

Chair Leon Lillie  
Legacy Finance Committee  
365 State Office Building  
St. Paul, MN 55155

RE: Legacy Omnibus Bill DE2, HF1079

March 25, 2021

Chair Lillie and members of the Committee:

As the Committee reviews the delete-all amendment to HF1079, which would create an omnibus Legacy Funds bill, we write to highlight several items in the proposed delete-all amendment that The Nature Conservancy (TNC) supports and some provisions that are of concern.

We are pleased the appropriation recommendations made to the legislature by the Lessard-Sams Outdoor Heritage Council are represented in the Outdoor Heritage Fund appropriations delete-all.

While we are concerned there have been changes made to appropriations recommended by the Clean Water Council (CWC) for the use of the Clean Water Fund, we are pleased the bill preserves important recommendations made by the CWC, including:

- Line 45.8, Technical Assistance through the Department of Agriculture. Projects included in this program, specifically the Root River Field to Stream Partnership, have created an understanding of in-field and edge of field conservation practices that had not previously existed. Applying sound science to inform public conservation service and private sector agronomic advice is essential to improving water quality in agricultural watersheds.
- Line 55.21, Working Lands Floodplain Easements through the Board of Water and Soil Resources (BWSR). This program protects clean waters by protecting vulnerable areas and prevents floodplain development by supporting working lands that benefit water quality.
- Line 58.7, Grants to landowners for adoption of cover crops through BWSR. Cover crop adoption in Minnesota remains below 4%. In order to achieve water quality and water storage goals, we will need to increase soil health practices like cover crops utilization to nearly 50% in Minnesota.
- Line 64.17, Quantifying the multiple benefits of clean water investments. In addition to goals stated in statute, this proposal will inform and improve future CWC recommendations and Clean Water Fund use efficacy.

We also support several items in the delete-all amendment that would use Clean Water Fund surplus funds on projects that fit within the CWC's Strategic Plan objectives, including:

- Line 57.31, an increase to the Watershed Partners Legacy Grant program administered by BWSR. This grant program will create an opportunity for new stakeholders to access Clean Water Funds, and could lead to new, innovative projects addressing water quality.

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- Line 59.1, the addition of grants to address soil health and soil erosion for the benefit of groundwater, administered by BWSR.
- Line 59.11, the addition of grants to support soil health to prevent wind erosion for the benefit of surface waters, administered by BWSR.

While there is much to commend in the proposed bill, we are concerned about the following components proposed in or missing from the delete-all. TNC encourages the Committee to revisit these items when considering amendments:

- Line 58.1, a \$5.16 million reduction to the appropriation that was recommended by the CWC for Wetland Restoration Easements. Altered hydrology is a primary driver for increased sedimentation and nutrient delivery to receiving waters. Targeted wetland restoration is needed to store water, filter runoff, provide habitat and improve downstream waters.
- Removal of the CWC-recommended appropriation of \$1.7 million for Conservation Drainage and Management Assistance. Minnesota has over 20,000 miles of drainage ditch, much of it established over 100 years ago. Improvements can regulate the volume of water and attenuate nutrients and sediment for the benefit of downstream waters. Improvements also reduce long-term maintenance costs on the infrastructure itself. This program will continue to be instrumental in providing drainage innovations and transforming the existing drainage system into one that reduces environmental impacts, contributes toward the state's nutrient reduction goals, and provides much-needed water storage within agricultural landscapes.
- Line 58.17, Grants to Soil & Water Conservation Districts (SWCDs). We recognize the inclusion of \$12 million proposed for SWCD capacity grants is meant to be a temporary solution with the promise of a long-term funding solution for SWCDs, and we appreciate and support the need to identify a long-term solution outside the Clean Water Fund. However, if Clean Water Funds are used to finance SWCD capacity needs this biennium, we encourage the Legislature include language that would pay back the Clean Water Fund for that amount with future budget surpluses, as has been done in the past.
- Line 60.1, an incomplete solution to address long-term funding for SWCDs. We recommend the legislature commission a study that brings together state agencies, the Legislature and stakeholders to identify viable state and local long-term funding options for Soil and Water Districts, to be completed by January 2022.

Thank you for your work to continue the benefits of the Legacy funds for Minnesota.

Sincerely,

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The Nature Conservancy in Minnesota

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