

Natural Resource Land

Update to 2010 Evaluation Report

Problems Identified

- **Inadequate Resources to Manage Current Land Holdings.** While its long-range plans propose significant future acquisitions of land, the Department of Natural Resources (DNR) appeared to lack adequate resources to manage and maintain its existing land holdings. Except for state parks and trails, DNR had not provided the Legislature with a long-range budget analysis that compared its ongoing land management needs to its current or projected funding levels.
- **Lack of a Comprehensive Easement Management Program.** DNR did not have a comprehensive management program to protect the state's investment in conservation easements. As required by the Legislature, however, DNR was in the process of inventorying its easements and developing policies for easement management.
- **Continuing Need for Evaluation of Existing Holdings.** While DNR had been evaluating its existing land holdings and making some exchanges and sales, more work was needed to address the inefficient checkerboard pattern of public forest land ownership in northern Minnesota. Beyond DNR's pilot project with Roseau County, additional work was needed with other counties to consider land exchanges and other land transactions.

Changes Implemented

- **Long-Range Budget Analysis Prepared.** As recommended in our report, the 2010 Legislature required DNR to prepare a long-range budget analysis. The DNR report, which was issued in December 2010, found a \$19 million annual budget gap between projected funding and management needs for existing land holdings, in addition to a \$6 million annual gap found earlier for parks and trails. The \$19 million deficiency would grow to \$32 million assuming future land acquisition at past rates and \$84 million under long-range acquisition plans. These gaps did not include the additional payments in lieu of taxes that would be made to local governments if the state acquires more land.
- **Easement Inventory Completed.** DNR has completed its inventory of conservation easements, developed a conservation management plan, and assessed its financial needs to implement the plan.

Action Needed

- **Additional Evaluation of Existing Public Land Holdings.** DNR has been conducting a pilot project with Roseau County to evaluate existing DNR and county-managed land and consider possible land exchanges, sales, and acquisitions. We recommended that DNR expand such efforts to additional counties, particularly those in northern Minnesota with significant state and other publicly owned land.