



Session in Review: News from the Capitol

July 2017 Snapshots

The 2017 Minnesota legislative session – which included both a regular session and special session immediately following – came to a close in the wee hours of Friday, May 26, sending the state’s 2018-19 budget bills and other legislation to Governor Dayton. On May 30 the Governor signed bills which included funding appropriations and policy that directs the work of the Board of Water and Soil Resources (BWSR) and local government partners. While a few legislative issues still need resolution, the funding and policy related to our work is now completed and signed into law. Key outcomes of the 2017 session include the following:

Environmental and Natural Resources Bill

General Fund appropriations to the agency include base funding for the next biennium and a small base increase to help cover additional costs the agency must absorb (such as lease increases, IT technology and security, wage and benefit costs, etc.); a one-time \$300,000 appropriation for Wetland Conservation Act efficiencies including 404 Assumption exploration; and \$125,000 per year for easement stewardship.

This legislation also appropriates Riparian Aid of \$2 million per year to counties and watershed districts who elect jurisdiction for buffer law enforcement.

Buffers language clarifications:

- Keeps the original deadlines intact - 11/1/17 for public waters and 11/1/18 for public drainage ditches
- Recognizes that some farmers may have hardships with meeting the date (such as weather) – so added language allows for an eight-month extension for implementation if needed. The bill language says: A landowner or authorized agent that has filed a parcel-specific riparian protection compliance plan with the soil and water conservation district by November 1, 2017, shall be granted a conditional compliance waiver until July 1, 2018.
- Authorizes use of common alternative practices so landowners and local governments can tailor site-specific options for water quality improvements comparable to the required buffer.

Wetland Conservation Act: The legislation includes updates pre-settlement wetland definitions and broadens the ability of wetland mitigation to happen in more meaningful areas. This was language requested by local governments and supported by BWSR and will be folded into the MN Rule Chapter 8420 update currently in progress.

Legacy Bill

Clean Water Fund: The Legislature appropriated \$95.5 million CWF dollars to BWSR for FY18-19. In addition to grant programs, the appropriation includes \$22 million for soil and water conservation district capacity funding and \$5 million in cost-share for buffer and alternative practice implementation.

Outdoor Heritage Fund: BWSR will receive \$17.26 million as recommended by the Lessard-Sams Outdoor Heritage Council for these programs: RIM Buffers for Wildlife and Water Quality, RIM Wetlands Partnership, Wild Rice Shoreland Protection Program, and Mississippi Headwaters Habitat Corridor Partnership.

LCCMR Bill

BWSR appropriations from the Environmental and Natural Resources Trust Fund (ENRTF) are for three projects: Drainage Records Modernization Cost Share, Conservation Reserve Enhancement Program (CREP) Outreach and Implementation, and CREP easement acquisition. Two of the projects were recommended by the Legislative-Citizen Commission on Minnesota Resources (LCCMR).

Bonding Bill

Two BWSR programs received capital investment funds this session: \$5 million for the Local Roads Wetland Replacement Program and \$10 million for CREP.

Tax Bill

The bill includes three provisions related to our conservation work:

- With a conservation easement, there is no penalty for early withdrawal from the Sustainable Forest Incentives Act program.
- Payback of \$22 million to the Clean Water Fund, if there is positive revenue forecast for Minnesota's budget next November. The governor has stated his expectation that the restoration of this funding will restore the remainder of his 2017 recommendations, including \$17.25 million for CREP.
- Riparian Aid to counties and watershed districts to enforce the buffer law (\$6 million in FY18 and \$8 million in FY19 and ongoing).

Key Program Funding

CREP

The Governor's 2017 recommendations for the Conservation Reserve Enhancement Program (CREP) funding totaled \$85.23 million. As detailed at right, final session appropriations are \$61.48 million. BWSR, legislators, and partners will look to the 2018 legislative session to secure the remaining amounts needed for a successful CREP.

Fund:	Appropriation:
Env. & Nat Resources Trust Fund (LCCMR)	\$ 6.0 m
Clean Water Fund	\$13.5 m
Outdoor Heritage Fund	\$16.25m
Bonding	\$15.731m
Total 2017 Session	\$10.0m
	\$61.481m

Local Roads Wetland Replacement Program

The statutorily mandated wetland program is in deficit because of long-term funding gaps. Earlier this year, Governor Dayton signed into a law a one-time \$5 million cash infusion (general fund) to re-open Wetland Bank Service Areas and allow local projects to move forward. The additional \$5 million bonding appropriation does not meet the full \$15 million program need, so BWSR will make additional requests next year to close that gap.

Riparian Aid

With tax bill and general fund appropriations, counties and watershed districts have \$8 million available in year one and \$10 million in year two (and thereafter) for enforcement of the buffer law. If a county or watershed district chooses not to accept enforcement responsibilities, then it falls to the state (BWSR) for enforcement and that share of funding. BWSR certifies jurisdiction and the Department of Revenue will distribute funds.