

# Federal Shutdown Impacts to Natural Resources

## Summary

The Department of Natural Resources (DNR) does not anticipate that the partial federal shutdown will result in a major impacts to state programs or DNR constituents, especially in the short-term. The majority of DNR activities will continue as planned. The activities that will be impacted are detailed below.

## Federal Programs Administered by the DNR

The DNR spent approximately $57 million dollars on federal programs in FY2018, and expects to spend about $60 million dollars in FY2019. These grants come through several main Federal agencies, all of whom are subject to the shutdown:

* Department of the Interior (US Fish and Wildlife-- USFWS)
* Department of Agriculture (US Forest Service-- USFS)
* Environmental Protection Agency
* Homeland Security (Federal Emergency Management Agency-- FEMA)
* Commerce (National Oceanic and Atmospheric Administration-- NOAA)

The DNR’s largest federal funding sources are the Pittman-Robertson and Dingels-Johnson (PRDJ) Acts, which are funded through a continuous appropriation of excise taxes. Because their appropriation is authorized in federal statue, they are not subject to the shutdown. Together, these funds made up nearly 70 percent of the DNR’s federal spending for FY18. They can only be spent on Wildlife and Fisheries activities, including local public water access sites, environmental review, and hunter education. Approximately 600 DNR employees are funded in whole or in part by these funds.

Other large funding sources include:

* Land and Water Conservation Fund. These are appropriated from a federal trust fund for oil leases and other sources. Provides funds to increase and enhance outdoor recreation facilities in local and community parks throughout the state. The DNR spent $2.8 million in FY18. Current LAWCON projects are operating and can be reimbursed. The state might award fewer grants in 2019 if the shutdown delays the annual apportionment.
* Federal Boat and Water Safety grants. These funds come through the Recreational Boating Safety Grant, which is a continuous appropriation. Because they do not require congressional authorization, these activities are not subject to the shutdown. In FY18, the DNR spent $3 million on boat and water safety activities through this fund.
* Federal Recreation Trail Program. This program provides funds to develop and maintain recreational trails and trail-related facilities for motorized and non-motorized uses. In FY2018, the DNR spent $4 million on these activities. The program is funded through Federal Fiscal year 2020, and activities continue.

DNR programs can operate in accordance with their current federally-approved award documents during the shutdown. The funds were appropriated and activities were approved prior to the shutdown, so federal agencies will reimburse these expenses once the shutdown ends. These grants can draw on state funds while awaiting reimbursement. Some federal agencies use automated reimbursement request processes, and DNR programs funded by them are receiving payments despite the shutdown.

The main concern with these programs is that they cannot amend current awards or receive new awards during the shutdown. A longer shutdown increases these risks.

### Programs That Could Run Out of Funding

Most DNR programs have funding through the end of calendar year 2019, but several will run out of funding in June or September 2019 if they do not receive new federal awards. The DNR would have to slow or stop operations on these programs. Even if the shutdown ends before these awards run out, they may not be able to receive new funding in time to prevent a lapse between awards.

If these programs end or funding lapses, the DNR would be unable to continue several important activities:

* The Tree Inspector program trains or recertifies 800 professionals annually. If they are not recertified, the chances that Emerald Ash Borer spreads undetected would increase. More infected trees would lead to increased cleanup and removal costs for communities. The same funding source also funds the Urban and Community Forest program that provides assistance to cities and townships to protect their trees. This program spent $793,000 in FY18.
* The Great Lakes Restoration Initiative currently funds Watercraft Inspection in the Great Lakes, and is the only source of watercraft inspection funding in Region 2. The majority of new aquatic invasive species are introduced via the Great Lakes, through ballast water and other methods. Eventually, species introduced this way could spread statewide. This program spent $368,000 in FY18, and has budgeted $1.2 million for FY19.
* The Coastal Zone Management Program funds activities that preserve, protect, develop, restore and enhance coastal resources along Lake Superior. The program includes both DNR activities and grants. The majority of funding for the six DNR employees runs out on June 30, 2019. Work on these activities would cease. This program spent $1 million in FY18.
* Other impacts include: delays in finalizing new floodplain maps, fewer resources for volunteer fire departments to purchase new equipment, a longer wait for funding to repair local dams, and delayed work on the St. Louis River Restoration Initiative.

## Federally-Managed Programs

Many federally-managed programs that impact Natural Resources in Minnesota are affected by the shutdown. Here are some of the high-profile activities, and any impacts:

### Wolf Depredation

Federal work on wolf depredation is on hold and no new cases will start until a federal budget is passed. This is the slow time of year for depredation work, and trapping would commence if there were human safety concerns. The state could also provide funding for wolf depredation work, with an estimated need of less than $20,000. There have only been three cases in the past several years where human safety was an issue.

### National Parks and Forests

National Parks and monuments are open but do not have visitor services or maintenance. Park buildings are closed, so many vendors inside the parks cannot operate. Some park workers, for security and essential services, may be working without pay. These parks include:

* Voyageurs National Park
* Pipestone National Monument
* Grand Portage National Monument
* The Mississippi National River and Recreation Area, including Coldwater Springs

Health and safety services are still available, according to the National Park Service. As always, local law enforcement can respond to emergencies on these lands.

Dumping and waste accumulation are likely occurring on this land, since there are not staff or sanitation services. The DNR doesn’t have specific information on conditions at any park.

Overnight camping in the Boundary Waters Canoe Area Wilderness (BWCA) is not allowed, because permits cannot be honored or checked. Day trips do not require permits, but are not encouraged.

### Wildfire Management

Wildfire prevention and response efforts are closely coordinated with the DNR, federal partners, and other partners, through cooperative agreements. These agreements are still in place. The primary impacts to wildfire management will be in training activities.

Typically, wildfire trainings, preparedness activities, and maintenance occur in January and February. Many of the federal training opportunities have been impacted. DNR staff and other partners are replacing federal instructors where we can, and trainings that can easily be postponed are being delayed. The DNR is not delaying any trainings necessary to keep DNR firefighters certified and current. Some federal staff may be unable to attend trainings.

Spring wildfire season is typically March- June. The cooperative agreements necessary for DNR and federal partners to coordinate fire response are still in place, and the Minnesota Incident Command System is still operating and doing fire dispatch. Federal agencies’ fire leadership and key staff are monitoring email and phone but not reporting to work. Access to federal aviation resources by March has been confirmed, for availability during the typical fire season.

If there is potential for wildfire on federal lands, including a lack of snow on the ground on federal lands, federal fire staff will return to work. Total personnel available or response time should not be impacted.

### Timber Harvest

The US Forest Service timber harvest in MN is usually about 30% of our state activity. Federal timber sales staff are still active and existing timber sales are proceeding as usual during the shutdown. Loggers are working on harvests initiated before the shutdown; it’s currently unclear whether they can start work on new harvest sites.

With sales and harvests proceeding, the shutdown would have to last several months to have an impact. If the Forest Service were to stop allowing timber sales or new timber harvests, or the use of their roads, the impact would occur sooner. It’s hard to estimate how much activity might shift to state lands as some federal loggers don’t hold state timber permits. They might also have options to harvest on private or county timber. The shift would probably be greater in parts of the state where their options are limited, such as Cook County.

A prolonged delay in future timber sales would affect the timber harvest even after the shutdown ends. There would be disproportionate effects for loggers in areas of the state that have many federal lands, such as the Arrowhead.

### Land Exchanges

The DNR is currently working with the Forest Service to exchange State School Trust Lands within BWCA borders for lands outside those borders.While the US Forest Service is shut down, ongoing and new appraisal work on federal lands involved in the exchange will be significantly delayed.

The DNR is moving forward on any actions it can take to keep the appraisal process moving forward, to minimize the loss of time as much as possible.

Pending federal land exchanges between the USFWS and public or private entities will be delayed. These exchanges often have to go in front of Minnesota’s Land Exchange board as well as USFWS. The DNR can prepare to accommodate larger numbers of land exchanges in future Board meetings, to expedite the delayed land exchanges once the shutdown ends.

### Endangered Species Consultation

Endangered Species Consultations, which are done by the USFWS, are not being carried out due to the shutdown. Construction, development, and other projects completed with federal funds require these consultations. Private sector projects may require these as part of other federal permitting processes. For example, projects that need 404 permits from the Army Corps of Engineers to do construction work in waters and wetlands must have Endangered Species Consultations.

Projects that require these consultations will be delayed, or will carry forward without accurate information about whether their projects will affect endangered species. Because projects and permitting across all federal agencies are subject to this requirement, it is very difficult to estimate the scope of potential impact.

### DNR Projects Affected by Permitting Delays

The redevelopment of the Upper Post at Fort Snelling cannot move ahead without National Park Service review of Section 106 and Historic Tax Credits. Tax Credit submittals are currently being held by the State Historic Preservation Office, until National Park Service staff return. The DNR and other non-federal partners will move forward with all redesign activities that do not require federal action, in order to delay the project as little as possible.

Construction on the Split Rock Lighthouse State Park’s new campground requires a permit from the Army Corps of Engineers. While the Army Corps is still active, a review is required by the US Fish and Wildlife Service as part of the permitting process. Those staff are not active. Due to construction restrictions and timing, this may delay the project for a year.