



# BWSR Legislative Update

May 6, 2010

With less than two weeks left in the legislative session, the May 5, 2010 Supreme Court ruling against the Governor's unallotment leaves a considerable amount of uncertainty in efforts to balance the state's biennial budget. Currently, the state is projected to be short \$536 million between now and July 1, 2011. The court's ruling affects \$2.5 billion in unallotments, leaving the state with a total deficit of more than \$3 billion. We do not know if or how this ruling will affect already enacted budget restrictions to BWSR and other environmental agencies.

## Budget Reductions and Impacts on 2011 BWSR Grants to LGUS

In order to address the nearly \$1 billion state general fund deficit, BWSR received substantial budget reductions in both fiscal years 2010 and 2011 to grant programs funded out of the state general fund. However, since the grants for 2010 were made already and are in use by local units of government it would have been extremely difficult to pull back the grants and reduce the 2010 grant allocations. Therefore, the reductions for both years will be applied to the 2011 grants, resulting in a major reduction in one year.

The allocations for the 2011 non-competitive grants will be before the BWSR Board at their June 23, 2010 meeting. Until the final action from the board, it may be helpful to use the "2011 % Grant Reduction" column amounts as a preliminary guide to 2011 grant reductions for local government budgeting purposes.

The table below provides information on original appropriations, adopted reductions, the revised biennial budget, the actual amount of grant funds available in 2011 and the percent reduction in 2011 grant funds. All of the proposed grant amounts for 2011 provided below are the actual amounts after the most recent reductions. See Session Law [Chapter 215](#), Article 3 for more specific information on all Environment and Natural Resource Agency reductions.

	Biennial Budget passed in early 2009			Final Reductions			Revised Biennial Budget			Actual Grant Funds Available			2011 % Grant Reduction
	2010	2011	total	2010	2011	total	2010	2011	total	2010	2011	total	
NRBG	3,900	3,900	7,800	-160	-374	-534	3,740	3,526	7,266	3,900	3,366	7,266	14%
SWCD Gen'l Serv	3,500	3,500	7,000	-135	-315	-450	3,365	3,185	6,550	3,500	3,050	6,550	13%
Cost Share	1,100	1,100	2,200	-38	-90	-128	1,062	1,010	2,072	1,100	972	2,072	12%
C-S Veg Buffers	900	900	1,800	-137	-187	-324	763	713	1,476	900	576	1,476	36%
C-S Weed mgmt *	100	100	200	0	0	0	100	100	200	200	0	200	*
C-S Feedlots	500	500	1,000	-19	-45	-64	481	455	936	500	436	936	13%
WCA DNR Pass Thru	100	100	200				100	100	200	100	100	200	0%
WCA 11 Cty Metro	100	100	200				100	100	200	100	100	200	0%
Drainage Records	100	100	200		-100	-100	100	0	100	100	0	100	100%
Red River Basin Com	90	90	180		-6	-6	90	84	174	90	84	174	7%
MN Rivers JPB	90	90	180		-6	-6	90	84	174	90	84	174	7%
Area II	130	130	260		-10	-10	130	120	250	130	120	250	8%

\* Cooperative Weed Management Program funds for 2010 and 2011 were combined and awarded in 2010.

It is important to note that as the 2012-2013 biennial budget planning gets underway, the 2011 column under the 'Revised Biennial Budget' column will become the starting point for the next biennium budget planning. However, it is uncertain what the economic situation will be during the next biennium or whether there will be additional reductions.

## Policy Legislation Enacted:

### Streamlining the Metro Water Planning Process

The bill which was signed into law on April 6, 2010 applies only to the 7-county metro area and provides for a shortened and less costly watershed management plan review process. The bill will result in the review time being reduced from

about 7 months to about 4 months mainly by allowing for the agency comments after the second plan review to be considered at the BWSR Board before plan approval rather than going back to the LGU. See Session Law [Chapter 218](#) for more specific information

### **Enacted: Green Acres/Rural Preserves extension**

The date for property owners to make on Green Acres withdrawal decision has been extended from May 1 to August 16, 2010. See Session Law [Chapter 215](#), Article 13 for more specific information.

### **Policy Legislation still on the table:**

**WCA Appeals bill** ([HF3494/SF3210](#)) is tied up with some disagreement regarding a provision only in the House bill that would provide some slight adjustments to the wetland replacement provisions under a DNR permit to mine (essentially allowing mines to seek/establish in-advance mitigation sites in bank service areas 1 or 2 in NE MN without a ratio increase). The Senate bill does not include this provision and only contains consensus language.

**Drainage bill** ([HF162/SF364](#)) passed both the House and the Senate with the House adding an amendment on the floor that was accepted by the Senate and has been sent to the Governor. The bill is all consensus language developed/supported by the Drainage Work Group members over the past two years.

**Clean Water and Outdoor Heritage Funds:** The Lessard-Sams Outdoor Heritage Council recommendations to the legislature included \$618,000 for the Little Nokasippi River Wildlife Management Area (ACUB) and \$6.895M for RIM, in cooperation with the NRCS WRP program. The recommendations are now found in the omnibus bills [HF3790](#) and [SF3275](#) which also include Clean Water Fund appropriations and policy recommendations. A conference committee will likely be necessary to resolve the differences in the two bills.

**LCCMR:** BWSR's proposal for \$368,000 to establish a Minnesota Conservation Apprentice Academy in cooperation with the Conservation Corp of Minnesota is included in [HF2624](#) / [SF2462](#). A House/Senate Conference Committee is currently meeting to resolve the differences in the bills related to park land acquisition.

### **Grant Funding Opportunities**

#### **Federal 319 Grants being accepted until 4:30PM, May 21, 2010**

The MPCA is accepting grant proposals for nonpoint source development, education or applied research projects (DER) projects and for Total Maximum Daily Load (TMDL) Implementation Projects to be funded through the Federal Fiscal Year 2011 Federal Clean Water Act (CWA) Section 319 Nonpoint Source Grant Program (Section 319). Proposals will be accepted from local governmental units and other entities interested in leading a nonpoint source pollution control project. It is anticipated that about \$3M dollars will be available this year, contingent upon Congressional appropriation. There is a maximum limit of \$500,000 for each project funding request. Projects must be funded with at least a 45% local cash or in-kind match. The Federal share can be no more than 55% of the total project cost.

#### **Clean Water Partnership (CWP) funding request for proposals (RFP) expected in May**

The MPCA is planning to issue the RFP for CWP grant and loan funding soon. Proposals will be accepted from local governmental units interested in leading a nonpoint source pollution control project to protect or improve water bodies. Priority for funding will be given to projects preventing degradation of unimpaired waters. It is anticipated that about \$2 million for grants and about \$2 million for loans will be available this year. Eligible applicants for CWP grants and loans include watershed districts, tribal authorities, cities and counties, and watershed management organizations. There is a \$250,000 limit on each grant funding and no limit for a loan request.

For updates on MPCA funding and other important watershed program updates subscribe to "**WaterFront Bulletin**" by visiting: [www.pca.state.mn.us/water/tmdl/waterfront](http://www.pca.state.mn.us/water/tmdl/waterfront)

#### **Clean Water Fund request for proposals expected late summer**

BWSR is planning to issue the next Clean Water Fund Implementation Grants Request for Proposals in the late summer timeframe with an anticipated deadline of mid-September. Up to \$12 million dollars in combined grant and MDA Ag BMP loans is expected to be available. The grant categories and submission guidelines will be similar to the RFP issued in the fall of 2009 for 2010 funding. For information on the 2010 funding see: [www.bwsr.state.mn.us/grants](http://www.bwsr.state.mn.us/grants). For information regarding BWSR's implementation of the Clean Water Fund visit: [www.bwsr.state.mn.us/cleanwaterfund](http://www.bwsr.state.mn.us/cleanwaterfund).

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#### **For more information:**

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