

# Natural Resources Commission

October 9, 2008



## Monthly Budget Update

## EXPLANATION OF FISCAL YEAR 2008 BUDGET AND SPEND PLAN REPORT

The report summarizes the DNR's appropriations and plans for spending for Fiscal Year 2007-2008 (October 1, 2007 through September 30, 2008). An explanation of the columns of the report follows:

Column A	The amounts appropriated for Fiscal Year 2008 operations.
Column B	All adjustments to the appropriated amounts such as legislative transfers, supplemental appropriations, Executive Orders, or excess budgetary authority where revenues are not expected to meet the appropriated amounts.
Column C	Sums the first two columns and represents the amount available to spend.
Columns D and E	The divisions' initial plans for spending and revisions, respectively. As funds are incorporated into these plans, column E will be adjusted monthly to reflect those changes.
Column F	The divisions' current plans for spending.
Column G	Amounts which have not yet been allocated to a specific plan for spending, or revenues that are being retained for future funding challenges. These amounts may or may not lapse at year-end.
Column H	Year-to-date expenditures that provide a measurement of progress, with respect to the current plans for spending.

**DEPARTMENT OF NATURAL RESOURCES  
FISCAL YEAR 2008 BUDGET AND SPEND PLAN REPORT  
FOR MONTH ENDING: SEPTEMBER  
(Thousands of Dollars)**

	A Appropriation PA 122 of 2007	B Adjustments <sup>1</sup>	C (A+B) Available to Spend	D Initial Spend Plan	E Revisions to Spend Plan <sup>2</sup>	F (D+E) Current Spend Plan	G (C-F) Estimated Remaining <sup>2</sup>	H Year to Date Expend. thru August
<b>Budget</b>	1,034.6	(34.2)	1,000.4	955.7	27.4	983.1	17.3	843.4
<b>Building Occupancy (Rent)</b>	3,200.7	(127.6)	3,073.1	3,200.7	(274.9)	2,925.8	147.3	2,566.2
<b>Communications</b>	3,378.2		3,378.2	3,378.2	(143.8)	3,234.4	143.8	2,622.8
<b>Executive</b>	2,607.3		2,607.3	2,628.4	(73.6)	2,554.8	52.5	2,239.9
<b>Financial Services</b>	2,560.9		2,560.9	2,323.4	(74.4)	2,249.0	311.9	1,935.6
<b>Fisheries</b>	29,664.9	(487.5)	29,177.4	28,768.1	307.4	29,075.5	101.9	24,472.9
<b>Forest Mineral &amp; Fire Mgmt</b>	38,637.0	(640.6)	37,996.4	36,247.6	706.8	36,954.4	1,042.0	32,159.0
<b>Grants</b>	34,636.9	(6,909.8)	27,727.1	27,178.4	98.7	27,277.1	450.0	13,042.4
<b>Grants Management</b>	1,356.0	(121.7)	1,234.3	1,197.9	(8.5)	1,189.4	44.9	1,024.9
<b>Human Resources Call Cntr</b>	163.0		163.0	163.0		163.0	0.0	163.0
<b>Human Resources</b>	2,137.7		2,137.7	2,137.7	(71.7)	2,066.0	71.7	1,744.3
<b>Information Tech</b>	8,901.7		8,901.7	8,901.7	(290.4)	8,611.3	290.4	6,697.3
<b>Internal Audit</b>	867.0	(25.0)	842.0	756.7	42.4	799.1	42.9	683.4
<b>Land and Facilities</b>	20,310.6	(1,040.8)	19,269.8	17,350.9	878.0	18,228.9	1,040.9	14,713.2
<b>Law Enforcement</b>	32,042.6	(973.2)	31,069.4	28,629.5	1,372.8	30,002.3	1,067.1	24,659.4
<b>Parks and Recreation</b>	63,057.5	255.2	63,312.7	60,089.1	(157.4)	59,931.7	3,381.0	49,657.5
<b>Payments in Lieu of Taxes</b>	14,184.1	(157.1)	14,027.0	14,176.2	(209.0)	13,967.2	59.8	13,915.4
<b>Wildlife</b>	29,454.7	(292.2)	29,162.5	28,724.5	548.4	29,272.9	(110.4)	22,432.7
<b>Total</b>	288,195.4	(10,554.5)	277,640.9	266,807.7	2,678.2	269,485.9	8,155.0	215,573.3

<sup>1</sup>Column B adjustments detailed on pages 3 and 4.

<sup>2</sup> Significant column E revisions to spend plan detailed on page 5 and significant column G estimated remaining detailed on page 6. Total Department savings from the reduction in DMB retirement rates = \$1,090.3.

**DEPARTMENT OF NATURAL RESOURCES  
NOTES FOR BUDGET ADJUSTMENTS  
FOR MONTH ENDING: SEPTEMBER  
(Thousands of Dollars)**

	<u>Adjustments</u>	
<b>Budget</b>	(34.2)	Unearned: Federal Dept of Interior - Dingell Johnson (\$17.8), Federal Dept of Interior - Pittman Robertson (\$16.4)
<b>Building Occupancy (Rent)</b>	(127.6)	Transfer to Land and Facilities: Game & Fish Protection Fund (\$67.6), Forest Development Fund (\$60.0)
<b>Fisheries</b>	(487.5)	Unearned: Federal EPA (\$162.5), Fisheries Settlement (\$105.5), Federal Dept of Ag. (\$9.3), Federal Dept of Interior - Pittman Robertson (\$331.7), Private (\$116.3), Federal Dept of Energy (\$1.0), Federal Dept of Commerce (\$11.2); Transfer from Law Enforcement: Game & Fish Protection Fund \$250.0
<b>Forest Min &amp; Fire Mgmt</b>	(640.6)	Unearned: Federal Dept of Ag. (\$850.4), Federal Dept of Interior (\$2.0), Federal EPA (\$1.0), Forest Recreation Fund (\$200.0), Private (\$698.3), Signshop (\$63.9); Transfer to Grants: Snowmobile Trail Improvement Fund (\$400.0); Transfer to Parks: Private (\$125.0); Transfer from Law Enforcement: Game & Fish Protection Fund \$200.0; Transfer from Grants: Federal Dept of Ag. \$500.0; Supplemental: General Fund \$1,000.0
<b>Grants</b>	(6,909.8)	Unearned: Federal Dept of Interior - Land and Water Conservation Fund (\$1,480.9), Marine Safety Fund (\$480.0), Federal Homeland Security - Coast Guard (\$88.2), Federal Dept of Ag. - Urban Forestry (\$2,950.0), Federal Dept of Ag. - Forest Stewardship (\$175.0), Private (\$70.0), Federal Dept. of Ag. - Timber Sales (\$1,010.1), Federal Clean Vessel Act Grants (\$355.6); Transfer to Parks: Federal Dept of Interior - Land and Water Conservation Fund (\$250.0); Transfer to Forest Min & Fire Mgmt: Federal Dept of Ag. - Urban Forestry (\$500.0); Transfer from Forest Min & Fire Mgmt: Snowmobile Trail Improvement Fund \$400.0; Supplemental: St. Jean boating access site \$50.0
<b>Grants Management</b>	(121.7)	Unearned: Federal Dept of Interior - Land and Water Conservation Fund (\$121.7)
<b>Internal Audit</b>	(25.0)	Transfer for Payments in Lieu of Taxes: General Fund (\$25.0)
<b>Land and Facilities</b>	(1,040.8)	Unearned: Land Exchange Facilitation Fund (\$464.1), Engineering charges (\$423.4), Land transactions charges (\$317.0), MacMullan Center (\$188.1); Transfer from Building Occupancy (Rent): Game & Fish Protection Fund \$67.6, Forest Development Fund \$60.0; Transfer from Payments in Lieu of Taxes: Game & Fish Protection Fund \$182.1; Transfer from Law Enforcement: Game & Fish Protection Fund \$42.1

**DEPARTMENT OF NATURAL RESOURCES  
NOTES FOR BUDGET ADJUSTMENTS  
FOR MONTH ENDING: SEPTEMBER  
(Thousands of Dollars)**

	<u>Adjustments</u>	
<b>Law Enforcement</b>	(973.2)	Unearned: Federal Homeland Security - Coast Guard (\$463.0), Federal Dept of Commerce - Thunder Bay Underwater Preserve (\$18.1); Transfer to Forest Min & Fire Mgmt: Game & Fish Protection Fund (\$200.0); Transfer to Fisheries: Game & Fish Protection Fund (\$250.0); Transfer to Land and Facilities: Game & Fish Protection Fund (\$42.1)
<b>Parks and Recreation</b>	255.2	Unearned: Federal EPA (\$119.8); Transfer from Forest Min & Fire Mgmt: Private \$125.0; Transfer from Grants: Federal Dept of Interior \$250.0
<b>Payments in Lieu of Taxes</b>	(157.1)	Transfer from Internal Audit: General Fund \$25.0; Transfer to Land and Facilities: Game & Fish Protection Fund (\$182.1)
<b>Wildlife</b>	(292.2)	Unearned: Sportsmen Against Hunger (\$207.0), Private (\$31.9), Federal Dept of Ag. - Chronic Wasting Disease (\$31.0), Federal EPA (\$1.0), Cervidae Licensing & Inspection Fees (\$21.3)
<b>Total</b>	<u><u>(10,554.5)</u></u>	

**DEPARTMENT OF NATURAL RESOURCES**  
**NOTES FOR SIGNIFICANT SPEND PLAN REVISIONS**  
**FOR MONTH ENDING: SEPTEMBER**  
**(Thousands of Dollars)**

**Spend Plan  
Revisions**

<b>Building Occupancy (Rent)</b>	(274.9) Reflects savings in Private Rent from not renting the new Bay City office and Gifts and Bequests savings
<b>Communications</b>	(143.8) Primarily updated payroll estimates based on adjusted vacancy start dates and revised retirement rates
<b>Executive</b>	(73.6) Primarily updated payroll estimates
<b>Financial Services</b>	(74.4) Payroll savings based on vacancies and revised retirement rates
<b>Fisheries</b>	307.4 CSS&M estimates adjusted to reflect increased spending for the Singing Bridge project, National Fish Habitat Plan, vessel fuel, and improvements to the Baraga Operation Service Center; partially offset by additional payroll savings due to vacant positions and reduced retirement rates
<b>Forest Min &amp; Fire Mgmt</b>	706.8 Added non-career limited term fire officers and recreation state workers, updated travel estimates per the supplemental, updated CSS&M estimates per the supplemental and the transfers for timber marking and wildfire protection, added snowmobile sign costs and the purchase of survey equipment; Partially offset by removal of \$150.0 Pere Marquette trestle renovation and payroll savings related to vacant positions, revised retirement rates, and out-of-state wildfire response activities that qualify for federal reimbursement
<b>Grants</b>	98.7 Spend plan adjusted to reflect higher than expected Federal Homeland Security - Coast Guard allocations and \$400.0 transfer to Snowmobile Local Grants for grooming equipment; partially offset by \$355.3 in unearned Federal Clean Vessel Act Grants authority, an anticipated lapse of \$400.0 in Snowmobile Law Enforcement Grants, and \$50.0 that will not be spent this fiscal year for the St. Jean BAS
<b>Human Resources</b>	(71.7) Payroll savings based on vacant position and revised retirement rates
<b>Information Tech</b>	(290.4) Projected savings due to vacancies, unfulfilled contractual services, and actual project costs
<b>Land and Facilities</b>	878.0 Increased land acquisition spending, addition of approx. \$250.0 to extend the Electronic Data Systems (EDS) contract for the Retail Sales System, and \$127.6 for critical state-owned facility repairs; partially offset by savings from updated payroll estimates and real estate transactions no longer expected to close by September 30th
<b>Law Enforcement</b>	1,372.8 Reflects addition of \$400.0 for the MSU shooting range, \$500.0 for legal contingency, \$150.0 for DNA testing, \$106.0 for the Island Lake sound assessment, \$100.0 for snowmobile purchases, \$121.0 for a boat purchase, and adjustments for Communications spending and equipment purchases; partially offset by reduced training unit travel and updated payroll estimates (including OT, reduced retirement rates, and reduced new hire
<b>Parks and Recreation</b>	(157.4) Payroll and CSS&M savings; partially offset by increased equipment spending
<b>Payments in Lieu of Taxes</b>	(209.0) Updated based on bills received
<b>Wildlife</b>	548.4 Reflects increased spending for equipment and vehicle purchases, as well as the additional costs associated with CWD surveillance (payroll, vehicle usage, supplies, and equipment); partially offset by payroll savings due to vacant positions and reduced retirement rates

**DEPARTMENT OF NATURAL RESOURCES**  
**NOTES FOR SIGNIFICANT ESTIMATED REMAINING BALANCES**  
**FOR MONTH ENDING: SEPTEMBER**  
**(Thousands of Dollars)**

	<u>Estimated Remaining</u>	
<b>Building Occupancy (Rent)</b>	147.3	Gifts and Bequests savings; Private Rent savings of \$127.6 transferred to Land and Facilities for facility repairs
<b>Communications</b>	143.8	Vacancy and retirement rate savings
<b>Executive</b>	52.5	Savings based on payroll impact of organizational changes and revised retirement rates, as well as reduced travel
<b>Financial Services</b>	311.9	Vacancy and retirement rate savings
<b>Fisheries</b>	101.9	Estimated remaining in Game and Fish primarily related to savings from reduced retirement rates
<b>Forest Min &amp; Fire Mgmt</b>	1,042.0	Primarily Forest Development, Natural Resources Trust Fund, and Snowmobile Trail funds
<b>Grants</b>	450.0	Primarily anticipated lapse in Snowmobile Law Enforcement Grants
<b>Human Resources</b>	71.7	Vacancy and retirement rate savings
<b>Information Tech</b>	290.4	Estimated remaining balance will be eliminated through the establishment of encumbrances
<b>Land and Facilities</b>	1,040.9	Primarily Land Exchange Facilitation Fund; Deficit in Game and Fish eliminated with the transfer of \$182.1 from Payments in Lieu of Taxes and \$42.1 from Law Enforcement for the EDS contract extension; Additional Game and Fish and Forest Development funding received with the transfer of \$127.6 from Building Occupancy (Rent) for facility repairs
<b>Law Enforcement</b>	1,067.1	\$800.0 from Wildlife Resource Protection Fund will not be spent to keep the fund solvent; Remaining savings primarily related to reduced retirement rates; reflects transfer of \$42.1 to Land and Facilities for the EDS contract extension; reflects transfer of \$250.0 to Fisheries for improvements to the Baraga Operations Service Center
<b>Parks and Recreation</b>	3,381.0	\$2,948.4 will not be spent to keep the Park Improvement Fund solvent through Fiscal Year 2009, anticipated lapse of \$282.6 from Waterways, work project requested to carry forward remaining federal DOI authority for improvements to the Michigan Recreational Boating Information System
<b>Payments in Lieu of Taxes</b>	59.8	Expected savings based on bills received; reflects transfer of \$182.1 to Land and Facilities for the EDS contract extension
<b>Wildlife</b>	(110.4)	Projected General Fund deficit related to payroll, vehicle usage, and supply costs associated with CWD surveillance; MOA with USDA-APHIS, Wildlife Services