

License Dollars at Work



**How your investment
supports fish, wildlife and
law enforcement**



A message from the Commissioner

Thanks for purchasing a license.

Your dollars are deposited in the state's Game and Fish Fund. This is Minnesota's most important fund for delivering fish, wildlife and law enforcement programs. It was created at the urging of hunters and anglers. Dollars in this fund can be used only for fish and wildlife-related work.

License dollars pay for fish stocking, population surveys and habitat projects that result in some of the best hunting and fishing in America. License dollars also fund a network of conservation officers who protect wild species, snare poachers and oversee firearms safety training for our next generation of hunters.

Inside this brochure you'll find more information on how we use license revenues, lottery proceeds, federal reimbursements and other sources of funding. It's good information. You deserve to know it.

We also want you to know that hunting and fishing license fees have not increased since 2001. Because of that, we've done what you would expect. We've tightened belts. We've increased efficiencies. But we've also reduced field effort. Ultimately, this reduces the quality of hunting and fishing.

We believe it's time for a fee increase. The balance in the Game and Fish Fund has been declining for years. It's now at a critically low level. Without a fee adjustment we will be unable to deliver the projects and programs that are the foundation of modern fish and wildlife management.

Again, thanks for buying a license. Be safe. Please take the time to introduce someone new to the out of doors.

Tom Landwehr
Commissioner, Minnesota Department of Natural Resources

Fiscal Year 2012-2013 Estimated Revenue Sources

\$90 million per year deposited in the Game and Fish Fund comes from the following sources:

Fishing and hunting licenses and stamps	55%
Federal Sport Fish Restoration (Dingell-Johnson)	13%
Federal Wildlife Restoration (Pittman-Robertson)	12%
Lottery Sales Tax	14%
Other (issuing fees, interest and surcharges)	6%
Total	100%



A legacy began in 1937

That's when President Franklin D. Roosevelt signed an act that created one of the most powerful funding sources for conservation the world has ever known.

Minnesota's hunters, anglers and the DNR continue to benefit from that signature.

Roosevelt signed into law the Federal Aid in Wildlife Restoration Act, which placed a manufacturer's federal excise tax on certain firearms and hunting products. This revenue goes to the U.S. Fish and Wildlife Service, which in turn distributes it to state natural resources agencies based on certain criteria, including the number of hunting licenses sold. In 1950, this conservation funding approach was expanded to fishing equipment. Today, the Wildlife and Sport Fish Restoration Program funds about one-fourth of the DNR's fish, wildlife and law enforcement work.

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mndnr.gov

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Examples of How the DNR Puts Game and Fish

FISHERIES

33.6 cents of each fish and wildlife dollar

\$33.8 million per year

94% of operating budget* from Game and Fish Fund



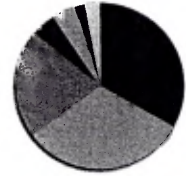
- Manages 5,400 fishing lakes and thousands of miles of river and stream for state's 1.5 million licensed anglers.
- Stocks millions of walleye in roughly 1,000 lakes to maintain and enhance walleye angling opportunities.
- Operates 17 hatcheries to produce trout, muskellunge, walleye and other species for stocking.
- Ensures world-class muskellunge fishing by protecting habitat, conducting surveys, applying research and stocking about 60 lakes and two rivers.
- Helps protect human health by surveying about 150 lakes per year for chemical contaminants. This information is used by the Department of Health for fish consumption guidelines.
- Collects valuable fish population data from more than 800 lakes and rivers per year.
- Helps create the next generation of anglers and conservationists through fishing education and aquatic education programs.

WILDLIFE

31.5 cents of each fish and wildlife dollar

\$31.7 million per year

96.3% of operating budget* from Game and Fish Fund



- Manages a network of 1,400 Wildlife Management Areas totaling more than 1.3 million acres.
- Sets seasons and regulations for about 50 game species pursued by about 600,000 hunters and trappers.
- Conducts wildlife surveys and research critical for making informed decisions.
- Provides important waterfowl feeding and resting areas by maintaining and improving wetlands, often in partnership with Ducks Unlimited and other conservation organizations.
- Helps create the next generation of hunters through special youth hunts and skill-building clinics for women and families.
- Protects the state's wildlife from deadly diseases, especially bovine TB in the northwest deer herd and chronic wasting disease in the southeast.



* To present consistent information across divisions, funds such as environmental trust funds, outdoor heritage funds, federal funds, and

Fund Dollars to Work

ENFORCEMENT

20.8 cents of each fish and wildlife dollar

\$21 million per year

59.8% of operating budget* from Game and Fish Fund



- Protects fish and wildlife through a network of 154 field conservation officers that patrol the state's lands and waters.
- Investigates more than 600 Turn In Poachers (TIP) calls per year. These investigations result in more than 100 arrests annually, including the convictions of poachers with large over-limits of game or trophy animals taken out of season.
- Provides firearms, snowmobile and all-terrain vehicle training to about 25,000 youth and adults annually so they learn how to enjoy the outdoors in a safe and respectful way.
- Delivers an important field service in slowing the spread of aquatic invasive species by educating boaters and anglers, and enforcing laws protecting our natural resources.

ECOLOGICAL AND WATER RESOURCES

4.7 cents of each fish and wildlife dollar

\$4.7 million per year

12.1% of operating budget* from Game and Fish Fund



- Protects, restores, and analyzes fish and wildlife habitats in lakes, streams, and wetlands with a special emphasis on large river systems and lakeshore.
- Reviews development projects and recommends changes to protect fish and wildlife populations and habitats.
- Responds to and evaluates fish and wildlife kills and seeks restitution from responsible parties.

LICENSING

4.5 cents of each fish and wildlife dollar

\$4.5 million per year

62.6% of budget from Game and Fish Fund

- Provides hunting, fishing and other licenses to more than a million individuals.
- Manages a network of more than 1,500 license agents.

BOAT ACCESS

2.2 cents of each fish and wildlife dollar

\$2.2 million per year

- Purchases land for new boat launching sites or expands existing sites
- Designs and constructs new public access sites.

FOREST AND LAND MANAGEMENT

2.7 cents of each fish and wildlife dollar

\$2.7 million per year

- Ensures our forests are managed in a sustainable way by using native plant and other ecological information.
- Creates and maintains a land record management system.



remediation funds are not included.



Main Topics

Human Resources

People & Contacts

Reference Room

Employee toolkit

Supervisor/Manager toolkit

Employee suggestion box

> DNRNet Home > Fish & Wildlife >

License Initiative documents

Right-click on each link and select "Save Target As ..." to save the file to your computer.

Meeting resources

- License Dollars At Work
- Status of the Game and Fish Fund
- Narrated Powerpoint presentation
- **Proposed license fee increases**
 - o Resident angling
 - o Resident hunting
 - o Non-resident angling
 - o Non-resident hunting
 - o Resident sports licenses
 - o All changes
 - o All changes with sales
- Impacts of no increase legislative backgrounder
- Revenue comparison of DNR proposal, SF 1830 and HF 2951
- Fee adjustments since the last general license increase in 2001

Legislation

- Senate File 1830
- House File 2951

Fact sheets

Easily printable PDF files for all fisheries and wildlife work areas as well as a statewide fact sheet for enforcement are being generated and loaded onto the public website. Click the work area of your choice and scroll toward the bottom of the page for the link.

Post-meeting resources

- Survey Monkey meeting input: Use this link to input information about meetings you have conducted or attended.
- Survey Monkey meeting review: Use this link to review what yourself and others have input about meetings where the license fee increase was discussed.

Editorials

- International Falls Daily Journal
- Mankato Free Press
- John Cross column: Mankato Free Press
- Marshall Independent
- Minneapolis StarTribune
- New Ulm Journal
- St. Cloud Times
- St. Paul Pioneer Press

Letters of support

- Budgetary Oversight Committee
- Ducks Unlimited
- Minnesota Conservation Federation
- Minnesota Outdoor Heritage Alliance
- Sportsmen For Change

Contact tools and resources for citizens

- Find your lawmakers
- Minnesota Muskie and Pike Alliance

Revenue projections down; fee increase urgency up

State and federal revenue experts sent the Minnesota Department of Natural Resources troubling news at year's end. Expect less revenue, they said.

Key fund in critical condition

Minnesota's Game and Fish Fund is in dire condition. It is projected to "go negative" by as early as July 2013. This means the DNR will need to make significant cuts that affect the quantity and quality of hunting, fishing and natural resources law enforcement unless the State Legislature approves license fee increases during the 2012 session. Fee increases approved by the Legislature this spring will not provide significant cash flow until at least another year when 2013 fishing licenses go on sale.

How did this happen?

The primary reason is that hunting and fishing license fees have not increased since 2001. This is the longest period of time without a fee increase in more than 40 years. The Game and Fish Fund would have gone negative years ago had the DNR not implemented numerous cost-saving reductions and benefitted from an increase in federal aid revenue that peaked several years ago and is now in decline.

Why the heightened sense of urgency?

The situation has changed from last year for three rea-



Game and Fish Fund

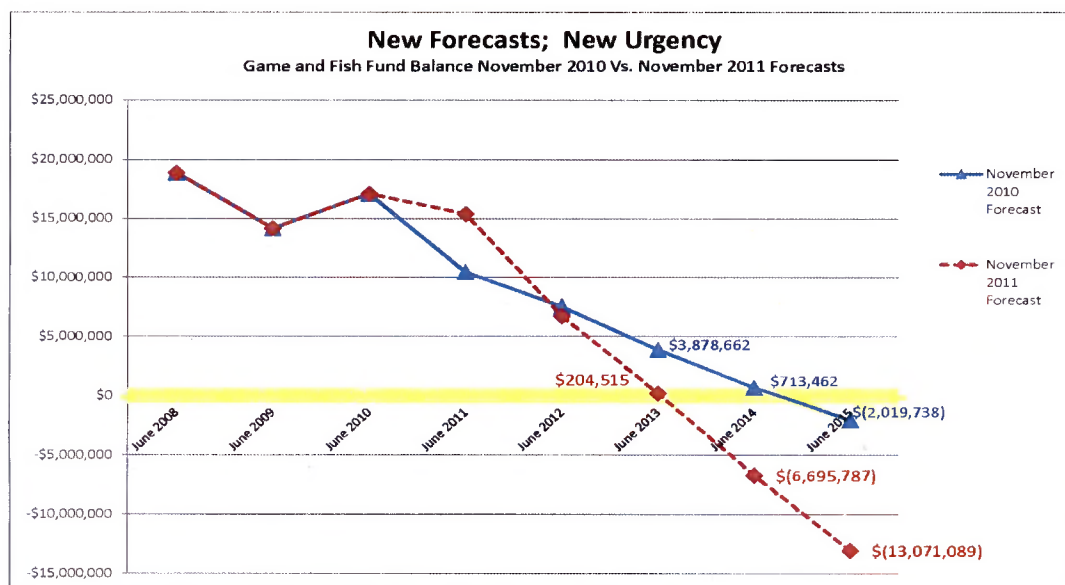
sons that total up to \$7.6 million in less revenue.

- The 20-day state government shutdown cost the Game and Fish Fund about \$2.2 million because hunting and fishing licenses could not be sold.
- Hunting and fishing license revenue is projected to be \$1.1 million less than previously predicted.
- A new federal budget forecast predicts a decline in revenue into the Game and Fish Fund from the Dingell-Johnson and Pittman-Robertson reimbursement programs. This forecast is \$4.3 million lower than the previous federal estimate.

Solution needed this session

Last year, the Minnesota DNR worked with citizens, business consultants and others to develop the best possible license fee initiative. The initiative increased the

cost of most licenses but discounted those for less avid hunters and anglers. The initiative also created several new license types based on the preferences of the modern hunter, angler and family. If the Legislature approves this proposal or something close to it in 2012, the Game and Fish Fund balance would return to a level that would enable the DNR to deliver the fish and wildlife management that citizens expect through 2017.



Recreation worth paying for!

When you purchase a fishing or hunting license, you're buying a ticket to Minnesota's great outdoors, and hours of enjoyment. You're also paying for the basic work that needs to be done to ensure the future of our outdoor heritage.



Your license buys . . .

Great fishing

Minnesota is consistently one of the nation's top angling destinations. In part, that's because DNR biologists monitor fish populations, conserve habitat, and take actions to ensure that walleye, bass, and other species remain healthy. Your fishing license pays for this work. It also pays for the increase in walleye and muskie stocking in recent years, and for efforts to provide more nearby fishing opportunities for kids and families.

Great fishing doesn't just happen. It's the product of field research, scientific management, and efforts to maintain clean water and healthy habitat. It's a big job. Minnesota has 5,400 fishing lakes and more than 16,000 miles of fishable rivers and streams. This work, however, nets bigger benefits for anglers and society. More than 43,000 Minnesota jobs are linked to fishing. So are \$2.8 billion in annual retail sales.

Great fishing is not a guarantee. Fish populations are constantly threatened by new diseases, invasive species, habitat loss and other pressures, including angling itself. Therefore, tomorrow's fishing is dependent upon today's management. Your license helps pay for most of the basic work that creates great fishing.



A whole lot of hunting

Minnesota hunters enjoy a broad range of opportunity plus an abundance of public land on which to hunt. From pheasants, Hungarian partridge and prairie chickens in the south and west, to moose, elk and bear in the north, and deer nearly everywhere, Minnesota is home to one of the nation's widest range of game species. It also boasts one of the nation's largest public hunting lands programs, Minnesota's 1.3 million acre Wildlife Management Area (WMA) system.

Hunting license revenue pays for the research, monitoring and management of these species, as well as the

WMA system itself. It pays for the core services hunters and others have come to expect, including wildlife population and habitat management, stakeholder outreach, and web-based information. That core work has made it possible to add seasons for prairie chickens, mourning doves and sandhill cranes. And it supports the solid community relations that makes it possible to add hundreds of acres to the WMA system each year.

Like fish management, wildlife management contributes to Minnesota's economy. More than 11,900 Minnesota jobs are linked to hunting. So are more than \$637 million in retail sales.



Safety and resource protection

A portion of hunting and angling license revenue helps fund Minnesota's conservation officers. Hunting and angling license revenues pay for the trucks, boats, ATVs and other tools they need to perform their jobs. These men and women ensure public safety and the protection of species from poaching, baiting and other illegal activities.

Conservation officers have a big job. Their average work area is about 650 square miles. Minnesota currently employs about 147 field officers, about one officer for every 11,000 hunters and anglers. DNR's conservation officers help maintain the high quality hunting and angling Minnesotans expect by ensuring compliance with fish and game laws. They also promote safe outdoor recreation by providing firearms safety and other instruction.

The bottom line?

Hunting and angling license fees provide the fiscal foundation for Minnesota's great outdoors.

Game and Fish Fund balance nearing critical stage

Your hunting, angling and trapping license fees go into a dedicated account called the Game and Fish Fund. This fund pays for core fish, wildlife and law enforcement work, plus other essential ecological and business functions.

Despite many cost-cutting and efficiency measures, this fund no longer covers expenditures. It is projected to "go negative" by 2014, because costs have increased in the last 10 years while the basic prices of fishing and hunting licenses have not.

Without adequate funding, core fisheries, wildlife and enforcement work will go undone, and hunting and angling are likely to decline in quality.

License fees deposited into the Game and Fish Fund pay for basic fish and wildlife management work and law enforcement.

License fees pay for:

- Fisheries surveys and research
- Lake and stream stocking
- Prairie/grassland plantings
- Management of the 1.3 million-acre VMA system
- Wetland restoration projects
- Fish and game law enforcement
- Firearm safety training



What about Legacy Amendment funding?

Legacy Amendment dollars (generated from a constitutionally dedicated .375 percent sales tax) go into a separate dedicated account. Both Legacy dollars and Game and Fish Fund dollars can be spent only for their intended purposes. License dollars fund the staff, science and infrastructure of natural resource management. Legacy Amendment dollars pay for major landscape-level projects that restore, protect and enhance natural resources.

Legacy Amendment dollars do not go directly to the DNR. The Minnesota Legislature distributes them to many different organizations based on project proposals that usually are developed with assistance from DNR staff, who are funded by license revenues.

In short, DNR experts funded by license revenues are vital to maximizing the benefits of projects funded through the Legacy Amendment sales tax.

Legacy Funds, from a 3/8 percent sales tax, are allocated by the Legislature to large-scale habitat projects. Only one-third of this sales tax goes to these projects. The rest is dedicated to clean water, parks and trails, and arts and cultural heritage projects. By law, this money cannot replace traditional funding for basic fish and game conservation work. Examples of Legacy-funded projects include:

- Public land acquisition and improvement
- Permanent conservation easements
- Clean water projects
- Park and trail improvements



The bottom line?

The Legacy Amendment is good news for conservation, but most basic conservation work can be funded only with license fees.



Minnesotans love the outdoors.

About 2 million residents fish, and nearly 700,000 hunt. Their activities fuel \$3.6 billion dollars in annual expenditures.

Most of the work necessary to maintain the high quality of Minnesota's hunting and fishing heritage is paid for by license fees. But the price of a resident license — which hasn't changed in a decade — isn't keeping up with inflation.

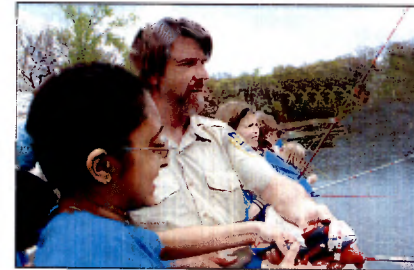
A wealth of resources

Minnesota has a wealth of natural resources that we're justifiably proud of. From Lake Superior in the north, to the coldwater trout streams of the southeast, from walleye factories like Mille Lacs and Leech, to the many smaller lakes dotting the metro landscape, from the vast coniferous forests of the north to the prairie pothole region of the south and west, our state boasts a variety of ecosystems that support some of the finest fishing and hunting anywhere in the nation.

A history of stewardship

Today's Minnesotans wouldn't be able to enjoy the scenic, recreational, economic and environmental benefits our state's natural resources provide had it not been for the strong stewardship ethic of prior generations.

From establishing some of the nation's first and strongest wetland conservation laws, to building one of the country's finest systems of public lands, hunters and anglers have been at the forefront of many of Minnesota's major conservation successes. And their



license fees have provided critical funding to carry out the management activities necessary to maintain healthy habitat and natural resource policies based on sound science.

Changes and challenges

But Minnesotans can't rest on past achievements. The state's natural resources, and the recreational and economic activities they support, face numerous challenges. A growing population with a diversity of interests is placing increasing demands on public lands. Development pressures pose significant challenges across the state. New constitutionally dedicated funding is providing a major boost to habitat projects, but that money can't be used for

the core fish and wildlife and law enforcement activities on which hunters and anglers depend. And while the basic costs of fishing and hunting licenses have remained the same since 2001, other costs of doing business have continued to rise. (Gas, for instance, has more than doubled in price.) If not addressed, this shortfall will compromise the quality outdoors experiences Minnesotans expect.

The bottom line?

Minnesotans value good management of their natural heritage, but funding for that core work isn't keeping up with rising costs.



Research supporting pricing and structural changes to MN DNR hunting and fishing licenses

The DNR used market research, public input, and price analysis to construct the pricing and structural changes to hunting and fishing licenses in Minnesota. This factsheet highlights the findings from two key reports.

Southwick Associates, Inc.

Southwick Associates, Inc., who specializes in natural resource and environmental economics, helped the agency analyze the potential change for existing license revenues and units sold over a range of license prices. The full report can be viewed at Sales and Revenue Forecasts of Fishing and Hunting Licenses in Minnesota http://files.dnr.state.mn.us/fish_wildlife/heritage/dr-southwick-price-models.pdf

The findings from this analysis follow:

From the Southwick Associate's sales and revenue forecast report it was determined the DNR could collect more revenue by raising the price of the following licenses:

- Resident/Non-Resident 24-hour Angling
- Resident Individual Angling
- Resident Deer Firearm
- Resident Deer Archery

It was determined the DNR could collect more direct revenue, but less federal aid (fewer purchasers), by raising the price of the following licenses:

- Resident Combination (Husband/Wife) Angling
- Non-Resident 72-hour Angling
- Resident Individual Sports
- Resident Combination (Husband/Wife) Sports

It was determined the DNR could NOT collect more direct revenue, or federal aid, by raising the price of the following licenses:

- Non-Resident Individual Angling
- Non-Resident Family Angling
- Non-Resident Seven-Day Angling

Responsive Management

Responsive Management, who specializes in public opinion and attitude survey research, completed a study to determine public support for or opposition to possible license structures, to explore customers' threshold for license fees (ie: the maximum price at which the consumer will still view the license as a good value), and to identify the elements of a license structure and accompanying fee schedule that is most marketable to consumers while still providing the MN DNR with adequate revenue. The full report can be found at– An Assessment of Public Opinion on Fishing and Hunting License Structures and Pricing in Minnesota http://files.dnr.state.mn.us/fish_wildlife/heritage/dr-responsive-management.pdf A summary of this report follows:

ANNUAL INDIVIDUAL ANGLING

The Resident Angling license was the most sensitive to price changes of all resident angling licenses studied. Pricing of the Annual Individual license could be increased to \$21 and up to \$25 without a substantial decrease in sales.

The addition of one or two short-term licenses, such as 3-Day and/or 90-Day licenses, could help offset Annual Individual license sales losses to marginal anglers who may be more price sensitive or only fish occasionally.

24 HOUR RESIDENT ANGLING AND 3-DAY INDIVIDUAL ANGLING

Given the low popularity of the 24-Hour license for Minnesota residents, a 3-Day license could be a good substitute for the 24-Hour license and possibly attract casual or lapsed anglers. The pricing for this license could be from \$10 to \$12. The 24-Hour license type was kept for the Minnesota charter boat captains.

90-DAY INDIVIDUAL ANGLING

A 90-Day license priced from \$17 to \$21 is viewed as desirable by anglers and could be fit into the mix if the Annual Individual license is priced from \$23 to \$25.

ANNUAL MARRIED COUPLE ANGLING

The Annual Combination license is a good value for couples. The pricing on this license could increase to \$30 up to \$35 (or slightly more) and would still provide good incentive for couples to purchase it, particularly if the Annual Individual license price is increased.

NON-RESIDENT ANNUAL INDIVIDUAL ANGLING , NONRESIDENT 7-DAY INDIVIDUAL ANGLING, NONRESIDENT ANNUAL FAMILY ANGLING

[T]he Annual Individual, Family, and 7-Day licenses are the more preferred licenses and are most sensitive to price changes. Small increases of up to \$7 in these licenses would likely have only a small impact on sales.

NONRESIDENT 14-DAY MARRIED COUPLE ANGLING

There was much less sensitivity to price on the short-term non-resident licenses, including the 14-Day Couple license. Each of these could be increased by up to 10% without a major reduction in overall preference scores. This would likely hold for purchases as well.

ANNUAL SMALL GAME HUNTING WITH STAMPS INCLUDED

There appears to be strong support for an Annual [small game] Hunting license that includes the small game along with, waterfowl, and pheasant stamps (currently, these are purchased separately). The initial estimated value for this license was \$34 but could be increased, based on any change in the price of the Small Game license (stamps purchased separately).

The Small Game license could be replaced with the Annual Hunting license. This may also be a net revenue generator, as some hunters who typically do not buy waterfowl and pheasant stamps would be

paying for the privilege without using it. The \$34 initial price could go up as high as \$40 or slightly more because of the overall value of the license.

SUPER INDIVIDUAL SPORTS

Nearly two-thirds (64%) of Individual Sports license buyers rated the Super Individual Sports license as *very* desirable. The Super Individual Sports license also had value to many anglers who also hunted. The survey shows that this license could be priced from \$80 to \$90 and still be attractive to sportspersons, particularly if annual hunting and fishing license prices are increased.

Additional reference reports

- Southwick Associates – A Profile of Anglers and Hunters Who Purchased Selected Licenses in Minnesota in 2005 and 2009
http://files.dnr.state.mn.us/fish_wildlife/heritage/dr-southwick-tapestry.pdf
- Minnesota Department of Natural Resources – Historical License Sale Information
<http://www.dnr.state.mn.us/licenses/index.html>