



May 7, 2019

The Honorable Bill Ingebrigtsen, Chair
Senate Env. & Natural Resources Finance Committee
Minnesota Senate
3207 Minnesota Senate Building
St. Paul, MN 55155

The Honorable Rick Hansen, Chair
House Env. & Natural Resources Finance Division
Minnesota House of Representatives
407 State Office Building
St. Paul, MN 55155

Dear Senator Ingebrigtsen, Representative Hansen, and Conferees:

Thank you for the opportunity to provide comments on Senate File 2314 the Omnibus Environment and Natural Resources Bill.

Minnesotans value their natural resources and care about clean water and productive use of their land and infrastructure. Minnesotans also expect a great deal from the state agencies charged with overseeing natural resources, and we take that responsibility seriously. Working in partnership with the local governments who implement conservation practices on the ground, we have been making noticeable progress. Governor Walz is committed to building on past successes and creating future opportunities to advance conservation.

We appreciate the many important conversations this session, and as the conference committee moves towards collaboration and compromise, we focus our remarks on two areas: 1) those provisions that provide the greatest public benefit; helping Minnesotans implement conservation choices on their land; and 2) those provisions that, if enacted, would result in serious and negative consequences to the state's progress towards clean water and productive soils.

Policy:

With bi-partisan authorship in both the House and Senate, the Clean Water Legacy Act - Coordinated Water Management policy legislation supports local action and increases the pace of progress to move more rapidly from planning to action. The language improves Chapter 103B/114D provisions to both assure accountability and provide flexibility – so that each watershed can be uniquely addressed based on information needs, land uses, and resource factors. This, along with the Chapter 103C provisions that provide technical clarification on Soil and Water Conservation District duties, will result in better and more efficient service delivery by local governments as they implement conservation and clean water projects. The Senate carries this language in SF2314, and the House carries same/similar language in the HF653, the Omnibus Legacy Finance bill, which is included in the side by sides. Thank you for these inclusions.

Bemidji 403 Fourth Street NW Suite 200 Bemidji, MN 56601 (218) 755-2600	Brainerd 1601 Minnesota Drive Brainerd, MN 56401 (218) 203-4470	Detroit Lakes 26624 N. Tower Road Detroit Lakes, MN 56501 (218) 846-8400	Duluth 394 S. Lake Avenue Suite 403 Duluth, MN 55802 (218) 723-4752	Mankato 11 Civic Center Plaza Suite 300 Mankato, MN 56001 (507) 344-2826	Marshall 1400 East Lyon Street Marshall, MN 56258 (507) 537-6060	Rochester 3555 9 th Street NW Suite 350 Rochester, MN 55901 (507) 206-2889	St Cloud 110 Second St. South Suite 307 Waite Park, MN 56387
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Central Office / Metro Office 520 Lafayette Road North Saint Paul, MN 55155 Phone: (651) 296-3767 Fax: (651) 297-5615

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Budget:

The House and Senate have significant fiscal differences. The agency and the Governor support the House approach which contains important funding provisions that directly benefit citizens across the state:

- **Critical Information Technology Infrastructure**
BWSR's existing wetland banking database is outdated, unsupported, and vulnerable to external attack. We must be able to serve those that use the wetland banking system and protect this important data and related transactions. Funding will also support the statewide grant management and results/reporting database used by local governments and the state, building the next generation system to incorporate technology advances over the past eight years and to properly track and provide oversight of grants which comprise over 80% of BWSR's budget.
- **Necessary Operational Adjustments**
The agency must incur required expenditure increases, such as leases, MN.IT base costs, and retirement compensations. This investment allows BWSR to continue meeting the needs of local government partners and assure taxpayer dollars are used properly and wisely. It benefits state and local governments by maintaining the agency's capacity for financial services, budget management and analysis, and grants allocations, upholding the level of service our partners both deserve and expect.

We have significant concerns with the fiscal aspects of the Senate bill. Budget provisions in the Senate bill are not supportive of or consistent with state and local conservation needs and goals. If enacted, they will adversely impact our state's environment and natural resources, impairing the capacity of the locally-led conservation delivery system.

Senate: 21% cut to agency base budget

BWSR and local conservation partners are reliant on the General Fund to meet both state and locally-led conservation responsibilities.

A 21% agency reduction has direct impact on every county in the state, and these cuts include:

- **Reduction in Natural Resources Block Grants base funding to Counties**
These funds support counties for their work to implement state laws, such as local implementation of the Wetland Conservation Act.
- **Reduction in Cost-share to landowners**
These funds provide Soil and Water Conservation Districts cost-share to help landowners keep soil on their land and to provide public benefits such as water quality improvement and flood control.
- **Elimination of all funding to local governments for weed management cooperatives**
This program is designed to stop the spread of invasive weeds – and losing funding has long-term consequences for the expansion of aggressive and harmful weed species.
- **Elimination of all Wetland Conservation Act funds**
This statutorily-mandated program, that has evolved into a national model for how citizens and agencies work together in wetland management, would be completely eliminated – resulting in no state support to protect wetlands and to help local governments and citizens follow state and federal statutes.

- **Elimination of all Drainage Management funds**

Removal of these funds puts both natural and manufactured drainage systems at risk. BWSR is responsible for maintaining the state’s public drainage manual, providing technical assistance and review of drainage engineering design, and coordinating the work of diverse partners (ag and commodity organizations, environment and conservation groups, local governments, drainage authorities, etc.) to ensure that public drainage management is well managed and inclusive.

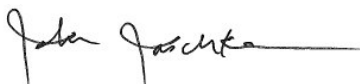
Additionally, by the Senate exclusion of the Governor’s recommended investments in critical technology and operations, we decrease direct support to the local governments and landowners we serve. BWSR’s existing wetland banking database is outdated, unsupported, and vulnerable to external attack. In a time where external cost increases such as leases and technology presently affect agency capacity, reducing already-deficient funding will have substantial impact on our level of service.

Reducing General Fund support for conservation runs counter to the needs and interests of current and future generations of Minnesotans with a growing reliance on our coveted water and soil resources. The reductions in the Senate bill send us backward.

Finally, the state’s soil and water conservation districts (SWCDs) provide vitally important and cost-effective conservation services at the local level. The House bill provides a one-time appropriation of \$7M. The Senate bill reduces SWCD funding by an additional \$2M. All of us recognize the need for sufficient, stable, and consistent base-level funding essential to SWCDs and we appreciate the thoughtful and challenging discussions in both chambers. Now is the time to resolve this challenge, so SWCDs can continue to be the “boots on the ground” conservation experts helping Minnesota citizens be good stewards of their land.

We appreciate your commitment to protecting and improving Minnesota’s environment and natural resources and are committed to working towards solutions with you and others in the remaining two weeks of this legislative session.

Sincerely,



John Jaschke, Executive Director
Minnesota Board of Water and Soil Resources