

Department of Natural Resources

FY 2014 Executive Budget

Questions and Answers

Hunting and Fishing Licenses: Conservation in Michigan is funded primarily through license fees paid by hunters, trappers and anglers. The Governor's Fiscal Year 2014 Executive Budget recommendation includes a restructuring of hunting, fishing and trapping license types and costs. The proposal would make for a more simple, fair and efficient license structure. The new structure would reduce core license types from 227 to fewer than 40.

■ Which fishing and hunting licenses will replace current licenses, and at what cost to the customer?

The DNR proposes that a base hunting license be required to hunt in Michigan. The base license would allow hunters to hunt small game and non-waterfowl migratory birds. Including a \$1 surcharge (New: see page 2 for more detail), the cost would be:

- \$6 for juniors (ages 10 to 17)
- \$11 for residents (ages 17 to 64)
- \$5 for seniors (age 65+)
- \$151 for non-residents (age 17+)

Tags could then be added onto the base license for:

- deer (\$20)
- antlerless deer (\$20)
- fall turkey (\$15)
- spring turkey (\$15)
- fur harvester (\$15)
- waterfowl (\$12)
- bear harvest (\$25)
- bear participation (\$15)
- elk (\$100)

A new combination hunt and fish license would also be available at \$76 for a resident or \$266 for a non-resident, including the \$1 surcharge. The combination hunt and fish license includes a base license, two deer licenses, and an all-species fishing license. Additional tags could then be added to this license.

Separate tags would be offered for wolf and moose if hunting seasons are established. Fees would be \$100 for a wolf tag, \$500 for a non-resident wolf tag and \$100 for a moose tag.

Applications for the Pure Michigan Hunt and tags with draw seasons would be \$5 each.

A new seven-day small game license would be available for non-residents at \$80. A base license would not be required to purchase this license. However, non-residents would not be able to add other tags to this license.

A mentored youth hunting and fishing license would continue to be available at \$7.50 for youth under the age of 10.

In addition, we propose four fishing license fees:

- 24-hour (\$10)
- 72-hour (\$30)
- resident all-species (\$26)
- non-resident all-species (\$76)

Also:

- Youth under the age of 17 would continue to fish for free
- Active military and disabled veterans who receive benefits at the 100-percent rate would hunt and fish for free
- Senior citizens would continue to receive a 60-percent discount on deer, turkey, fur harvester and resident all-species fishing licenses

All other current license types would be eliminated. All replacement licenses would be the same cost as the original license. Discounts for multi-license buyers would be eliminated.

■ **What is the \$1 surcharge and what will it be used for?**

Michiganders have great pride in the world-class natural resources of this state. However, many citizens are unaware of the benefits that fish and wildlife-related recreation provides to conserve and improve those natural resources. The \$1 surcharge would fund a campaign to improve the general public's perception of the vital role that fish and wildlife-related recreation serves in protecting Michigan's vibrant natural resources.

In 1999, the Colorado State Legislature created the Wildlife Management Public Education Advisory Council (PEAC). The job of the council was to develop and implement a comprehensive media-based information program to educate the general public about the benefits of wildlife, wildlife management, and wildlife-related recreation in Colorado. The PEAC derives its funding from a 75¢ surcharge on each hunting and fishing license sold in Colorado.

The department recently received interest from within the Michigan State Legislature to emulate Colorado's PEAC model in Michigan through a \$1 surcharge on the base license, all-species fishing license, and combination hunt and fish license.

■ **How do Michigan's current license fees compare to those in surrounding states? To national averages?**

Michigan's resident hunting license fees are consistently less than the resident fees charged by neighboring Midwest states across every license type except elk.

At \$15, Michigan currently has one of the lowest resident deer license fees in the nation. The current fee of \$28 for a resident all-species fishing license is (relative to other Midwest states) toward the midpoint of the price range. However, the current

\$42 fee for a non-resident all-species fishing license is less than the non-resident fees charged by most other Midwest states including Illinois, Indiana, Minnesota, Pennsylvania and Wisconsin.

■ **How would the proposed license fees compare to neighboring states?**

This proposed fee structure allows Michigan to remain price-competitive with neighboring Midwest states. The \$26 resident all-species fishing license would be less than the resident all-species fee charged in Illinois, Indiana, Minnesota, Pennsylvania and Wisconsin. It would cost a resident \$31 to hunt a deer under our proposed structure, which is less than Illinois and Ohio.

■ **When was the last time a DNR license increased and how has inflation affected license revenue since that time?**

Michigan has not seen a general increase in hunting and fishing license fees for 17 years. There have been only minor changes to fees since that time. The 1997 law that changed the fee structure allowed for \$1 increases that took effect in 2001 and 2005. However, there has been no general restructuring of licenses since 1997. From 1997 to 2014, inflation (Detroit CPI) is expected to increase 44.7 percent, which has significantly reduced the buying power of revenue from fishing and hunting licenses.

■ **How has fishing and hunting license revenue trended in the past decade, including Pittman-Robertson and Dingell-Johnson dollars?**

Over the past 10 years, the revenue received from the sale of licenses has essentially remained flat, with revenues of \$43.3 million in 2002 to \$44.1 million in 2011. These revenues include an increase in the price for antlerless deer licenses when a discount was lifted by the DNR (2009) and the \$1 statutory increase on all licenses (2005). The federal apportionment to Michigan from Dingell-Johnson sport fish restoration funds increased from nearly \$11.5 million in FY07 to \$11.7 million in FY11. The federal apportionment to Michigan from Pittman-Robertson wildlife restoration funds increased from \$9 million in FY07 to \$12.8 million in FY11.

■ **How much estimated additional money would be raised through this proposed licensing structure?**

We propose that the new licensing structure be implemented at the beginning of license year 2014 on March 1, 2014. Therefore, we expect that this proposal will generate \$12.8 million in FY14, with full ongoing revenue of \$19.7 million being generated beginning in FY15 (the first full year in effect).

■ **Will senior citizens still receive a discount under the proposed licensing structure?**

Senior citizens would continue to receive a 60-percent discount on the following licenses: deer, turkey, fur harvester, base license (small game and non-waterfowl migratory birds) and resident all-species fishing. However, seniors would no longer receive discounts on bear licenses, 24-hour fishing licenses, or 72-hour fishing licenses.

- **What would additional license money be used for, including a breakdown of how much money would be allocated to each category?**

See the chart on the following page.

Outcomes of Generating More Revenue from Hunting and Fishing Licenses*

Line Item	Amount	Outcomes
General law enforcement	\$4,500,000	Increase education/outreach/public safety contacts by hiring additional conservation officers
Fisheries resource management	\$1,000,000	Increase technical assistance for fisheries habitat improvement on cold-water streams
Fisheries resource management	\$1,000,000	Increase creel surveys and assessments on inland lakes & streams
Fisheries resource management	\$444,400	Increase outreach to anglers that fish for perch, bluegill and bass
Fish production	\$977,800	Increase rearing and stocking of fish by addressing infrastructure needs in our hatcheries
Fisheries habitat improvement grants	\$1,955,600	Provide grants to stakeholders to increase fisheries habitat in inland lakes and streams
Wildlife management	\$1,466,600	Increase acres of public game areas receiving habitat management or maintenance
Wildlife habitat improvement grants	\$1,466,700	Provide grants to stakeholders to increase acres receiving habitat management or maintenance
Marketing and outreach	\$2,444,400	<ol style="list-style-type: none"> 1. Work with MEDC to enhance marketing of recreation opportunities and design mobile applications 2. Enhance the Retail Sales System to create a better license-buying experience 3. Expand natural resource education programs 4. Expand recruitment and retention programs for hunters and anglers
Finance and operations	\$1,466,700	Open additional service centers to the public and increase hours that service centers are open to the public
Forest management and timber market development	\$488,900	Increase acres of state forests receiving wildlife habitat management or maintenance
Wildlife habitat improvement grants in state forests	\$488,900	Provide grants to stakeholders to increase acres of state forests receiving wildlife habitat management or maintenance
Payments in lieu of taxes on purchased lands	\$400,000	Pay property taxes to local governments for access to public lands
Estimated New Annual Revenue	\$ 18,100,000	

*The amount allocated to each outcome may change depending on legislative changes to the fiscal year 2014 Executive Budget.

Dredging: Governor Snyder recently approved Public Act 9 of 2013, which appropriates \$21 million for emergency dredging in FY13, of which \$11.5 million is General Fund and \$9.5 million is Waterways Fund. The FY14 Executive Budget includes \$9.4 million for emergency dredging from the additional revenue directed to the Waterways Fund from the transportation investment package.

Off-Road Vehicles (ORVs): The FY14 Executive Budget includes \$2.7 million in new revenue to the ORV Trail Improvement Fund from the proposed changes to ORV license fees.

■ **What is the structure and cost of current ORV stickers and trail permits?**

Currently, ORV owners are required to annually purchase an ORV license for \$16.25. ORV owners are not required to have a license to ride on their own private property or as a guest on private property (MCL 324.81102). Of each license sold, \$15 is deposited in the ORV Trail Improvement Fund, \$1 is deposited in the ORV Safety Education Fund and \$0.25 is retained by the seller as commission.

■ **What increase and new fee structure is proposed?**

This proposal would require ORV owners to annually purchase an ORV license for a fee of \$26.25. From that, \$25 would be deposited in the ORV Trail Improvement Fund, \$1 would be deposited in the ORV Safety Education Fund, and the remaining \$0.25 would remain with the seller. ORV owners would need to pay an additional \$10 to ride on state trails; that money would be deposited in the ORV Trail Improvement Fund. Current exemptions contained in MCL 324.81102 would still apply.

■ **How long has it been since there has been an increase in ORV funding, and how has inflation affected revenues since that time?**

The current ORV license fee has not changed since 1996. From 1996 to 2014, inflation (Detroit Consumer Price Index) is expected to increase 48.4 percent.

■ **What is the trend on ORV revenue?**

Revenue to the ORV Trail Improvement Fund totaled roughly \$3 million in 2003 and nearly \$3.3 million in 2012, for an increase of 8.8 percent over the last 10 years.

■ **Has this trend meant that some projects – trail maintenance, for instance – are not getting done?**

Due to insufficient revenue, the DNR has not been able to increase trail miles to the statutorily required target of 4,000 miles. In addition, trail maintenance and law enforcement have not been provided at levels sufficient to customers.

■ **What would additional ORV money be used for, where would it be used and by whom (i.e., would the DNR grant money to partners to maintain trails)?**

With this additional revenue, the DNR would invest in achieving the following outcomes to show the value of the ORV license fee changes to its customers:

- Expand the trail system from 3,627 miles to at least 4,000 miles through trail easements and acquisitions
- Create destination places by adding trail connections to communities and other trails through trail easements and acquisitions
- Provide sufficient grant funding to our stakeholders to develop, groom and brush trails and add signage to trails
- Provide safer recreation experiences to our customers through increased education and enforcement from conservation officers
- Thoroughly inspect the condition and maintenance of trails
- Replace failing or aging bridges and culverts to address safety and environmental issues
- Provide oversight and leadership of the program

Conservation Officers (COs): The FY14 Executive Budget includes includes \$600,000 one-time General Fund for a CO school and \$2.9 million ongoing with the goal of adding 25 new COs, as well as \$2.9 million ongoing Game & Fish Protection Fund to hire 16 new COs. In addition to this General Fund recommendation, Gov. Snyder's budget recommends a new hunting and fishing license fee structure to better protect and manage Michigan's natural and cultural resources. When fully implemented, the new fees would add \$4.5 million annually for conservation officers. Sixteen officers – in addition to the 25 from General Fund dollars -- would be added in the first, partial year of funding, FY 2014.

■ **What is the trend in CO numbers?**

The number of total sworn COs has steadily declined from 243 in FY01 to 173 in FY13 – a nearly 30-percent decrease over the 12-year period.

■ **How has this trend affected enforcement of conservation laws?**

COs had public contact with about 350,000 Michigan citizens and visitors in 2011. Of those customer contacts, approximately 25,000 involved unlawful activity, and only 8,000 resulted in enforcement action due to community-oriented, customer service-based policing aimed at education and voluntary compliance. Increased officer presence is a key element to achieving voluntary compliance and encouraging safe and legal conduct, while still protecting Michigan's natural resources.

■ **How many additional COs will the proposed General Fund allocation provide, and where will they be located?**

The proposal will provide funding for 25 additional COs, who will be located throughout the state.

■ **Would all of the proposed General Fund revenue go to CO salaries and equipment? What portion of it goes to education of new COs?**

- \$2.9 million ongoing General Fund is included for payroll and equipment costs
- \$600,000 one-time General Fund is provided for the cost of the academy

■ **Will there be ongoing General Fund support for the new COs?**

The FY14 Executive Budget includes \$2.9 million ongoing General Fund to support the new COs.

■ **What benefits will the public see from the presence of additional COs?**

By hiring 25 additional COs, the DNR estimates that COs should make as many as 80,000 more customer contacts annually, , thereby identifying more unlawful activity and creating a safer environment for Michigan residents and visitors to our state. In addition, this proposal would allow the DNR to hire COs in three counties (Ontonagon, Hillsdale and Lenawee) in which there are no COs assigned, and numerous other counties that do not currently have an adequate number of officers. The DNR would be better equipped to provide assistance in rural areas where local law enforcement is limited.

Summer Youth Employment Initiative: The FY14 Executive Budget maintains funding for this program at the FY13 level of \$3 million in General Fund. This program began in FY12 with an appropriation of \$2 million.

■ **What is the purpose of the Summer Youth Employment Initiative?**

The program employs at-risk youth in Detroit, Flint, Pontiac and Saginaw to introduce them to the outdoors while getting paid to learn job skills, develop career plans and set a foundation for future employment.

■ **How many people participated last year and through how many local agencies?**

More than 750 youth (through 13 local agencies) participated last summer.

■ **How much of the budgeted money will funnel to each of the four cities?**

In FY12, 42 percent went to Detroit, 17 percent to Flint, 13 percent to Pontiac and 28 percent to Saginaw. Allocation of funds depends upon the participation that our partners can accommodate and won't be known until grant agreements are signed.

■ **How many young people are expected to participate in FY 2014?**

Since funding for the program will increase 50 percent, student participation is estimated to also increase 50 percent.

■ **Which agencies will we work through to grant this money?**

The DNR will continue to explore public/private partnerships to assist in the development and expansion of the program.

Disaster and Emergency Contingency Fund: The FY14 Executive Budget includes \$4 million for this fund in the Michigan State Police budget. While this is not a new fund, the DNR has in the past not been able to access the fund.

■ **What is the current method for funding wildfire suppression in Michigan?**

A total of \$12.8 million is appropriated in FY13 for wildfire protection, including \$7.2 million in the Forest Development Fund, \$3.4 million in General Fund, \$1.3 million in federal funds, and less than \$1 million in Game and Fish Protection Fund and Aircraft Fees.

■ **What is this proposed new method, and why would it be better?**

The proposed Disaster and Emergency Contingency Fund is included in the FY14 Michigan State Police budget. The DNR wants to use the fund for costs tied to the suppression of wildfires larger than 100 acres in size. Since handling fires of that size typically requires more funds than what are contained in the original budget, the DNR must currently request supplemental funding from the Legislature in those cases.

■ **Will that money roll over every year, and will additional General Fund money be added in subsequent years?**

The fund would roll over each year. Unspent funds would not lapse to the General Fund. The FY14 budget directs \$4 million to the fund and another \$4 million is intended to be added again in FY15. Implementing legislation will be pursued to ensure that the fund contains at least \$4 million and not more than \$8.5 million.

■ **Who would have authority to release Contingency Fund dollars to the DNR?**

The Michigan State Police director would have authority to release funds to the DNR for wildfire efforts and potentially other disaster response efforts affecting natural resources.

■ **Does this fund cover only wildfires, or is it possible that response to other types of disasters and emergencies would be included?**

Historically, the DNR has incurred costs to respond to the following types of disasters: wildfire, flood, tornado, windstorm, oil spill, culvert failure, dam failure, rainstorm, invasive species, disease outbreak, fish kill and mine collapse. Based on the DNR's review of the definition of "disaster" contained in section 2 of the Emergency Management Act, 1976 PA 390, MCL 30.402, the costs to respond to all types of disasters listed above would be allowable expenses from the fund.

■ **What did the DNR spend last year on wildfire suppression – given the large number of fires and the Duck Lake fire – and did that spending divert resources from other department priorities?**

A total of \$16.5 million was spent on wildfire suppression in FY12. The DNR received supplemental funding of \$3.5 million in General Fund last year to cover the added costs of Duck Lake. Therefore, our FY12 spending did not divert resources from other department priorities.

Great Lakes Research Vessel Chinook: The FY14 Executive Budget includes \$2 million one-time General Fund for the replacement of the Chinook. No funding for this project is included in FY13.

■ **What are the relevant statistics on the average age of DNR fisheries vessels or their maintenance needs?**

The DNR currently maintains and operates four research vessels.

- *Lake Char* (built in 2008) – Lake Superior
- *Steelhead* (built in 1967) – Lake Michigan
- *Channel Cat* (built in 1968) – Lake Erie and Lake St. Clair
- *Chinook* (built in 1947) – Lake Huron

The average annual maintenance costs for each of the older vessels is approximately \$15,000 per year. However, annual maintenance costs can range as high as \$60,000 per vessel when significant engine rebuilds or hull repairs are needed.

■ **What are the vessel specifications (length, beam, on-board equipment, etc.)?**

The research vessel *Chinook* is 50 feet long with a beam of 11.5 feet and weight displacement of 26 tons. It is powered with a single diesel engine and has a cruising speed of 9 knots. In comparison, the proposed replacement vessel will be 56 feet long with a beam of 16 feet and weight displacement of 26 tons. Powered by twin diesel engines, the replacement vessel will have a cruising speed of 19 knots. The additional speed and cruising range will significantly increase the efficiency of operations. Also, the replacement vessel will be outfitted with trawling and hydroacoustic equipment that will expand survey capabilities and allow for increased participation in collaborative lake-wide assessment efforts.

■ **What is the anticipated life of the vessel?**

The anticipated life of the vessel is approximately 50 years. However, select equipment will need to be replaced prior to a complete vessel replacement. For instance, survey and navigation equipment will likely become obsolete before the vessel reaches 50 years of age. Likewise, engines and generator systems will also need to be rebuilt or replaced at more frequent intervals.

■ **Where will the vessel be docked? Where and how will it be used?**

The vessel will be docked at the Alpena Fisheries Research Station. It will primarily operate on Lake Huron (including Saginaw Bay) and the St. Marys River. Similar to the *Lake Char*, the replacement vessel will be used:

- To assess and monitor aquatic invasive species in Lake Huron
- To monitor the vital statistics of walleye and yellow perch populations
- To evaluate salmonines and prey fish populations
- To collect data critical to collaborative monitoring of lake trout dynamics

In addition, the vessel will be used for joint surveys and to back up other research vessels in other areas across the Great Lakes system.

■ **Will other vessel acquisitions be needed in coming years, or does this satisfy fisheries fleet needs for the near future?**

Assuming that the Lake Huron vessel is replaced, the DNR will still have two vessels that are more than 40 years old. It's expected that both would need to be replaced within 10 to 20 years.