



Natural Resources Block Grant

2012 Biennial Budget Request Report

October 24, 2012

Overview

The Natural Resources Block Grant (NRBG) is a composite of base grants available to counties to assist in implementation of programs designed to protect and improve water resources. These programs include: Comprehensive Local Water Planning, Wetland Conservation Act or WCA, Feedlot, Subsurface Sewage Treatment Systems or SSTS and Shoreland. The NRBG Biennial Budget Request (BBR) is intended to obtain information on the activities associated with NRBG programs and to serve as the Allocation and Contribution Statement for these grants.

To complete the NRBG BBR, counties were instructed to enter a baseline amount for the NRBG grant amount received in the FY2012-13 biennium and a required match for each program consistent with the amounts from the previous biennium. Within each program, counties were instructed to describe up to eight activities including an activity type, water plan category, plan connection, requested biennial state contribution, and anticipated biennial match. The instructions indicated the requested state contribution for each program should equal the baseline amount, and counties were encouraged to enter an anticipated biennial match to reflect total program costs. In general, activities described by each county were consistent with previously reported NRBG activities.

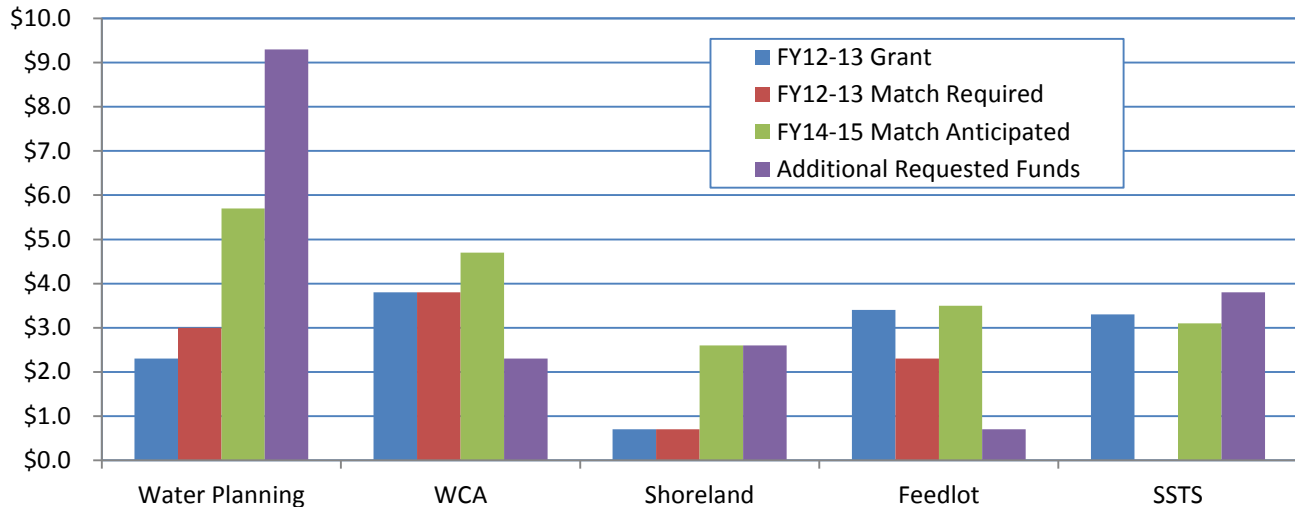
Biennial state funding for combined NRBG programs for fiscal years 2012-2013 was approximately \$13.5M with a required match of approximately \$11M. Actual amounts entered by counties in the BBR for baseline and requested amounts varied slightly from expected based on the instructions; however, the variation was relatively small. Assuming all counties entered total program costs as the anticipated biennial match, the actual NRBG match is nearly double what is required, or approximately \$19.6M.

Counties were also instructed to enter information about additional activities that could be accomplished with additional state funding, as well as an amount of additional state funding needed. The total additional funding requested for all NRBG programs was approximately \$18.7M, although several counties indicated additional activities without specifying an amount of state funds needed. In addition, counties requested \$21M in Clean Water, Land and Legacy Funds.

Table 1: NRBG BBR Summary (in millions)

NRBG Program	FY12-13 Allocation	FY12-13 Required Match	FY14-15 State Request	FY14-15 Anticipated Match	FY14-15 Additional Funds Needed
Water Planning	\$2.3	\$3.0	\$2.4	\$5.7	\$9.3
WCA	\$3.8	\$3.8	\$3.7	\$4.7	\$2.3
Shoreland	\$0.7	\$0.7	\$0.8	\$2.6	\$2.6
Feedlot	\$3.4	\$2.3	\$3.4	\$3.5	\$0.7
SSTS	\$3.3	Not required	\$3.3	\$3.1	\$3.8
Total	\$13.5	\$9.8	\$13.6	\$19.6	\$18.7

Figure 2: NRBG Summary (in millions)



Summary by Program

Comprehensive Local Water Planning

Comprehensive Local Water Planning (CLWP) is a voluntary program that requires counties to use local task forces to develop and implement water plans based on local priorities. In the seven-county metro area, the Metropolitan Groundwater Management Act, which outlines voluntary development and implementation of groundwater plans, applies in lieu of CLWP. Both CLWP and Groundwater Plans impact eligibility of counties for other BWSR grants.

Based on the NRBG BBR results, the state currently funds local water planning at approximately \$2.3M with a required local match of \$3M. Individual grant and match amounts are calculated by the Minnesota Department of Revenue. Actual water planning program match is nearly double required match at approximately \$5.7M and Additional funds needed for this program are nearly \$9.3M, or double the existing total cost of the local water management program.

- 48 of 87 counties account for the nearly \$2.7M of anticipated match above program requirements, ranging from \$400 (Lac qui Parle County) to \$808,242 (Carver County).
- 60 of 87 counties requested additional funds, requests ranged from \$4,000 (Cook) to \$3.5M (Dodge).

Of the requests for additional funding, the majority of requests were to increase resources to fully meet program needs, including funds for broader technical assistance, planning, education and outreach, monitoring, groundwater protection, and assessment activities. Many counties identified lasting effects to local water planning and implementation resulting from the funding gap created by the unallotment of NRBG funds in 2003. Examples of projects and activities include:

- *Scott County and WMO could fund staffing needs and program implementation in the Sand Creek watershed areas that are located in Rice and Le Sueur Counties. Approximately 40% of the Sand Creek watershed is outside the Scott jurisdiction. Scott County and WMO facilitates and encourages conservation in these areas even though they are outside their jurisdiction. State assistance would make this more palatable, sustainable and comprehensive resulting in more conservation in the upper watershed. In particular, funding staff time at the two county SWCDs to provide technical assistance to landowners and tap into cost share and incentive programs and grants of the Scott WMO. Scott County*

- *Funding to support a full time Water Plan Coordinator will help with additional stream monitoring and other duties to provide an effective water plan program. We are short of man hours when we need to spend time on grant writing, grant project management and the need to prepare the 10-year update to the County's water plan. Marshall County*
- *Currently water management staff have diverse job tasks in many areas. In 2003, Local Water Management funds were cut. Local water management staff rallied and restored 60% of the funding. Since then Local Water Management funds have been reduced by approximately 58%. In 2003 before the unallotment, there was a statewide effort to request an increase to \$50,000. Full funding would allow a staff person to devote all of their time to water management and implementing the local water plan. This would include but not limited to organizing more education events, more BMPs on the ground, enforcement, more participation in area water management decision making processes. Le Sueur County*
- *We would actively engage the private woodland owners in forest stewardship planning for water quality specifically targeting those minor watersheds and lakesheds experiencing water quality declines. This directly relates to the LWP's Priority Concern 2: Surface Water Quality and Quantity Protection. Hubbard County*

Subsurface Sewage Treatment Systems

The state currently funds the Subsurface Sewage Treatment Systems (SSTS) program at approximately \$3.3M with no match required. Each eligible county, those that have adopted an SSTS ordinance, receives the same amount of funding. Actual program costs, not including state funds, are nearly double the state grant funds at \$6.4M; additional funds needed for this program total nearly \$3.8M.

- Of the \$3.1M in anticipated program match - 39 counties indicated anticipated program match ranging from \$2,500 (Stevens) to \$509,373 (Stearns); whereas, 48 counties indicated no anticipated program match.
- 49 counties indicated that additional funds are needed for a total of \$3.8M. Counties that indicated additional funds are needed showed a range of \$5,000 (Lake of the Woods and Big Stone) to \$266,240 (Winona County).
- Of the 38 counties that did not indicate that additional funds are needed; 15 of these currently provide match ranging from \$15,000 to \$509,373 for a total of approximately \$1.4M.
- Of the 48 counties indicating no anticipated program match, 23 of these requested additional funds ranging from \$5,000 (Red Lake) to \$220,000 (Waseca) for a total of \$1.8M.

Of the requests for additional funding, the majority of requests were to increase staffing to fully meet program needs and/or to expand programs to include broader education, inspection, and assessment activities. Requests also included funding for correcting failing systems; additional assessment of the relationship between NRBG and Clean Water Fund for SSTS is needed to fully understand the extent of funding needed. Examples of activity requests:

- *The NRBG supports approximately .25 FTE and 1.5 FTEs are currently working in the County's SSTS program. Local permit fees collected (comparable to adjacent counties) cannot support the provision of services to residents or State reporting requirements. Blue Earth County*
- *Additional outreach and education of realtors, contractors, policy makers, and landowners to assist in understanding SSTS regulations, promoting system upgrades, importance of groundwater protection, and installation of community systems. Lake of the Woods County*
- *Additional State contributions would allow the County to provide a stable, non-competitive source of funds to replace noncompliant or imminent public health threat SSTS. Mille Lacs County*

- *Accelerated SSTS direct discharge incentives to meet total maximum daily load goals - increased funds dedicated to the program would speed up the number of direct discharge systems being upgraded to current standards.*
Carver County

Shoreland

The state currently funds the shoreland program at approximately \$0.8M with a 1:1 match requirement. Grant amounts to specific counties are calculated by formula administered by the DNR. Actual program match is more than triple the state grant funds at \$2.6M. Additional funds needed for this program total nearly \$2.3M.

- 40 of 85 counties account for the nearly \$1.9M of anticipated match above program requirements, ranging from just slightly over match requirements to \$610,456 (Stearns County). Hennepin and Ramsey do not receive Shoreland funding.
- 45 of 85 counties requested the \$2.6M in additional funds, requests ranged from \$4,000 (Morrison) to \$375,000 (Hubbard).

Of the requests for additional funding, the majority of requests were to increase resources to adequately ensure compliance with buffer requirements, develop or update shoreland ordinances, or fund additional staff to meet workload needs. Many counties identified lasting effects to local water planning and implementation resulting from funding gap created through the unallotment of NRBG funds in 2003. Examples of projects and activities include:

- *Systematically contact landowners about establishing healthy buffers in areas where the 50' agriculture buffer is lacking or inadequate and provide assistance with implementation (estimated 0.25 FTE).* Fillmore County
- *Promote the use and installation of buffer strips around lake, rivers and other protected waters in Brown County. Develop a shoreland rule compliance database (with regard to 50' setback).* Brown County
- *Additional funding to develop a shoreland workshop relating to streams with specific soil and erosion conditions and bank slippage in Marshall County. This would be a Community Engagement project that would be held several times to smaller groups. Note: The Shoreland training by UM for lakes does not relate to stream banks in NW MN.* Marshall County

Feedlot

County feedlot programs have the responsibility for implementing state feedlot regulations including: registration; permitting; inspection; education and assistance; and compliance follow-up. Grant amounts to specific counties are calculated by formula administered by the MPCA. Currently, 54 of 87 counties have been delegated feedlot program implementation by the Pollution Control Agency. These counties receive approximately \$3.4M in feedlot program funding from the state and provide the required 0.7 match of \$2.3M. Anticipated program match by these 54 counties is greater than the required match at \$3.5M; additional funds needed for this program in the FY2014-2015 biennium total nearly \$0.7M.

- Anticipated program match exceeds the required program match by approximately \$1.2M and is provided by 23 of the 54 counties; this amount ranges from \$895 (Morrison) to \$399,799 (Stearns).
- 22 of the 54 counties with delegated feedlot authority requested the additional funding; ranges of requests were from \$4,500 (Lake of the Woods) to \$80,729 (Meeker). Only 1 county that is not delegated feedlot responsibilities requested additional funding (\$19,500, Scott).

Of the requests for additional funding, the majority of requests were to increase staffing to fully meet program needs and/or to expand programs to provide more activities such as technical assistance, manure management plans, and

education. Requests also included funding for expanded feedlot inventories, funding to more fully cover the program, and project funding to install BMPs. As with the SSTS program, additional assessment of the relationship between NRBG and Clean Water Fund for feedlots is needed to fully understand the extent of funding needed. Examples of projects and activities include:

- *The Scott WMO and SWCD have dedicated significant time and effort providing technical assistance and permit support to livestock producers throughout the County, as a complement to the Feedlot program. Though Scott County has decided to cease delegation status, the need for and benefit of maintaining these services (e.g. facility planning, correcting feedlot runoff issues on a voluntary basis, providing manure and nutrient management planning and education, etc.) remains as important as ever. Funds would be used to support staff time and overhead for .15 FTE over two years. Scott County*
- *The grant falls short of providing for the costs necessary to implement the program. Money requested is to make up the difference of current budget overruns. Polk County*
- *Wright SWCD recognizes the need for a Level 3 Feedlot Inventory to use as a tool for targeting outreach efforts and financial assistance that will improve and protect both impaired and unimpaired surface waters of the County. Funding is needed to hire a temporary part time staff person to complete a Level 3 Feedlot Inventory for priority watersheds in Wright County and verify that nutrient management plans are being followed. Wright County*

Wetland Conservation Act

In fiscal years 2012-2013, the state funded implementation of the Wetland Conservation Act (WCA) at approximately \$3.8M with a 1:1 match requirement. Grant amounts to specific counties are calculated by formula administered by the BWSR. Anticipated program match for FY2014-2015 in the NRBG BBR is \$4.7M. Additional funds requested for this program are approximately \$2.3M.

- The approximately \$1M of anticipated match exceeding the required program match can be attributed to 30 of 87 counties. Amounts ranged from \$112 (Dodge) to \$412,065 (Stearns).
- 40 of 87 counties requested additional state funds, ranging from \$4,000 (Cook) to \$280,000 (Chisago).

Of the requests for additional funding, the majority of requests were to increase staffing to fully meet the needs to administer the WCA program. Many counties also identified a need for increased staffing to proactively inventory wetlands and ditches, educate the public, and promote wetlands restoration and protection programs. A few identified high commodity prices driving increased WCA work in agricultural areas. A few counties indicated existing funding was sufficient. Additional assessment may be needed to fully understand the variable funding needs across the state, e.g. variable number of wetlands, pressure from development in urban areas, pressure for drainage in agricultural areas, enforcement funds provided to the 11-county metro in 2008-2011, etc.

- *Additional funding would be used to follow up on Federal 1026 processes for wetland impacts on agricultural lands. High commodities prices are increasing which are driving this need for additional funding. Olmstead County*
- *Hire adequate staff to properly administer and enforce the WCA, especially relating to influx of agricultural wetland drainage requests here in the prairie pothole region. Big Stone County*
- *More thorough WCA Administration. Current staff time spent on WCA Administration greatly exceeds grant funding. Chippewa County*
- *The current allocation is appropriate for current WCA implementation workload demands but was historically insufficient. Anoka County*