



# BWSR Legislative Summary

May 2014

The Minnesota Legislature officially adjourned its 2013-2014 Session on Friday, May 16. The capital investment (bonding) bill was a focal point of legislative discussion this year, the second year of the biennium. The Legislature ultimately enacted both a capital investment bonding bill and a capital investment cash bill, made possible because of the general fund surplus. Another focal point this year was Governor Dayton's "Unsession" agenda: an effort to make state government work better, faster, simpler, and more efficiently for Minnesotans. More than 1,100 Unsession provisions were enacted, including several brought forward by BWSR. As with every year, there were discussions and actions on a variety of other budget and policy issues. Below is a summary of the key items affecting BWSR.

## Capital Investment (Bonding) – Chapter 294 – H.F.2490

The final capital investment bonding bill funds \$846 million worth of projects throughout Minnesota. A significant portion (\$126 million) went for completion of the Capitol renovation. University of Minnesota and MnSCU campuses also received substantial support. Both BWSR programs for which we requested funds were funded, although at a lesser amount.

- \$2M for Local Government Road Wetland Replacement Program. This program replaces wetlands lost as a result of local public road improvement projects as required by MN Statute 103G.222, consolidating the necessary technical and financial record-keeping to provide high quality, cost effective wetland replacement.
- \$6M for Reinvest in Minnesota (RIM) Reserve. RIM Reserve restores wetlands and grasslands in agricultural watersheds through permanent conservation easements on private lands. The program uses science-based conservation methods that deliver multiple benefits.

## Unsession – Chapter 248 – S.F. 2454

The Unsession agenda included reforms that improve government services, eliminate unnecessary and outdated statutes, and simplify language in state laws. BWSR, PCA, and DNR had a joint Unsession bill that included three BWSR components:

- SWCD Voluntary Consolidation. 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.
- Repeal of Star Lakes Board Language. Because the Star Lakes Board is now established as an independent 501(c)3 organization, the statutory language is no longer needed.
- Repeal of Minnesota River Board Language. This language is no longer needed due to a recent decision by the Minnesota River Board to disband.

## Supplemental Budget – Chapter 312 – H.F. 3172

The final supplemental budget includes \$262 million in additional spending for this biennium across all areas of state government. The bill contains a number of provisions of interest to BWSR:

- Re-establishment of the Legislative Water Commission. The Commission will review water policy reports and recommendations from agencies and coordinate with the Clean Water Council. The House and Senate need to make initial appointments to the Commission by September 1, 2014.
- \$1M to the University of Minnesota for the Forever Green Agricultural Initiative. The purpose of this program is to incorporate cover crops, potentially with some market value, into existing agricultural practices.

The Clean Water Fund article (Article 14) appropriates to BWSR \$1.4M from the Clean Water Fund. These appropriations include:

- \$900K for Surface and Drinking Water Protection/Restoration. This program funds grants to LGUs for projects that protect, enhance, and restore water quality in lakes, rivers and streams and to protect groundwater and drinking water.
- \$150K for Groundwater Protection in the North and East Metro Groundwater Management Area. BWSR will work with the Department of Health and LGUs.
- \$250K for Groundwater Protection in the Bonanza Valley and Straight River Groundwater Management Areas. BWSR will work with the Department of Health and LGUs in conjunction with the One Watershed One Plan Initiative.
- \$100K for Workshops for Public Officials. This appropriation is for work within the North and East Metro Groundwater Management Area.

## Environment and Natural Resource Trust Fund (ENRTF) – Chapter 226 – H.F. 1874

BWSR has three programs that will receive funding from the ENRTF as recommended by the Legislative-Citizen Commission on Minnesota Resources (LCCMR).

- \$335K for Northeast Minnesota White Cedar Restoration. This is Phase II of a project to assess the decline of northern white cedar plant communities, demonstrate restoration techniques, and provide restoration training.
- \$392K 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.
- \$230K for Modernization of Drainage Records. This project will allow BWSR to develop a template and web-based GIS database portal to facilitate statewide modernization of public drainage records.

## Outdoor Heritage Fund (OHF) - Chapter 256 - H.F. 1926

BWSR has five programs that will receive funding from the Outdoor Heritage Fund.

- \$2.2M for Riparian Buffers. Phase IV of this successful program will continue to complement the Clean Water Fund riparian buffers by expanding buffer widths to enhance wildlife habitat.
- \$9.71M for Wetland Restoration and Protection. This is Phase VI of this program to restore wetlands and associated upland. The program is implemented through a partnership with US Department of Agriculture farm bill programs (such as Wetlands Reserve Program), which leverages federal funding for every state dollar invested.
- \$862K for Wild Rice Shoreland Protection. This is Phase III of a partnership with DNR and local SWCDs in north central Minnesota to permanently protect sensitive wild rice lake shoreland habitat in northern lakes.
- \$1.2M for the Camp Ripley Partnership. This is Phase IV of the partnership with Morrison Co. SWCD, Camp Ripley, and DNR to protect high quality wildlife habitat and forest communities along the Mississippi River.
- \$2.45M for Accelerated Protection of Grassland and Prairie Habitat. This is a partnership with the DNR to implement the Minnesota Prairie Conservation Plan through acquisition of permanent conservation easements to protect native prairie and grasslands.

## Other Policy and Funding Provisions

There are a number of other provisions carried in a variety of bills that affect BWSR.

- Drainage Work Group Bill (Chapter 164 – S.F. 2221). Consensus recommendations of the DWG that will enable multiple water management benefits from drainage projects and improved integration of public and private funding for water management involving drainage projects
- Election of Metro SWCD Supervisors (Chapter 264 – H.F. 2390). Requires that SWCD supervisors in the seven-county metro area be elected by population-based districts.
- Drainage Inspectors (Chapter 289 – H.F. 2733). Prohibits County Commissioners from serving as drainage inspectors.
- Executive Branch Advisory Groups (Chapter 286 – H.F. 1863). Repeals the RIM Clean Energy Technical Advisory Committee (103F.518, subdivision 11).
- AIS Prevention Aid to Counties (Chapter 308 – H.F. 3167). There is a provision in the Omnibus Supplemental Tax Bill that gives counties special AIS prevention aid, which they can in turn provide to an SWCD. The bill appropriates \$4.5M in 2014 and \$10M thereafter, distributed based on a county's share of watercraft trailer launches and a county's share of watercraft trailer parking spaces.
- Agency Acquisition Procedure (Chapter 304 – S.F. 2175). This bill establishes a procedure for appraisals and prohibits agencies from paying more than 10 percent over appraised value. BWSR received an exemption due to having more specific procedures outlined for RIM under M.S. 103F.515.

- Revisor's Bill (Chapter 275 – H.F. 2546). Fixes an outdated reference to the Commissioner of Agriculture in Minnesota Rules relating to soil loss.

## Other Topics of Discussion

BWSR staff participated in a number of informational hearings, including:

- Pollinators. Dan Shaw presented highlights from BWSR's Pollinator Plan to the House Environment and Natural Resources Finance Committee.
- Wetland Mitigation Siting (WCA). Informational hearings were held in the Senate and the House to discuss the recommendations of the Interagency Northeast MN Wetland Mitigation Siting Report. BWSR and other agencies will continue to work with stakeholders on this topic over the summer in pursuit of likely legislation in 2015.
- Clean Water Fund Outcomes. BWSR staff presented a comprehensive review of the outcomes achieved and expected to be achieved from the FY14 Clean Water Fund appropriations.
- Legacy Funds – Supplement/Substitute. BWSR staff participated in a House Legacy Committee hearing exploring how Clean Water Funds are used.

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