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### Overview

This bill establishes oversight and standards for the use of the new outdoor heritage, parks and trails, clean water, and arts and cultural heritage funds established by the constitutional amendment that passed in November of 2008, and the environment and natural resources trust fund, a fund constitutionally dedicated for natural resource purposes, which the Legislative-Citizen Commission on Minnesota Resources (LCCMR) makes funding recommendations for. The bill would:

- (1) establish an Office of Public Accountability for Constitutionally Dedicated Funding which would create and maintain a Web site providing information on the use of the dedicated funds; and
- (2) establish a number of requirements for each of the new funds, including requiring that projects have measurable outcomes and plans for measuring and evaluating results (this requirement would also be added to environment and natural resource trust fund expenditures); and
- (3) establish additional requirements for the outdoor heritage fund, by expanding upon existing requirements of the new Lessard Outdoor Heritage Council (LOHC) which is required to make funding recommendations for the use of funds from the outdoor heritage fund.

### Section

- 1** **Constitutionally dedicated funding accountability office.** Adds § 3.303, subd. 10. Requires the Legislative Coordinating Commission (LCC) to establish an “Office of Public Accountability for Constitutionally Dedicated Funding” and requires the office to develop and maintain a website that provides information and education to the public on the use of the constitutionally dedicated funds which include the newly created outdoor heritage fund, clean water fund, parks and trails, and arts and cultural heritage funds as well as the environment and natural resources trust fund.
- 2** **Restoration audits.** Adds § 3.971, subd. 9. Requires the legislative auditor to conduct

“restoration audits” (defined as scientific evaluations of an area of land that has been restored in order to determine whether the restoration meets applicable requirements for the restoration) on a portion of lands restored with state funds and provides criteria for the audits. Requires the legislative auditor to hire or contract with scientists and other appropriate people to meet the requirements.

**3 Parks and trails fund.** Amends § 85.53.

**Subd. 1. Establishment.** Technical.

**Subd. 2. Expenditures; accountability.** Requires projects or programs funded by the parks and trails fund to meet or exceed the constitutional requirement to “support parks and trails of regional or statewide significance” and include measurable outcomes and a plan for measuring and evaluating the results. Requires a project or program to be consistent with current science and incorporate state of the art technology when appropriate. Establishes additional funding requirements including: requiring that expenditures from the fund be balanced across all regions and residents of the state biennially; requiring grants to meet existing state grant requirements; and requiring a sign on lands and capital improvements funded with parks and trails funds that identify the projects as projects funded with money from the vote of the people of Minnesota on November 4, 2008.

**Subd. 3. Data availability.** Requires certain data that is collected through projects funded with money from the fund to meet standards and be available on the Internet (this requirement has also been applied to LCCMR projects in the past through an appropriation rider).

**Subd. 4. Special review.** Requires projects receiving an appropriation totaling more than \$10,000,000 in a biennium to have all contracts and real estate transactions reviewed by the attorney general, and have a second appraisal completed for all real estate transactions.

**4 Lessard Outdoor Heritage Council.** Amends § 97A.056, subd. 2. Changes the staffing of the LOHC from the Department of Natural Resources (DNR) to the LCC and allows money from the account to be used to cover the costs of the restoration audits conducted by the legislative auditor and the website established and maintained by the Office of Public Accountability for Constitutionally Dedicated Natural Resource Funding (established under section 1 of this bill).

**5 Council recommendations.** Amends § 97A.056, subd. 3. Requires the recommendations developed by the LOHC to achieve the outcomes of existing natural resource plans, including the Minnesota Statewide Conservation and Preservation Plan (currently they are required to take the plan into consideration). Allows the LOHC to work with others, including the Clean Water Council and the LCCMR, in developing its recommendations. Requires the LOHC to develop a process for developing its recommendations that is fair and ensures public participation. Requires the LOHC to use the DNR’s ecological regions and subregions and identify objectives for each.

**6 Audit.** Amends § 97A.056, subd. 6. Modifies the existing audit requirement for the LOHC by requiring the legislative auditor to conduct the audit (rather than an independent auditor selected by the LOHC, which is required in current law).

- 7** **Legislative oversight.** Amends § 97A.056, subd. 7. Eliminates existing oversight requirements related to the staffing of the LOHC by the DNR.
- 8** **Priorities and expenditure requirements.** Adds § 97A.056, subd. 8. Requires expenditures from the outdoor heritage fund to meet or exceed the constitutional requirements to “restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife” and establishes funding priorities. Requires projects to be consistent with current science and incorporate state of the art technology when appropriate. Establishes additional funding requirements including requiring that expenditures from the fund be balanced across all regions and residents of the state biennially.
- 9** **Proposal and project requirements.** Adds § 97A.056, subd. 9. Establishes criteria and requirements of funding from the outdoor heritage fund.
- Paragraph (a) establishes requirements for requests for funding.
- Paragraph (b) restates the constitutional requirement that the lands acquired by fee be open for hunting and fishing during the open seasons.
- Paragraph (c) provides a number of criteria for land acquisitions, easements, and restorations, including requiring that lands meet certain biological and ecological requirements.
- Paragraph (d) requires lands acquired or protected by easements to have an ecological restoration plan and establishes requirements for the plans.
- Paragraph (e) requires restorations to be done using vegetation of native ecotypes to the state and protect existing native prairies from genetic contamination.
- Paragraph (f) prohibits lands purchased, restored, or protected by easements from being used for wetland replacement or mitigation credits.
- Paragraph (g) requires recipients of funds to post a sign on lands acquired, protected, or restored with funds that identifies it as a project funded with money from the vote of the people of Minnesota on November 4, 2008.
- Paragraph (h) requires documentation and information on the land selection process and certain appraisal information and other pieces of land transactions to be provided to the LOHC (this requirement has also been applied to LCCMR recommended projects through an appropriation rider).
- Paragraph (i) requires an owner of an interest in real property purchased with funds from the outdoor heritage fund to notify the LOHC, in writing, of any alteration in the intended use of the property or conveyance of any interest in the property.
- Paragraph (j) prevents a recipient of funds from using the funds to cover any organizational or operational costs not related to the project being funded.
- Paragraph (k) requires information regarding proposed and funded projects to be made available on the website established under section one of the bill.
- 10** **Data availability.** Adds § 97A.056, subd. 10. Requires certain data that is collected through

projects funded with money from the outdoor heritage fund to meet standards and be available on the Internet (this requirement has also been applied to LCCMR recommended projects in the past through an appropriation rider).

- 11 Report required.** Adds § 97A.056, subd. 11. Requires the LOHC to submit a biennial report to the legislature and the governor similar to the report required to be submitted by the LCCMR.
- 12 Special review.** Adds § 97A.056, subd. 12. Requires projects receiving an appropriation totaling more than \$10,000,000 from the outdoor heritage fund in a biennium to have all contracts and real estate transactions reviewed by the attorney general, and have a second appraisal completed for all real estate transactions.
- 13 Clean water fund.** Adds § 114D.50.

**Subd. 1. Establishment.** Technical.

**Subd. 2. Expenditures; accountability.** Requires projects or programs funded by the clean water fund to meet or exceed the constitutional requirement to “protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation” and include measurable outcomes and a plan for measuring and evaluating the results. Requires a project to be consistent with current science and incorporate state of the art technology when appropriate. Establishes additional funding requirements including: requiring that expenditures from the fund be balanced across all regions and residents of the state biennially; requiring grants to meet existing state grant requirements; and requiring a sign on lands and capital improvements that identify projects as projects funded with money from the vote of the people of Minnesota on November 4, 2008.

**Subd. 3. Data availability.** Requires certain data that is collected through projects funded with money from the fund to meet standards and be available on the Internet (this requirement has also been applied to LCCMR recommended projects in the past through an appropriation rider).

**Subd. 4. Special review.** Requires projects receiving an appropriation totaling more than \$10,000,000 in a biennium to have all contracts and real estate transactions reviewed by the attorney general, and have a second appraisal completed for all real estate transactions.

- 14 Duties.** Amends § 116P.05, subd. 2. Requires environment and natural resources trust fund project recipients to include, within the work programs and semiannual progress reports submitted to the LCCMR, a list of measurable outcomes and a plan for measuring and evaluating the results, as well information on who will hold any titles or easements acquired.
- 15 Arts and cultural heritage fund.** Amends § 129D.17.

**Subd. 1. Establishment.** Technical.

**Subd. 2. Expenditures; accountability.** States that funding from the arts and cultural heritage fund may only be spent for arts, arts education, and arts access and to preserve Minnesota’s history and cultural heritage and that projects or programs

receiving funding must include measurable outcomes and a plan for measuring and evaluating the results. Requires a project to be consistent with current science and incorporate state of the art technology when appropriate. Establishes additional funding requirements including: requiring that expenditures from the fund be balanced across all regions and residents of the state biennially; requiring grants to meet existing state grant requirements; and requiring a sign on capital improvements that identify projects as projects funded with money from the vote of the people of Minnesota on November 4, 2008.

**Subd. 3. Special review.** Requires projects receiving an appropriation totaling more than \$10,000,000 in a biennium to have all contracts and real estate transactions reviewed by the attorney general, and have a second appraisal completed for land acquisitions.