



BWSR Legislative Update

March 26, 2013

General Fund Budget Recommendation

Governor Dayton's '14-'15 budget recommendation includes General Fund investments that preserve BWSR's base budget and add two new important initiatives that will benefit our programs and the work with our local government partners. These new investments include funding to implement the One Watershed - One Plan initiative and funding to enhance BWSR's internal controls.

The new investment in One Watershed - One Plan furthers past leadership efforts of the Local Government Water Roundtable that led to 2012 legislation. This initiative will allow us to assist local governments with the transition to a watershed-based planning approach and work in a concerted fashion with our partner agencies to build and implement the next generation of local water management plans. It is very timely, as we will be hiring a new policy advisor to lead this effort in conjunction with our both our field and program staff. Likewise, the additional investment in BWSR's internal controls is well-timed as we near completion of the eLINK upgrade. This system will allow us to manage grant applications and report results more efficiently, and the new initiative will enhance our capacity to meet new standards for accomplishing the necessary oversight of public funds and programs and to show the benefits accrued. (HF 976/SF 1170)

BWSR General Fund Budget <i>(all numbers in thousands)</i>	Governor's Recommendation 2014-15
Total Appropriations	26,266
Cost Share Grants	3,120
Conservation Delivery SWCD Grants	6,232
Red River Basin Commission	200
Area II Joint Powers Board	240
MN River Joint Powers Board	84
County Natural Resource Block Grants	6,846
1 Watershed 1 Plan*	900
WCA BWSR Operations	772
Drainage Assist Operations	332
Admin/Operations/Board	7,290
Internal Controls*	250
*Change Items	

Clean Water Fund Recommendation

Governor Dayton also recommended appropriations to BWSR totaling \$67.968M from the Clean Water Fund. The proposed budget was supported by demonstrated demand exceeding the previously available funds, and the information gathered from local partners through the BBR process. Clean Water Fund work will be targeted using the best available scientific assessments, including the effort by the MPCA to move toward the Watershed Restoration and Protection Strategies (WRAPS), which greatly improve on the federally-driven TMDL approach. The recommendation is pending legislative action (HF 1183/SF 1051) and includes:

- **\$36M for Surface and Drinking Water Protection/Restoration Projects** to protect, enhance, and restore water quality in lakes, rivers and streams and to protect groundwater and drinking water. Grants will be targeted toward priorities identified in local water plans, and funds will be used for keeping water on the land, protecting and restoring streams, groundwater, surface water, and upgrading feedlots and SSTS systems.

- \$8M for Targeted Local Resource Protection and Enhancement for non-structural practices and activities that will enhance local efforts to develop and implement, on a local or regional basis, water resource protection and management measures or initiatives that go beyond state minimum standards for water quality.
- \$3.4M for Conservation Drainage Management and Assistance for projects to install water quality improvements on drainage management systems, evaluate outcomes and provide outreach to landowners, public drainage authorities, drainage engineers, contractors and others.
- \$3M for Community Partners Program for community partners to implement structural and vegetative practices to reduce stormwater runoff and retain water on the land to reduce the movement of sediment, nutrients and pollutants. LGUs will be the primary applicant and provide sub-grants to community partners who are implementing practices to accomplish restoration, protection or enhancement of water quality.
- \$15.6M for Long-Term Water Quality Protection through the RIM Reserve Easement Program.
 - \$13M for riparian buffers: purchase and restore permanent conservation easements on riparian buffers adjacent to lakes, rivers, streams and tributaries. These easements will keep water on the land to reduce sediment, pollutant and nutrient transport, reduce hydrologic impacts to surface water and increase infiltration for groundwater recharge.
 - \$2.6M for wellhead protection: for permanent conservation easements in wellhead protection areas on land with high or very high vulnerability of drinking water supply contamination.
- \$1.8M for Measures, Results and Accountability for quality assurance of CWF projects by providing oversight, assessment, assistance and reporting of outcomes using standardized, scientific evaluation of resource indicators.
- \$84K for Restoration Evaluations on projects as required by MS114.50.

Environment and Natural Resource Trust Fund (ENRTF) Recommendation

BWSR has two proposals that have been recommended for funding by the Legislative-Citizen Commission on Minnesota Resources (LCCMR). Bills have been introduced in the House and Senate (HF 1113/SF 987). The bill is moving through committees in the House and has yet to be heard in the Senate. The recommendations include:

- \$3M for Acceleration of Minnesota Conservation Assistance/Farm Bill Assistance. This program provides grants to local governments interested in hiring field staff to work one-on-one with landowners to re-enroll expiring CRP acres.
- \$186K for Minnesota Conservation Apprentice Academy. This program will fund 30 apprentice positions to mentor and train future conservation leaders by giving them real-world experience working with a local SWCD.

Outdoor Heritage Fund Recommendation

BWSR has five programs that have received recommendations from the Lessard-Sams Outdoor Heritage Council (LSOHC). Bills have been introduced in the House and Senate (HF 207/SF 56). The bill has been heard in the House Environment Finance Committee and will be heard next in Legacy. The Senate has not yet scheduled hearings. The recommendations include:

- \$3.52M for Riparian Buffers. This program will complement the Clean Water Fund riparian buffers by expanding buffer widths to enhance wildlife habitat.
- \$13.39M* for Wetland Restoration and Protection. This is Phase V of this program to restore wetlands and associated upland. The program is implemented through a partnership with the Natural Resources Conservation Service (NRCS) Wetland Restoration Program (WRP), which leverages approximately \$1.6 in federal funding for every state dollar invested. *On 3/18/13, after receiving the revised forecast, the LSOHC recommended an additional \$4.4M be allocated to RIM-WRP.
- \$1.63M for Wild Rice Shoreland Protection. This is Phase II of a Ducks Unlimited partnership project with a goal to permanently protect sensitive wild rice lake shoreland habitat in northern lakes.
- \$1.45M for the Camp Ripley Partnership. This is a continuation of the partnership with Morrison Co. SWCD, Camp Ripley, and DNR to protect high quality wildlife habitat and forest communities along the Mississippi River.

- \$2M for Grasslands for the Future. This is a pilot project to test the feasibility and cost-effectiveness of acquiring grassland conservation easements and protect 500-600 acres of critical grassland habitat.

BWSR Policy Initiatives

BWSR has several policy initiatives during the 2013 Legislative Session:

- Drainage Work Group Consensus Recommendations (HF66/SF113). The Drainage Work Group (DWG), facilitated by BWSR, recommended a number of updates to drainage law. The bill passed both the Senate and the House unanimously and was signed by Governor Dayton.
- Local Government Water Roundtable Phase II (HF613/SF726). This policy proposal contains three primary areas:
 - Continue to advance the One Watershed – One Plan initiative by connecting financing options to comprehensive watershed plans, increasing flexibility for the Conservation Cost-Share program, and connecting the soil loss ordinance statute to local water management plans.
 - Change the schedule of PRAP reviews from every 5 years to a schedule determined by BWSR based on budget and the operations of local water management entities. Reviews would be completed at least every 10 years.
 - Align technical personnel from cooperating agencies to develop, maintain, and distribute technical standards (Senate version only).

In the Senate, the bill passed the Environment and Energy Committee and will go to the floor. In the House, the bill was heard in the Environment Policy Committee and the Property and Local Tax Division and was laid over for inclusion in a larger tax bill.
- SWCD Voluntary Consolidation (HF720/SF725). This proposal simplifies the process for voluntary consolidation of districts by removing the requirement for a referendum and creating a process by which BWSR can make decisions on proposed consolidations. Bills have been introduced in the House and Senate. The bill passed the Senate Environment and Energy Committee on 3/9/13 but has not yet been scheduled for a House hearing.

Other Legislative Initiatives

BWSR also is tracking several non-agency initiatives:

- RIM Bonding Proposal (HF 615/SF 705). This bill would provide \$30M to BWSR for RIM conservation easements.
- Hennepin County HCD (HF 1028/SF 468). Hennepin county soil and water conservation district discontinuance.
- Clean Water Legacy Accountability (HF 1122/SF 1192). Directs BWSR to prepare a biennial non-point funding plan.
- Update of Public Drainage Manual (HF 971). Provides funding to update the MN Public Drainage Manual.
- Frac Sand Proposals (Various). Some of these proposals provide funding to BWSR for wellhead protection.
- Property Tax Valuation for Conservation Easements (HF 1161/ SF 1012). Prohibits consideration of the conservation easement when calculating property tax.

Other Hearing Activity

- BWSR has presented its budget overview for both General Fund and Clean Water Fund in the House and Senate Environment Finance committees.
- BWSR participated with MPCA on two Clean Water informational hearings in the House Legacy Committee and Senate Environment and Energy Policy Committee.
- Overview of the RIM easement program presented to the House Capital Investment Committee.
- BWSR staff presented an overview of the Wetlands Policy Executive Order report to the House Environment and Natural Resource Policy Committee.

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