

**Summary: Executive Budget Recommendation
for Fiscal Year 2025-26
DEPARTMENT OF NATURAL RESOURCES**



Analyst: Austin Scott

	FY 2024-25	FY 2025-26	Difference: FY 2025-26	
	Year-to-Date as of 2/5/25	Executive	Amount	%
IDG/IDT	\$207,000	\$208,100	\$1,100	0.5
Federal	96,140,700	100,214,800	4,074,100	4.2
Local	0	0	0	--
Private	7,609,200	7,609,200	0	0.0
Restricted	353,865,900	408,296,400	54,430,500	15.4
GF/GP	76,757,000	88,201,200	11,444,200	14.9
Gross	\$534,579,800	\$604,529,700	\$69,949,900	13.1
FTEs	2,545.3	2,635.1	89.8	3.5

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Natural Resources (DNR) manages Michigan's natural and cultural resources through conservation and protection. State parks, wildlife, fisheries, forests, and minerals management are all administered by DNR.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	Executive Change from YTD
1. Fee increase – Hunting Licenses, Fishing Licenses, and Watercraft Registrations	FTE	NA	79.3
	Gross	NA	\$28,935,300
Includes \$28.9 million in state restricted funding and authorizes 79.3 new FTE positions from proposed 30% to 50% price increases for hunting licenses and fishing licenses and a proposed 60% price increase for watercraft registrations. Most of this new funding would go toward expanding the Wildlife Division, Fisheries Division, and Law Enforcement Division.	Restricted	NA	28,935,300
	GF/GP	NA	\$0
2. Recreation Passport Default Opt-in Revenue	Gross	NA	\$17,190,300
Includes \$17.2 million in new restricted authorization in anticipation of Recreation Passport sales changing from an opt-in model to an opt-out model. Motorists would purchase a passport by default unless they choose to opt-out when renewing motor vehicle registration. Passports would be provided free of charge to resident military veterans.	Restricted	NA	17,190,300
	GF/GP	NA	\$0
3. Dam Safety and Management (One-time)	Gross	\$0	\$15,000,000
Appropriates \$15.0 million GF/GP for removal, maintenance, and study of dams in accordance with dam management and land strategy policies.	GF/GP	\$0	\$15,000,000
4. Asset Management Solution (One-time)	Gross	\$0	\$6,391,800
Provides \$6.4 million GF/GP to continue implementation of the departmental digital asset management system.	GF/GP	\$0	\$6,391,800
5. Nature Awaits	FTE	13.8	0.0
Reduces GF/GP authorization by \$1.8 million for grants to schools to cover transportation and other costs related to connecting all Michigan fourth grades to the state park system; this funding is included in the FY 2025-26 executive budget proposal for School Aid.	Gross	\$4,045,300	(\$1,800,000)
	GF/GP	\$4,045,300	(\$1,800,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations	FY 2024-25 YTD (as of 2/5/25)		Executive Change from YTD
6. Off-road Vehicle Trail Improvement Fund Revenue	Gross	NA	\$3,965,900
Appropriates \$4.0 million in additional revenue from the Off-road Vehicle Trail Improvement Fund according to revenue distribution defined in the Natural Resources and Environmental Protection Act.	Restricted	NA	3,965,900
	GF/GP	NA	\$0
7. Federal High-speed Internet Infrastructure Funding	Gross	NA	\$1,417,500
Appropriates \$1.4 million in available federal funding for the installation of high-speed internet infrastructure on DNR lands.	Federal	NA	1,417,500
	GF/GP	NA	\$0
8. Capital Outlay Adjustments	Gross	NA	\$1,317,400
Provides a net increase of \$1.3 million Gross (\$0 GF/GP) for funding increases to State Game and Wildlife Area Infrastructure and State Parks Repair and Maintenance. Funding decreases are included to Wetlands Restoration, Enhancement, and Acquisition; Local Boating Infrastructure and Maintenance; and State Boating Infrastructure and Maintenance.	Federal	NA	1,292,400
	Restricted	NA	25,000
	GF/GP	NA	\$0
9. Marketing and Outreach – Shooting Range Operations and Maintenance	FTE	88.8	7.5
	Gross	\$17,433,700	\$481,300
Includes \$481,300 in available federal funding and authorizes 7.5 new FTE positions for the operation and maintenance of state shooting range facilities.	Federal	1,960,900	481,300
	Restricted	14,371,900	0
	GF/GP	\$1,100,900	\$0
10. Parks and Recreation Division – Park Supervisors	FTE	NA	3.0
Appropriates \$355,000 in state restricted funding and authorizes 3.0 new FTE positions for park supervisors.	Gross	NA	\$355,000
	Restricted	NA	355,000
	GF/GP	NA	\$0
11. Technical Adjustments	Gross	NA	\$763,600
Provides \$763,600 Gross (\$0 GF/GP) for technical adjustments to align expenditures and increased available state restricted and federal revenues.	Federal	NA	352,200
	Restricted	NA	411,400
	GF/GP	NA	\$0
12. Forest Resources Division Rollup	FTE	19.5	0.0
Rolls funding for Adopt-A-Forest Program (\$25,000 Gross), cooperative resource programs (\$1.7 million Gross and 11.0 FTE positions), forest fire equipment (\$931,500 Gross), and forest management initiative (\$944,200 Gross and 8.5 FTE positions) into forest management and timber market development (\$2.6 million Gross and 19.5 FTE positions) and wildfire protection (\$931,500 Gross) for a net zero change.	Gross	\$3,551,300	\$0
	Federal	736,700	0
	Private	124,500	0
	Restricted	2,351,700	0
	GF/GP	\$338,400	\$0
13. Finance and Operations Rollup	FTE	2.0	0.0
Rolls funding for minerals management (\$159,600 state restricted funding and 1.0 FTE position) and marketing and outreach (\$199,000 in state restricted funding and 1.0 FTE position) into departmental finance and operations for a net zero change.	Gross	\$358,600	\$0
	Restricted	358,600	0
	GF/GP	\$0	\$0
14. Removal of FY 2024-25 One-time Appropriations	Gross	\$9,000,000	(\$9,000,000)
Removes \$9.0 million GF/GP of one-time funding that was included in the FY 2024-25 budget to support the following:	GF/GP	\$9,000,000	(\$9,000,000)
<ul style="list-style-type: none"> America 250 Commission grants (\$5.0 million) American chestnut restoration initiative (\$500,000) Huron Waterloo Pathways Initiative's Border-To-Border Trail (\$1,749,900) Mass timber market development (\$1.0 million) Phragmites management equipment (\$250,000) Sportsmen Against Hunger refrigeration units (\$500,000) Upper Peninsula ski project (\$100) 			

<u>Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations</u>	<u>FY 2024-25 YTD (as of 2/5/25)</u>	<u>Executive Change from YTD</u>
15. Economic Adjustments	Gross	NA
Reflects increased costs of \$4.9 million Gross (\$852,400 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA
	Federal	NA
	Restricted	NA
	GF/GP	NA
		\$4,913,800
		1,100
		530,700
		3,529,600
		\$852,400

Major Boilerplate Changes from FY 2024-25

Sec. 207. Disciplinary Action Against State Employees – DELETED

Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs, unless communication is prohibited by law. *(Governor deemed this section unenforceable in FY 2024-25.)*

Sec. 211. Legislative Contingency Transfer Authorization – REVISED

Allows for the legislative transfer process to increase state restricted authorization by up to \$5.0 million. Revises to add federal authorization to up to \$3.0 million.

Sec. 213. Restricted Fund Revenues, Expenditures, and Fund Balances Report – DELETED

Requires annual report on fund balances, revenues, and expenditures for state restricted funds for previous and current fiscal years.

Sec. 221. Receipt and Retention of Reports – DELETED

Requires department to receive and retain copies of all reports.

Sec. 222. Report on Policy Changes Made to Implement Public Acts Affecting Department – DELETED

Requires the department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.

Sec. 224. Expending Available Work Project Authorization – DELETED

Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended. *(Governor deemed this section unenforceable in FY 2024-25.)*

Sec. 230. Single Grant Recipient Requirements – DELETED

Provides process requirements for grants or projects awarded to single recipient organizations or local governments.

Sec. 232. State Fiscal Recovery Funds – DELETED

Requires the state budget director to ensure that State Fiscal Recovery Funds allocated under the American Rescue Pan Act of 2021 be expended before 2027; requires the state budget director to notify the House and Senate Appropriations Committees of reallocations made under this section.

Sec. 408. Land Transactions Report – DELETED

Requires detailed report to legislature on land purchases, sales, and exchanges.

Sec. 1201. Work Project – Asset Management Solution – NEW

Authorizes unexpended funds for Asset Management Solution totaling \$6.4 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to implement a department asset management system.

Sec. 1201. Work Project – Huron Waterloo Pathways Initiative's Border to Border Trail – DELETED

Authorizes unexpended funds for Huron Waterloo Pathways Initiative's Border to Border Trail totaling \$1.7 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to develop a nonmotorized Border to Border Trail.

Sec. 1202. Work Project – American Chestnut Restoration Initiative – DELETED

Authorizes unexpended funds for American Chestnut Restoration Initiative totaling \$500,000 to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to study and implement American chestnut restoration and assisted migration of American chestnut or other species for the purpose of helping adapt the state's forests to climate change.

Sec. 1203. Work Project – Mass Timber Market Development – DELETED

Authorizes unexpended funds for Mass Timber Market Development totaling \$1.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to aid in the development of a mass timber market in this state.

Major Boilerplate Changes from FY 2024-25

Sec. 1204. Phragmites Management Equipment – DELETED

Requires funds for Phragmites Management Equipment to be used to purchase heavy equipment for managing phragmites.

Sec. 1205. Work Project – Sportsmen Against Hunger Refrigeration Units – DELETED

Authorizes unexpended funds for Sportsmen Against Hunger Disease Testing totaling \$500,000 to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to acquire refrigerated trailers that processors can use to store deer and processed venison.

Sec. 1206. Work Project – America 250 Commission Grants – DELETED

Requires funds for America 250 Commission grants to be allocated to support the America 250 committee; specifies committee composition and selection; outlines committee functions; allows committee to seek additional funding; requires committee to use funding for initiatives to commemorate the semiquincentennial and promote the history and culture of Michigan; requires the committee to establish guidelines and criteria for grants for local initiatives; requires the committee to expend at least \$3,000,000.00 to implement a grant program for local initiatives, at least \$1,000,000.00 of which shall be allocated to the Lake County Merry Makers nonprofit (\$500,000) and Wayne County Community College (\$500,000); defines conditions of grants awards; earmarks \$2.0 million for initiatives that acknowledge Michigan's unique role in the history of the United States and outlines corresponding requirements; earmarks \$500,000 for the Michigan History Center and State Archives; allows the department to retain up to 3% of fund appropriated for administrative costs; authorizes unexpended funds for America 250 Commission Grants totaling \$5.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to provide grants to state and local entities to commemorate America's semiquincentennial.

Supplemental Recommendations for FY 2024-25 Appropriations

**FY 2024-25
Recommendation**

<i>1. Wildlife and Fisheries – Capital Outlay</i>	Gross	\$4,900,000
Appropriates \$4.9 million from the Game and Fish Protection Fund for wildlife and fisheries capital outlay infrastructure maintenance and improvements.	Restricted GF/GP	4,900,000 \$0
<i>2. Wildlife and Fisheries – Cormorant Management</i>	Gross	\$1,600,000
Provides \$1.6 million from the Game and Fish Protection Fund to protect state fisheries and wildlife habitats from cormorants.	Restricted GF/GP	1,600,000 \$0
<i>3. Arctic Grayling Fish Passage</i>	Gross	\$2,500,000
Includes \$2.5 million from the US Fish and Wildlife Service to the Conservation Resource Alliance and Trout Unlimited to remove fish passage barriers by replacing ineffective road-stream crossings on state forest lands.	Federal GF/GP	2,500,000 \$0
<i>4. Federal High-speed Internet Infrastructure Funding</i>	Gross	\$1,417,500
Appropriates \$1.4 million in available federal funding for the installation of high-speed internet infrastructure on DNR lands.	Federal GF/GP	1,417,500 \$0
<i>5. Decree Negotiations</i>	Gross	\$613,200
Includes \$613,200 GF/GP to complete the buyout of a state commercial fishing license that is no longer eligible for use under the 2023 Great Lakes Consent Decree that prohibits state licenses commercial fishing in the Big Bay de Noc management unit of Lake Michigan.	GF/GP	\$613,200