment fund .....	496,700
Michigan state waterways fund .....	340,500
Off-road vehicle trail improvement fund .....	363,700
Recreation improvement fund .....	284,900
Snowmobile trail improvement fund .....	1,745,900
Shop fees .....	56,300
State general fund/general purpose .....	\$ 6,980,600

**Sec. 109. LAW ENFORCEMENT**

Full-time equated classified positions .....	272.5
Wildlife resource protection--10.0 FTE positions .....	\$ 1,332,500
General law enforcement--262.5 FTE positions .....	<u>25,454,300</u>
GROSS APPROPRIATION .....	\$ 26,786,800

Appropriated from:

Federal revenues:

DOC, federal .....	15,000
DOI, federal .....	1,062,800
DOT, federal .....	2,403,300

Special revenue funds:

Game and fish - wildlife resource protection fund .....	1,332,500
Game and fish protection fund .....	15,619,800
Marine safety fund .....	1,304,800
Off-road vehicle trail improvement fund.....	744,000
Snowmobile registration fee revenue .....	564,600
State general fund/general purpose .....	\$ 3,740,000

**Sec. 110. PAYMENTS IN LIEU OF TAXES**

Payments in lieu of taxes for swamp and tax reverted lands .....	\$ 7,071,500
Payments in lieu of taxes for purchased lands .....	2,012,900
Payments in lieu of taxes for commercial forests .....	<u>2,691,700</u>
GROSS APPROPRIATION .....	\$ 11,776,100

Appropriated from:

Special revenue funds:

State general fund/general purpose .....	\$ 11,776,100
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**Sec. 111. GRANTS**

Grant to counties - marine safety.....	\$ 2,805,000
Federal - land and water conservation fund payments ...	1,000
Federal - forest stewardship grants .....	625,000
Federal - urban forestry grants .....	400,000

Federal - clean vessel act grants .....	100,000
Federal - rural community fire protection.....	250,000
Grants to communities - federal oil, gas, and timber payments .....	3,450,000
Recreation improvement fund grants.....	1,100,000
Snowmobile local grants program .....	5,480,000
Snowmobile law enforcement grants .....	1,142,000
Off-road vehicle trail improvement grants .....	1,374,500
National recreational trails .....	1,850,000
Game and nongame wildlife fund grants.....	10,000
Inland fisheries resources grants .....	<u>200,000</u>
GROSS APPROPRIATION .....	\$ 18,787,500

Appropriated from:

Federal revenues:

DAG, federal .....	1,275,000
DOI, federal .....	101,000
DOI, oil and gas royalty revenue .....	150,000
DOI, federal timber revenue .....	3,300,000
DOT, federal .....	1,800,000

Special revenue funds:

Private funds .....	50,000
Game and fish protection fund .....	200,000
Marine safety fund .....	2,805,000
Nongame wildlife fund .....	10,000
Off-road vehicle trail improvement fund.....	1,374,500

Recreation improvement fund .....	1,100,000
Snowmobile registration fee revenue .....	1,142,000
Snowmobile trail improvement fund .....	5,480,000
State general fund/general purpose .....	\$ 0

**Sec. 112. INFORMATION TECHNOLOGY**

Information technology services and projects .....	\$ <u>8,866,700</u>
GROSS APPROPRIATION .....	\$ 8,866,700

Appropriated from:

Special revenue funds:

Air photo - geographic information system .....	20,800
Delinquent property tax administration fund .....	36,100
Forest resource revenue .....	1,536,100
Game and fish protection fund .....	1,106,000
Game and fish protection fund - deer habitat reserve ...	243,000
Game and fish - wildlife resource protection fund .....	11,600
Land exchange facilitation fund .....	41,600
Land sale revenue .....	709,200
Marine safety fund .....	23,900
Michigan natural resources trust fund .....	986,900
Michigan state parks endowment fund .....	40,200
Michigan state waterways fund .....	755,100
Nongame wildlife fund .....	10,400
Park improvement fund .....	2,021,800
Recreation improvement fund .....	19,000
Snowmobile registration fee revenue .....	3,700

State general fund/general purpose ..... \$ 1,301,300

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2003-2004 is \$209,027,000.00 and state spending from state resources to be paid to units of local government for fiscal year 2003-2004 is \$15,723,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

**DEPARTMENT OF NATURAL RESOURCES**

PAYMENTS IN LIEU OF TAXES

Payments in lieu of taxes for swamp and tax reverted lands .....	\$	7,071,500
Payments in lieu of taxes for purchased lands.....		2,012,900
Payments in lieu of taxes for commercial forests .....		2,691,700

GRANTS

Grants to counties - marine safety .....	\$	2,805,000
Snowmobile law enforcement grants.....		<u>1,142,000</u>
TOTAL .....	\$	15,723,100

Sec. 202. The appropriations authorized under this bill are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this bill:

- (a) "Commission" means the commission of natural resources.
- (b) "DAG" means the United States department of agriculture.

- (c) "Department" means the department of natural resources.
- (d) "DOC" means the United States department of commerce.
- (e) "DOD" means the United States department of defense.
- (f) "DOE" means the United States department of energy.
- (g) "DOI" means the United States department of interior.
- (h) "DOT" means the United States department of transportation.
- (i) "EPA" means the United States environmental protection agency.
- (j) "FTE" means full-time equated.
- (k) "IDG" means interdepartmental grant.

Sec. 204. The department of civil service shall bill departments and agencies at the end of the first fiscal quarter for the 1% charge authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that

exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 206. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this bill. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 207. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 208. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department of natural resources projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditures until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL. 18.1451a.

Sec. 209. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill under section 393(2) of the

management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$500,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 210. (1) In addition to the amounts appropriated in part 1, in order to encourage administrative efficiencies, there is appropriated to the department of natural resources, an amount not to exceed one-half of the unexpended, unreserved general fund portions of fiscal year 2002-2003 appropriations made to the department for salaries and wages expenses, contractual services, supplies and materials expenses, information technology expenses and program operations costs.

(2) The appropriations contained in subsection 1 are subject to the approval of the state budget director and shall be spent for the same

purposes for which the original appropriation was made in fiscal year 2002-2003.

Sec. 211. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection fund, \$6,000,000.00 for the fiscal year ending September 30, 2004.

Sec. 212. For the fiscal years ending September 30, 2003 and September 30, 2004, with the approval of the state budget director, the department of natural resources may transfer any unobligated appropriation balances up to \$556,000.00 from the general fund or appropriate restricted funds to the game and fish protection fund in settlement of the advisory report from the United States fish and wildlife service dated October 11, 2002.

#### **ADMINISTRATIVE SERVICES**

Sec. 301. The department may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2004, for engineering services provided, a standard percentage fee to recover actual costs. The department may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 302. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2004, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 303. The land sale fund is created. An amount equal to the cost of

personal services, printing, postage, advertising, contractual services, and facility rental associated with tax reverted lands shall be deducted from the sales and credited to the land sale fund.

Sec. 304. The department of natural resources may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land. The fees shall be set by the director at a rate which allows the department to recover its costs for providing these services.

#### **FISHERIES MANAGEMENT**

Sec. 401. (1) From the appropriation in part 1 for stream habitat improvement, not more than \$758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division of the department shall develop priority and cost estimates for all recommended projects.

#### **PARKS AND RECREATION**

Sec. 501. Pursuant to section 1902(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1902, there is appropriated from the Michigan natural resources trust fund to the Michigan state parks endowment fund an amount not to exceed \$10,000,000.00 for the fiscal year ending September 30, 2004.

#### **FOREST, MINERAL, AND FIRE MANAGEMENT**

Sec. 601. Of the funds appropriated in part 1, the department shall prescribe appropriate treatment on 63,000 acres, plus or minus 10%, at the current average rate of 12.5 to 13 cords per acre provided that the department

shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber.

#### **GRANTS**

Sec. 701. The amount appropriated in part 1 for federal-rural community fire protection shall be awarded as grants to local fire protection departments. To be eligible, local fire protection departments shall be located in governmental units or fire protection districts with permanent populations of less than 10,000.

Sec. 702. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. The department shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget office on all amounts appropriated under this section.