

Date: June 30, 2025

To: Suzanne Jaworowski, Cabinet Secretary
Energy and Natural Resources

Alan Morrison, Director
Indiana Department of Natural Resources

From: Greg Sorrels, Deputy Director/CFO
DNR Administrative Bureau

FY26 Strategic Spending Reduction Plan

Executive Summary

The Indiana Department of Natural Resources (DNR) plays a vital role in protecting and enhancing Indiana's natural, cultural, and recreational assets. In FY 2026, the department faces considerable challenges – from inflation and budget constraints to ageing infrastructure and the impact of natural disasters. This FY26 Strategic Spending Reduction Plan sets a clear course to address those challenges, while advancing DNR's mission through four focused goals: Data & Innovation, Professional Development, Budget Discipline, and Regulatory Reform.

Mission:

A modern, resilient, and sustainable DNR that leads through environmental stewardship, innovation, and public engagement.

Statutory Purpose:

Pursuant to Ind. Code §§ 14-11-1-6, the DNR's purpose is to conserve, develop, and manage Indiana's natural, cultural, and recreational resources for the benefit of current and future generations. The agency's purpose can be further divided into the following categories:

- **Conservation and Protection of Natural Resources:** Safeguard Indiana's forests, water bodies, wildlife, mineral resources, soil, and biodiversity through regulation, education, and direct management.
- **Development and Sustainable Use of Resources:** Promote responsible development and sustainable use of Indiana's land, water, wildlife, and recreational assets to enhance quality of life and economic vitality.
- **Public Recreation and Outdoor Access:** Expand and manage access to parks, forests, waterways, nature preserves, and recreational programs for the benefit and enjoyment of Indiana residents and visitors.
- **Cultural and Historic Resource Preservation:** Protect and manage historic properties, archeological sites, and state museums to maintain Indiana's cultural heritage.

- **Public Safety and Environmental Stewardship:** Enforce laws governing natural resource use, ensure safe recreation and mining practices, and protect citizens from environmental hazards such as flooding and abandoned mines.

Statutory Responsibilities:

The agency's statutory responsibilities can be grouped into the following categories:

- **Natural Resources Management**
 - Manage state forests, parks, nature preserves, rivers, lakes, and reservoirs.
 - Regulate hunting, fishing, and trapping to sustain fish and wildlife populations.
 - Conserve soil and water resources through education, regulation, and technical assistance.
- **Resource Development and Use**
 - Plan and implement flood control, watershed management, and water rights programs.
 - Regulate mineral extraction, surface coal mining, and reclamation operations.
 - Administer oil, gas, and geothermal drilling programs to balance resource use with environmental protection.
- **Historic Preservation and Cultural Resource Management**
 - Identify, protect, and promote historic sites, properties, and archeological resources.
 - Administer grants and compliance reviews related to historic preservation efforts.
- **Recreation and Public Access**
 - Develop and maintain state parks, recreation areas, and trails for public enjoyment.
 - Promote outdoor recreation activities such as boating, hiking, camping, and off-road vehicle use.
- **Environmental Protection and Enforcement**
 - Issue permits for activities affecting water resources, floodways, wetlands, and protected lands.
 - Enforce conservation laws and investigate environmental violations through the Division of Law Enforcement.
 - Monitor and manage abandoned mines and orphaned oil and gas wells to mitigate public hazards.
 - Slow the spread of aquatic and terrestrial invasive species.
- **Administrative Function**
 - Coordinate with federal, state, and local agencies to achieve conservation and recreation objectives.
 - Collect and manage revenues from licensing, permitting, leasing, and recreational use fees.
 - Publish educational materials and maintain public communications regarding DNR's programs and initiatives.

SWOT Analysis Summary:

Strengths:

- Dedicated, knowledgeable workforce
- Rich natural and cultural assets
- Strong community engagement

Weaknesses:

- Aging infrastructure
- Outdated technology systems
- Budget deficits from previous administration, and future state budget shortfalls

Opportunities:

- Digital transformation (geofencing, flock cameras, online permits)
- Federal and state grant programs
- Public demand for outdoor recreation

Threats:

- Inflation and rising costs
- Revenue loss due to natural disasters

- Increasing maintenance costs for aging facilities
- Federal and state grant programs

DNR's Strategic Priorities for FY 2026:

Goal 1: Data and Innovation

Objective: Improve constituent services and internal efficiency through smart technology and data integration.

Goal 2: Professional Development

Objective: Strengthen workforce engagement and satisfaction through training, recognition, and leadership development.

Goal 3: Budget Discipline and Fiscal Management

Objective: Eliminate waste, prioritize core services, and triage capital spending.

Goal 4: Reducing Regulation and Controlling Regulatory Costs

Objective: Streamline compliance processes and reduce burdens on stakeholders.

Stakeholders involved in the Strategic Spending Reduction Plan:

Alan Morrison, Director
 Maddy Conner, Chief of Staff
 Stephanie Flittner, Chief Counsel
 Chris Smith Deputy Director
 Ryan Mueller, Deputy Director
 Greg Sorrels, Deputy Director/CFO
 Steve Hunter, Colonel Law Enforcement Division
 Holly Lawson, Communication Director

Achieving the 5% Appropriation Reduction and 5% Reserve:

Contained within the FY26 Strategic Spending Reduction Plan is a roadmap to DNR's full compliance with the 5% Appropriation Reduction and 5% Reserve. This plan brings a series of real changes to the agency, but in the end DNR will have found the sweet spot in our staffing. The modifications to our current operations that will serve Hoosiers for many years to come. The agency's leadership is committed to eliminating waste, providing "best of class" core services through budget discipline and fiscal management.

DNR has a 5% General Fund and Dedicated appropriation reduction of \$10,712,987.00 and a 5% General Fund and Dedicated Fund reserve of \$6,639,735.00 for a total of \$17,352,722.00. We will have significant work to achieve this reduction without impacting essential public services, DNR is committed to this endeavor.

DNR's Planned Compliance with FMC1.1

DNR plans to fully embrace the Fiscal Prudence Measures contained within Financial Management Circular 1.1, dated January 1, 2024. Most divisions within DNR have remained in compliance with many of the measures when they were first introduced.

I think it is important to point out that DNR had nearly a \$12M deficit in a variety of funds. While a corrective course was taken over the last six months of the fiscal year, our vigilant compliance with FMC 1.1 will be imperative. The agency plans to roll out the information and make it available for all staff in an effort to generate full compliance. In those areas where some staff may have fallen short of expectations, the agency leadership will mentor them back to a respectable level of comfort.

Planned Cost Savings and Reductions:

During the current biennium, DNR has reviewed programs and related business practices to reduce operational costs, yet still provide services required by law and our guests expect. We continue to hold public meetings, conduct surveys, and listen to public opinion. It is important our guests understand

the purpose and benefits of DNR. We will continue to seek out new partners, sponsorships, donations, volunteerism, and/or other forms of support from individuals, foundations, corporations, non-profit organizations, and other entities to enhance our existing programs and provide the best possible quality in our future programming. We will also continue to review our organizational structure to obtain increased efficiency and streamline processes.

Cost savings proposals:

- 100 Fulltime staff vacancies to SBA: \$9,910,000.00
- Manage 50 Full Time Vacancy's: \$4,955,000.00
- Reduce Intermittent Staff: \$2,368,300.00
- *Proposed OOS Entry Fee Increase: \$1,500,370.00
- *Proposed Camping Fee Increase: \$4,270,701.00
- Total \$23,004,371.00

Other Operational Savings Proposals:

- Lease Fort Golf Course
- Develop Preventive Maintenance Strategy Inns Authority
- Right Size, Wastewater Treatment Plants and Water Staffing
- Reorganization of Administrative Bureau
- Regionalizing Maintenance Crews
- Regionalizing Middle Management Staff Regional Managers
- Law Enforcement District #5 Relocation to Jasonville Regional Office
- Regional Offices: NERO, Jasonville, Ft. Harrison, Ptown
- Charge Capital Project Design Costs to Capital Project
- Charge Wildlife Specialist to Crop Lease Funds
- Charge Resale Staff to Concession Operations
- Require Business Plans/Private Marginal Concession Operations
- Utilize Division of Forestry Firewood for Resale
- * Fee Increase may come later in FY26

Opportunities to Prioritize Federal Spending rather than State Funding:

DNR Currently has a series of Capital Projects that are part of a 50/50 match with Land, Water and Conservation funding (Funding. DNR plans to continue to direct the use of all Federal LWCF to State Projects in both FY26 and FY27. Approximately \$6,000,000.00 can be utilized for Capital Construction Projects.

After FY27 funding opportunities may be returned to local units of government.

Anticipated Federal Grant Opportunities requiring State Match:

The Finance Division Administers the fiscal aspect of grants and cooperative agreements, ensuring compliance with federal and State regulations and meeting deadlines by executing the various stages of the grant lifecycle, including pre-award review, grant progress monitoring, and award closure for 498 grant projects that require match.

Currently the Finance team is reviewing all active grant opportunities and participating in a long overdue reconciliation process with the assistance of The State Budget Agency. DNR is prioritizing federal and dedicated funds to ensure general funds availability is maximized. DNR will continue to leverage federal funds where possible.

DNR must implement an additional level of initial approvals to reduce the number of Federal Grants that are unable to generate substantial gains when compared to the administrative strings of an often-burdensome administrative cost.

Acknowledging the importance of internal controls, the increase in federal and State oversight has created some administrative burden. Our challenge is adapting to all the checkpoints. Our ability to start and complete a process is becoming more task driven, requiring us to re-evaluate staffing roles to ensure those checkpoints are adequately adhered to. Ultimately it is our intention to identify any programs that could realistically be reduced or potentially eliminated without impacting on critical operations or statutory requirements.

The Agency's Staffing Plan:

To satisfy such a broad and diverse responsibility, the Department is divided into two distinct areas of responsibility: the Regulatory Management Team; and the Land Management Team. The Regulatory Management Team consists of the Divisions of Water; Entomology and Plant Pathology; Historic Preservation and Archaeology; Reclamation; and Oil and Gas. Outdoor recreation and land management programs are housed within the Land Management Team. That unit consists of State Parks; Nature Preserves; Land Acquisition; Fish and Wildlife; Outdoor Recreation and Forestry. In addition, the Administrative, Communications, and Legal Teams provide support in fulfilling the mission of the agency. Finally, the Law Enforcement is responsible for full-time police work focused on community needs within natural resource laws and rules.

Filling Vacancies:

Currently DNR is managing vacancies by holding all but the most critical positions. At present DNR has 161 positions that are unfilled. There are eight (8) positions in the queue to be filled, 61 that we feel are slated for elimination by the State Budget Director through Senate Bill 5. DNR will need to identify and eliminate an additional 39 positions, for a total reduction of 100 positions that can be offered as savings. The eight (8) positions that have been fully approved are a Deputy Director, 1-Division Directors 2-Property Managers, 2- Financial Analysts 2- Law Enforcement Support Staff and 1-Attorney that have been approved for hire by the agency.

The agency must prioritize positions that have full or partial Federal funding to lessen the number of positions that will need to be reduced. While there are a number of GF positions that will be required to be filled, DNR will ensure those positions come as part of planned cost savings.

Promotions and Reclassifications:

DNR plans to offer increases to staff that are receiving promotions and reclassifications into a higher class. In many cases the employees' previous position will not be filled unless they are deemed mission critical and not filled and or will remain on the vacancy list. Currently DNR has pending requests for 1-Deputy Directors, Attorney, Division Director, a new Attorney, and a transfer from another agency. Those positions total approximately \$93,814.00. Two positions will remain unfilled to offset the proposed increases until the pending the proposed September reduction in force.

Reduction in Fulltime and Intermittent Positions:

DNR will immediately begin managing by vacant positions attrition. No later than the close of the heavy recreation season after Labor Day, DNR plans to maintain a prioritized vacancy list of 50 staff members. That position vacancy reduction will allow us to reorganize administrative duties, regionalize many of our siloed functions. By actively managing an additional 50 FTE's, we will save approximately \$4,955,000. Hiring a maximum of 50% of Intermittent staff or 862 positions will generate savings of approximately 2,368,300.00. These reductions will generate \$7,323,300.00.

DNR Workforce: High Level Statistics:

Regular Position Count (as of 6/25/25): **1,399**

Intermittent Position Count (as of 6/25/25): **1,724**

Total Position Count (as of 6/25/25): **3,123**

Regular Headcount (as of 6/25/25): **1,251**

Intermittent Headcount (as of 6/25/25): **1,049**

Total Headcount (as of 6/25/25): **2,300**

Key & Critical Roles			
Job Code Title	Working Title (if different)	# of Positions	# of Filled Positions
Property Manager		61	59
Property Assistant Manager		70	66
Conservation Officers (all levels)		214	182
Naturalist		27	26
Maintenance (including sewage disposal & water treatment)		273	259
Division Director		25	24
Department Director		5	4
Natural Resources Inspector		33	30
Natural Resources Project Manager		32	29
Environmental Manager		19	17
Forester		48	44
Biologist		81	73
Office Manager		72	69
Dispatchers		14	13
Property Security Officer		41	40
Seasonal Workers	Laborers, Housekeeping, Gate Attendants, Lifeguards, etc.	1724	1049
State Park Inns Authority			
Inn Deputy Director		1	1
Inn General Manager		7	6
Inn Guest Services		55	38
Inn Housekeeping		135	103
Inn Food & Beverage		278	181

The agency plans to continue to manage the FTE vacancies and maintain an unfilled level, not to exceed up to a maximum of 50 positions that were mentioned earlier. This is not necessarily because positions aren't needed for current operations, but the agency must find innovative new ways to embrace workforce changes and live within our prescribed financial means. The 50 vacant positions should generate an overall savings of approximately \$4.9 million in potential savings for FY26 when compared to 2025 operations.

DNR Procurement and Public Works analysis of Open Contracts:

DNR has 79 existing Public Works contracts, and 612 existing Non-Public Works contracts, leases, MOUs, or grant agreements that will expire prior to June 30, 2026.

The 79 Public Works contracts have a total contract amount of \$21,195,752.59. Thirty-eight (38) of them, totaling \$7,010,205.45, are for Delegated projects.

Of the Non-Public Works contracts, 205 are Grant Agreements with a total amount of \$100,233,083.72. It's likely that these will not require additional funding prior to expiration because they are one-time prior awards (e.g., Lakes and Rivers Enhancements (LARE); Lake Michigan Coastal Program (LMCP), Division of Historic Preservation and Archaeology (DHPA), or because they are one-time projects that are now nearing completion (e.g., Trails, Urban Forestry). Eighty-three (83) of the Non-Public Works contracts should be renewed before expiring in FY2026 because they are revenue-generating contracts or leases. Three hundred twenty-three (323) of the Non-Public Works contracts are likely to be renewed in FY26 due to being in support of operational needs, such as preventative maintenance, trash removals, invasives treatments, educational materials, pest control, etc.

ANTICIPATED PROCUREMENT AND TECHNOLOGY NEEDS:

DNR anticipates the following IDOA-led RFI/RFP processes during FY2026: **1)** Completion of current IDOA/DNR RFP for Central Reservation System for DNR campsites, cabins, shelter houses, etc. with an anticipated award in September/October 2025; **2)** New RFP for joint contract between DNR Conservation Officers and ATC Excise Officers related to medical, dental, and vision insurance benefits for eligible officers, retirees, and their family members. The existing insurance contract will be extended past the current 12/31/2025 expiration to allow for the completion of this RFP process and implementation prior to Open Enrollment in Fall 2026; **3)** New IDOA RFI/RFP for the installation of WiFi equipment and related ongoing service at DNR campgrounds; and **4)** New IDOA RFI/RFP for the installation of passive/unmanned self-service revenue collection points at DNR properties.

QPA to P-Card Transition: Following instruction from IDOA, DNR Purchasing is in the process of transitioning purchases from certain QPAs from Purchase Orders to Procurement Cards. Utilizing the Procurement Card can potentially reduce DNR's annual late payment interest by several thousand dollars. Interest paid in FY2025 related to QPA payments was \$8,570.29, which is likely largely due to the May-July fiscal year-end PO shutdown which occurs at the same time that DNR is preparing our properties for the summer recreation season and hiring seasonal personnel that require tools, uniforms, etc. Paying certain QPA invoices timely using Procurement Cards will prevent invoices from aging into late payment interest during the FYE shutdown. (Overall, FYE shutdown likely contributed to more than \$25K in late payment interest in FY25.)

Modernize DNR's technology infrastructure within resource constraints:

DNR Law Enforcement will complete a contract started in FY25 related to their CODY software's annual support and maintenance, as well as another contract started in FY25 with Power DMS for their training software. Both of these are currently in use; these will be new contracts resulting from rebids/Special Procurement approvals. DNR Accounting is researching potential new systems to support centralized invoice processing, and more efficient procurement and travel credit card application processing (with the hope of being able to use some of the programming from the existing DNR Purchasing Online Purchase Request System). See also #1, #3, and #4 on the upcoming RFI/RFP list above which will involve technology.

Key Initiatives:

- Implement geofencing in selected parks to gather real-time user data.
- Implement flock cameras for law enforcement.
- Pilot self-service kiosks (iron rangers).
- Upgrade wi-fi availability in state park campgrounds.
- Generate cost savings plan in partnership with IOT.

Key Results:

- Geofencing contract implemented by December 30, 2025.
- Implementation of flock cameras by October 2025.
- Implementation plan for iron rangers.
 - Initial informational vendor meetings.
 - At least 3 vendor meetings are completed by September. 30, 2026.
 - Implementation strategy including locations/pilot (if necessary) and procedure whether contractual or legislative.
 - Plan formalized by end of December of FY 2026.
- RFP for campground wi-fi vendors published by December 2025.
 - *Parks is in the process of finalizing the RFP to be posted.*
- Implementation plan finalized by April 30, 2026.
- Reduced costs associated with the current IOT fee system.

Planned Capital Projects:

DNR has performed a complete evaluation of the existing allotted, appropriated, deferred maintenance Capital Projects as well as the 2026-2027 Capital and Preventive Maintenance submission. DNR has formulated a plan to repurpose funding to move forward a series of capital priorities to Budget Committee during the remainder of 2025 and into the 2026 calendar years.

In addition to Capital Funding, DNR was the recipient of \$40,000,000.00 from the Lilly Endowment Inc. The Foundation has awarded Indiana State Parks the funding for projects at Prophetstown State Park, and statewide projects for Playgrounds, Motorized Wheelchairs, Historic Building Repair and Campground Improvements. The Foundation also challenged Indiana State Parks to a 50/50 match for an additional \$10 Million and is part of the 2026-2027 Budget Request.

Those capital projects consist of the following:

Appropriated Capital Proposed Project Reuse		
Agency General Rehabilitation Projects	\$	4,247,519.93
Forestry Resource Management	\$	360,000.00
Underground Storage Tank Replacement	\$	4,200,000.00
Lieber and Falls Assistant Managers Residence	\$	600,000.00
Pool Repairs	\$	4,000,000.00
HVAC Repairs	\$	2,000,000.00
Lift Station Repairs	\$	1,907,507.00
Grand Total	\$	17,315,026.93
Current Allotted Capital Projects By Division		
Administration		1,002,619.35
Engineering		816,309.47
Entomology		172,260.00
Forestry		3,694,295.45
Fish and Wildlife		564,121.17
Law Enforcement		800,000.82
Nature Preserves		105,098.04
State Parks		10,103,815.71
Water		806,888.57
Old Projects for Reuse or SBA Reversion	\$	1,868,206.43
Grand Total	\$	19,933,615.01
Proposed 2026-2027 Line Items		
Lilly Match	\$	10,000,000.00
District 6 Law Enforcement Headquarters	\$	(360,000.00) Allotted 8/2025
McCormicks Creek Campground Phase 1	\$	18,500,000.00 LWCF \$6.5M
Harmonie Wastewater Treatment Plant	\$	(3,927,070.00) Allotted 8/2025
FF&E Potato Creek Lodge	\$	8,008,280.42 Inns \$3M
Grand Total	\$	32,221,210.42

Allotted Deferred Maintenance Proposed Projects			
Spring Mill Completion	\$	300,000.00	
Inn Generators	\$	3,500,000.00	
Potawatomi Guest Service Renovation	\$	6,500,000.00	
Fish Hatchery Modernization	\$	3,233,667.00	
Underground Storage Tank Fairfield Marina	\$	750,000.00	
Campground Electrical Wi-Fi Improvements	\$	3,000,000.00	
Lincoln and Mongo Dams	\$	1,500,000.00	
Trail Structure Improvements	\$	500,000.00	
Negative Project Clean Up	\$	207,305.00	
Grand Total	\$	19,490,972.00	

DNR's anticipated exceptions to FMC's or State Policy:

The DNR may request emergency approval for Out of State Travel in the event programmatic requirements attendance at a conference. Participants will be limited to key staff members and not exceed two participants.

Thank you for the opportunity to provide this living fluid document. Adjustments may need to be made in the event of a negative revenue forecast of a drop in historic revenue at one of our collection locations.



State of Indiana

State Budget Agency
State House #212
Indianapolis, IN 46204
317-232-5610

Mike Braun, Governor

Chad Ranney, Director

Approved Fiscal Year 2026 Strategic Spending Reduction Plan

Agency Name: Department of Natural Resources

Pursuant to applicable state budgeting and financial management guidelines, the undersigned hereby affirm that the Fiscal Year 2026 Strategic Spending Reduction Plan submitted for the above-named agency has been reviewed and is approved for implementation. This approval signifies the plan submitted is in alignment with agency priorities, applicable legal requirements, and available funding levels.

Chad E. Ranney

Chad E. Ranney

State Budget Director

Date: 9/3/25

Suzanne Jaworowski

Suzanne Jaworowski

Secretary of Energy and Natural Resources

Date: _____

Alan Morrison

Alan Morrison

Director of the Department of Natural Resources

Date: 8/29/25

Ensuring that Indiana's priorities are funded today and tomorrow.