



Soil & Water Conservation Districts

2012 Biennial Budget Request Report

October 24, 2012

Overview

The Soil and Water Conservation Districts (SWCDs) Biennial Budget Request (BBR) was intended to obtain information on the activities associated with three SWCD programs: Conservation Delivery, Non-Point Engineering Assistance (NPEA), and State Cost Share; and to serve as the Annual Plan required by Minnesota Statute §103C.501 for State Cost Share portion of these grants.

To complete the BBR, SWCDs were instructed to enter a baseline grant amount for the Conservation Delivery and State Cost Share Programs consistent with the amounts from the State fiscal years (FY) 2012-13 biennium. SWCDs were instructed not to enter match amounts for these two programs as no match is required for Conservation Delivery and match requirement varies by practices installed for State Cost Share. Only the host Districts for the NPEA programs were instructed to complete the NPEA portion of the BBR which included entering a baseline grant amount and the required ten percent match consistent with the amounts from the previous biennium.

Within each program, SWCDs and host districts where applicable, were instructed to describe up to eight activities including: an activity type and description; plan type, category, and connection; requested biennial state contribution; and anticipated biennial match provided. The instructions indicated the total requested state contribution for each program should equal the baseline amount entered previously, and SWCDs were encouraged to enter an anticipated biennial match to reflect total program costs.

Biennial state funding for these three SWCD programs for FY 2012-2013 was approximately \$8.6M. Actual amounts entered by SWCDs in the BBR for baseline and requested amounts varied slightly from expected based on the instructions; however, the variation was relatively small. The anticipated SWCD biennial match was significantly more than required, approximately \$21.1M.

SWCDs were also instructed to enter information about additional activities that could be accomplished within these programs if additional state funding were available in FY 2014-2015 as well as an amount of state funding needed. The total additional funding requested for all SWCD programs was approximately \$14.1M, which does not include requests for Clean Water, Land and Legacy Funds from SWCDs. Total requests for these funds from SWCDs were \$77M.

Table 1: SWCD BBR Summary (in millions)

Program	FY12-13 Allocation	FY12-13 Required Match	FY14-15 State Request	FY14-15 Anticipated Match	FY14-15 Additional Funds Needed
NPEA	\$2.0	\$0.2	\$2.0	\$1.1	\$1.1
Conservation Delivery	\$3.5	not required	\$3.7	\$17.9	\$6.8
State Cost Share	\$3.1	variable*	\$3.3	\$2.1	\$6.2
Total	\$8.6	\$0.2	\$9.0	\$21.1	\$14.1

*Required match is variable in the State Cost Share program by legislative action, local board decisions, and/or practice installed.

Also evident in the SWCD BBRs was the complementary nature of these three programs in effective conservation delivery across the state. Conservation Delivery funds are used for outreach, technical assistance and support necessary to develop relationships with landowners; State Cost Share funds provide additional technical resources and financial assistance to landowners for construction of conservation projects, and NPEA provides a higher level of engineering assistance and oversight. The activities of these programs are also complementary to the effective delivery of Clean Water Land and Legacy Funds.

Additionally, SWCDs do not have taxing authority. However, these organizations have been effective in leveraging other sources of funds. For reference, Table 2 shows the variety of SWCD revenues for calendar years 2010 and 2011.

Table 2: SWCD Revenues 2010 and 2011 (in millions)

Revenue Year	Local	County	State	Federal	Charges for Services	Interest	Other	Total
2010	\$2.2	\$13.2	\$14.7	\$0.7	\$5.7	\$0.3	\$1.3	\$38.2
2011	\$2.6	\$12.9	\$16.0	\$1.0	\$6.6	\$0.3	\$1.4	\$48.6
2-yr total	\$4.8	\$26.1	\$30.7	\$1.7	\$12.3	\$0.6	\$2.7	\$78.8

Summary by Program

Nonpoint Engineering Assistance Program

The Non-Point Engineering Assistance (NPEA) Program was established in 1994 to provide engineering assistance for non-point water quality management practices to private landowners, via joint powers boards called technical service areas (TSAs) of soil and water conservation districts. In State FY 2012-2013, the state funded NPEA at approximately \$2M with a required local match of \$200K, or 10% of the total allocation. Anticipated program match for FY2014-2015 is significantly greater than required at approximately \$1.1M. Additional funds requested for this program are also \$1.1M.

- All but one of the eight TSAs provide match greater than the required amount, ranging from \$5,000 to \$360,654 over the required match.
- Six of eight TSAs requested additional funding, ranging from \$40,000 to \$405,044.

The additional funding requests for the NPEA Program focused on increasing or maintaining staffing levels as well as additional equipment needs to gain efficiencies in the program. Examples of the requests include:

- *The South Central TSA currently has 2 staff, an Engineer and a Technician. If the TSA were to add another Technician it would allow the TSA to install an additional estimated 12 Erosion Control Projects, 3 Feedlots and 1 wetland per year based on 2012 staffing hours per project. The TSA would also need additional equipment to increase the project level like a Surveying GPS, GIS upgrades, and an additional vehicle, which are all figured into the \$254,700 request. South Central TSA currently is getting pressure from the local SWCDs to increase project design output which is limited by current staffing. Blue Earth SWCD*
- *Upgrade outdated 2001 Total Station survey equipment, which would eliminate the need for 2 staff on site to perform the survey, purchase GPS Base Station with radio, which will increase the efficiency and productivity in completing conservation practices. Upgrade out dated survey software. Replace the 11 year old pick-up that is becoming unreliable and needing repairs, TSA to provide 30% towards purchase of pick-up. Murray SWCD*

Five of eight TSAs also requested competitive funding, ranging from \$323,583 to \$1,000,000. In general, these requests were more targeted towards a specific program or activity, consistent with the competitive BBR instructions, than the additional funding requests associated with the SWCD BBRs. However, the value and efficiency of TSAs in leveraging expertise across a larger region was evident in both types of requests.

Table 3: Technical Service Area BBR Summary; including competitive request

Technical Service Area	FY2012-2013 Allocation	FY2012-2013 Match	FY2014-2015 Anticipated Match	Additional Funding Request	Competitive Funding Request
1 Northwest	\$260,000	\$26,000	\$166,704	\$0	\$331,460
7 Southeast	\$260,000	\$26,000	\$177,223	\$405,044	\$987,807
5 Southwest	\$260,000	\$26,000	\$223,775	\$100,000	\$0
3 Northeast	\$260,000	\$26,000	\$386,654	\$130,000	\$0
8 North Central	\$250,000	\$25,000	\$42,910	\$40,000	\$323,583
6 South Central	\$250,000	\$25,000	\$64,920	\$254,700	\$0
4 Metro	\$250,000	\$25,000	\$30,000	\$0	\$625,000
2 West Central	\$250,000	\$25,000	\$25,000	\$180,000	\$1,000,000
Total	\$2,040,000	\$204,000	\$1,117,186	\$1,109,744	\$3,267,850

State Cost Share

The State Cost Share Program was created to provide funds to SWCDs to provide financial and technical assistance to landowners for the implementation of conservation practices. The state provided \$3.1M for this program in FY2012-2013 with a match requirement that varies by the practice installed. Actual program match anticipated for FY2014-2015 is \$2.1M and additional funds requested for this program total over \$6.2M.

- The anticipated program match ranged from \$3,146 (Isanti) to \$304,719 (Olmsted) with an average of \$27,000 not including the 15 SWCDs that did not enter an anticipated match.
- The additional funding requests ranged from \$6,000 (Pine) to \$653,000 (Red Lake) with an average request of \$82,000 not including the 15 SWCDs that did not request additional program funds.

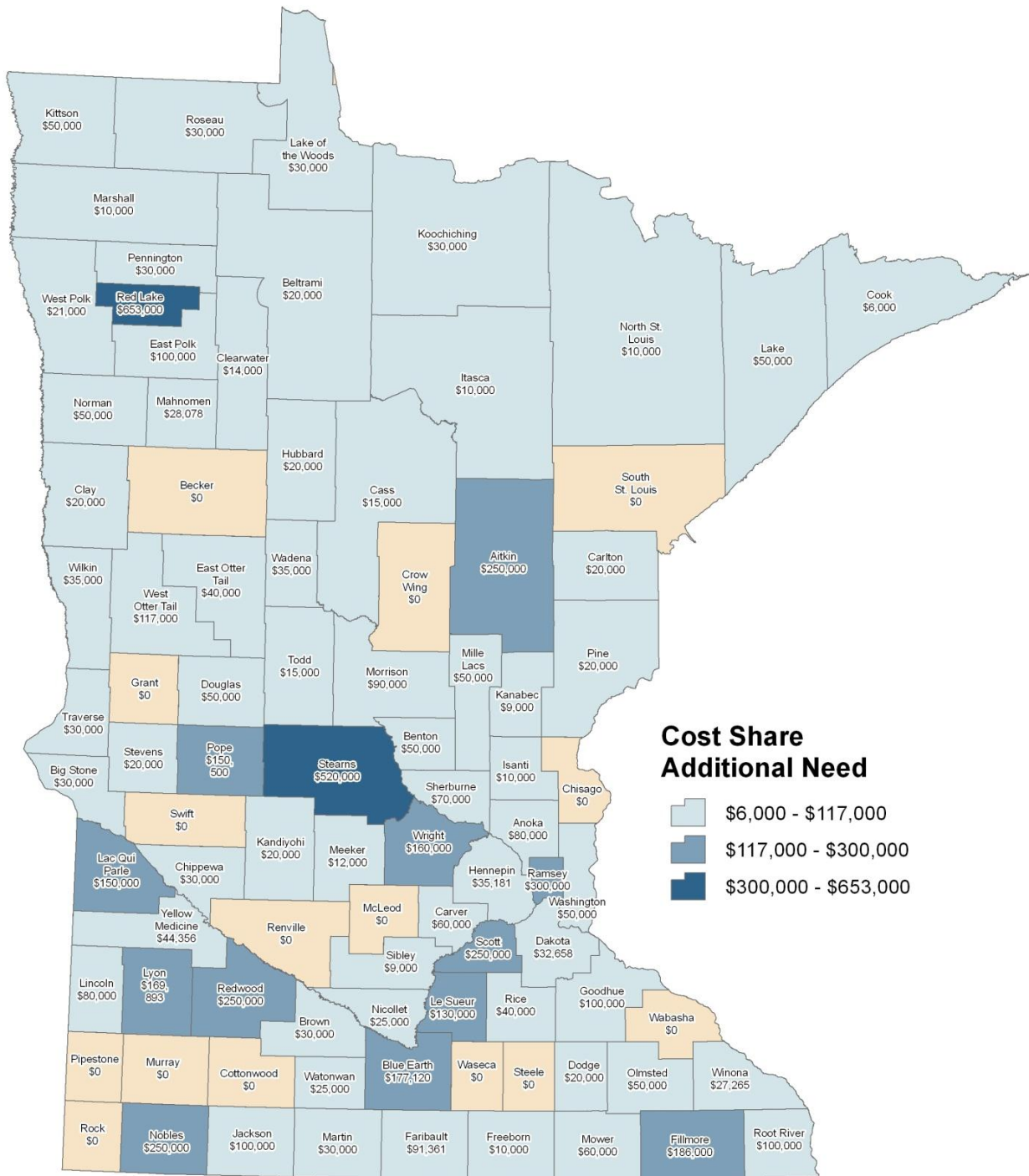
Of the requests for additional funding, many requests were to meet needs associated with a natural disaster such as floods and tornados or to have funds readily available when opportunities arise and before landowners become discouraged. Examples include:

- *Increased Erosion Control Water BMP's : Millmann Sediment Basin, Johnson/Lorenz Grade Stabilization Structure, Lorenz Grass Waterway, Staloch Grass Waterway, Beyer Grass Waterway, Willaby Grass Waterway, Hassing Structure, Bell Ag Waste. Well sealing cost-share: 30 wells @ 50%/\$500 max cost share. Faribault SWCD*
- *Additional best management practices (BMPs) could be installed through the State Cost-Share Program. The number and complexity of additional projects would be proportional to the amount of additional funding. \$10,000 would fund 2-3 additional water and sediment control basins depending on size. Additional dollars could also be used to fund shelterbelts to replace shelterbelts that were destroyed by the tornado in 2010 at around \$1000 per shelterbelt. Freeborn SWCD*
- *Delays (often 1 year or more) due to Environmental Quality Improvement Program procedures discourage many landowners from completing a project. Availability of additional funds will allow more erosion control projects including terraces, water & sediment control basins, erosion control structures, critical area plantings, and*

rehabilitation of old 410 ponds whose corrugated metal pipes are rusted and failing and sediment pools are filled. Goodhue SCWD

- Severe erosion of our cropland doesn't wait for the next funding round to occur. Regardless of priority concern and watershed location, soil loss continues. Recent acceleration of installation related to the 2010 flooding has led to additional projects and a documented need for more project dollars. The SWCD has the proven ability to manage many projects and accelerated implementation when additional funds are available. Jackson SWCD

Figure 1: Additional FY14-15 State Cost Share Funds Needed



Conservation Delivery

Conservation Delivery grants provide SWCDs with a certain degree of funding stability for general operations and administration. In FY2012-2013, the Conservation Delivery Program allocated \$3.5M of state funds to SWCDs. This program has no match requirement; however, 72 of 92 SWCD BBRs included anticipated biennial budget match amounts totaling nearly \$18M.

- The nearly \$18M in anticipated program match ranged from \$5,000 (Koochiching) to \$827,000 (Scott) with an average of \$250,000 not including the 20 SWCDs that did not enter an anticipated program match.
- The additional funding requests for Conservation Delivery totaled \$6.8M and ranged from \$2,500 (Kanabec) to \$313,000 (West Otter Tail) with an average request of \$84,000 not including the 11 SWCDs that did not request additional program funds.

Of the requests for additional funding, the majority were to increase staffing and staff capacity primarily to expand technical assistance for, and education about conservation to, landowners. Examples of activity requests:

- *The funds received for "conservation delivery" are a small portion of the annual budget that the SWCD needs to operate and have staff. Nearly everything we do could fall into one of the activity types listed in column D. With additional funds, we could assist other neighboring agencies with developing and implementing solid programs. Additional funding would also support the upfront work needed to specifically target and market programs in the best locations and to complete cost/benefit analysis to ensure projects are providing the best bang for the buck.* Carver SWCD
- *One additional full-time employee is needed to directly contact and work with landowners to promote/market Conservation Reserve Program (CRP) practices (with priority on Continuous CRP buffer strips along the Buffalo and South Branch of the Wild Rice Rivers).* Clay SWCD
- *Additional activities that could be accomplished are increased implementation of the County Comprehensive Water Plan strategies to protect and restore the water quality in Clearwater County. These activities could include holding landowner/citizen educational opportunities, resource inventories, project development, planning and engineering of projects and implementation of projects. Yearly funding increases would be invested in district operations to increase the technical and project implementation capacity of experienced, qualified employees for increased efficiency which translates to more projects on the ground to protect and restore water quality.* Clearwater SWCD
- *Our District is in need of an additional Conservation Technician to develop 80 conservation plans with County landowners. The plans will include conservation practice site identification, practice design and cost estimates. The plans will result in the implementation of 120 conservation practices.* Steele SWCD
- *McLeod SWCD currently has 1.5 positions on staff. This limits the time allowed for easement programs, state cost share, and educational items. With additional funding, we would be able to either contract staff or add additional staff to work with specific programs allowing the efficiency to be greater. Those interested in various programs would benefit from more timely application of their program.* McLeod SWCD

Figure 2: Additional FY14-15 Conservation Delivery Funds Needed

