



BWSR Legislative Summary

May 20, 2013

General Fund Budget (HF976 / SF1170)

Governor Dayton's FY14-15 budget recommendation included General Fund investments to maintain BWSR's base budget and add two new initiatives - funding to implement the One Watershed One Plan initiative and funding to enhance BWSR's internal controls. The budget adopted by the Legislature funds only the internal controls item through the General Fund, while the One Watershed One Plan is funded through Clean Water Funds. 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 funding will enhance our capacity to meet new standards for accomplishing the necessary oversight of public funds and programs and to show the benefits accrued.

And, while funding to the Minnesota River Board was eliminated, funding to all other BWSR program areas was maintained at current levels, as shown below. Overall, BWSR's 2014-2015 General Fund budget represents a 1% increase for the biennium.

BWSR General Fund Budget <i>(all numbers in thousands)</i>	Governor's Recommendation 2014-15	Adopted Budget 2014-15 (HF 976)
Total Appropriations	26,266	25,282
Cost Share Grants	3,120	3,120
Conservation Delivery Grants	6,232	6,232
Red River Basin Commission	200	200
Area II Joint Powers Board	240	240
MN River Joint Powers Board	84	0
County Natural Resource Block Grants	6,846	6846
1 Watershed 1 Plan*	900	0
WCA BWSR Operations	772	772
Drainage Assist Operations	332	332
Admin/Operations/Board	7,290	7,290
Internal Controls*	250	250
*Change Items		

- \$6.846M for Natural Resource Block Grants for grants to counties for programs that protect and improve water resources, including comprehensive local water management, shoreland management, feedlot program, and subsurface sewage treatment program.
- \$6.232M for Conservation Delivery Grants for grants to Soil and Water Conservation Districts for general administration and operation of the district, nonpoint engineering, and implementation of the Reinvest in Minnesota (RIM) Reserve program.
- \$3.12M for Cost Share Grants to Soil and Water Conservation Districts for practices that protect and improve water and soil resources, including:
 - \$520,000 for feedlot water quality grants.
 - \$2,400,000 for erosion control and vegetative buffers.
 - \$200,000 for cooperative weed management programs.
- \$772K for Wetland Conservation Act implementation to implement, enforce and provide oversight of the Wetland Conservation Act (WCA).

- \$332K for Drainage Management for technical assistance to local drainage management authorities and facilitation of the Drainage Work Group.
- \$200K for Red River Basin Commission for water quality and floodplain management.
- \$240K for Minnesota River Area II for floodplain management.
- \$250k for Internal Controls for implementing new standards for oversight of public funds.

Clean Water Fund (HF1183)

The Clean Water Fund article of the Omnibus Legacy Bill (HF1183) appropriates to BWSR \$65.429M from the Clean Water Fund. BWSR's Clean Water Fund work will be targeted using the best available scientific assessments, including MPCA's Watershed Restoration and Protection Strategies (WRAPS), which greatly improve on the federally-driven TMDL approach. Specifically, appropriations include:

- \$20.461M 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, and surface water, stabilizing ravines, and upgrading feedlots and SSTS systems.
- \$12M for Selected Watersheds with Multi-Year Plans to achieve improvements in water quality through a variety of practices demonstrated to be effective in protecting, enhancing, and restoring water quality in lakes, rivers, and streams.
- \$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 Drainage and Soil Loss and Management for ensuring compliance with drainage and soil erosion laws, including enforcement. This funding also is for updating the Minnesota Public Drainage Manual.
- \$3M for Community Partners Program 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. Local governments will be the primary applicant and provide sub-grants to community organizations 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.
- \$1.9M 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.
- \$900K for One Watershed One Plan to further 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.

Environment and Natural Resource Trust Fund (ENRTF) (HF1113)

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

- \$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 or participate in other conservation programs or projects.

- \$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 (HF1183)

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

- \$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.
- \$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 staff pursued three primary policy initiatives during the 2013 Legislative Session. Two of them advanced successfully, while one will be pursued again in the future.

- [Drainage Work Group Consensus Recommendations \(HF66\)](#). 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 early in the session.
- [Local Government Water Roundtable Phase II \(HF677/SF552\)](#). This policy initiative contains two primary areas and passed both the Senate and the House in the Tax Bill:
 - 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.
- *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. **This initiative did not advance in the House this year and will likely be brought forward again in the future.***

Other Policy and Funding Provisions

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

- *RIM Bonding (Bonding Bill)*. **A bonding bill that appropriated \$12M for RIM Reserve failed on the House floor.**
- Hennepin County HCD (Environment Budget/Policy Bill). Establishes a process by which Hennepin County can petition BWSR for the discontinuance of Hennepin County Soil and Water Conservation District.
- Agricultural Water Quality Certification Program (Environment Budget/Policy Bill).
- Clean Water Legacy Accountability (Legacy Bill). Defines and prescribes the elements of a Watershed Restoration

and Protection Strategy (WRAPS) that includes TMDLs; requires BWSR to prepare a biennial nonpoint project prioritization and funding plan similar to the recently-developed Biennial Budget Request (BBR); and prescribes that RIM easement payments for lands within the 50-foot riparian shoreland zone be capped at the non-crop rate.

- Pollinator Habitat Program (Environment Budget/Policy Bill). Requires that prairie restorations conducted on state lands or with state funds include a diversity of native species that will provide habitat for pollinators.
- Silica Sand Technical Team (Environment Budget/Policy Bill). Directs EQB to assemble a technical team to assist local units of governments with ordinance development, zoning, and other issues arising from silica sand mining.
- Property Tax Valuation for Conservation Easements (Tax Bill). Prohibits consideration of the conservation easement when calculating property tax, except for riparian buffer easements.

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