



May 6, 2022

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 & Policy
Committee
Minnesota House of Representatives
407 Rev Dr Martin Luther King Jr Blvd
St. Paul, MN 55155

Dear Senator Ingebrigtsen, Representative Hansen, and Conferees:

Thank you for the opportunity to provide comments on Senate File 4062, the Omnibus Environment Policy and Supplemental Appropriations 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 local governments to transition to a watershed-based resource management approach and strategically implement a wide variety of on-the-ground conservation practices, we are making noticeable progress.

We appreciate the work done so far this session and look forward to continued conversation as the conference committee moves towards collaboration and compromise. Below are our comments for provisions related to the Board of Water and Soil Resources (BWSR).

Article 1 - Appropriations

The House and Senate have significant fiscal differences for BWSR related provisions. The agency supports the House approach which contains important funding provisions that directly benefits citizens across the state. This is an opportunity to make practical and long-lasting investments in conservation with climate, habitat, and clean water benefits.

We appreciate the House Omnibus bill's strong support for environment and natural resources issues as evidenced by several items that are Governor's recommendations that will help improve the important work of locally-led conservation. Specifically:

- **Water Storage Projects**

Minnesota is experiencing larger and more frequent and intense rainfall events, resulting in negative impacts to agriculture production and infrastructure, significant erosion along riverbanks, and declining water quality. This program provides matching funds to producers and local governments for water storage projects that will slow down or temporarily hold back water from reentering streams or rivers.

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As defined in the statute for this program, water storage includes retention structures and basins, soil and substrate infiltration, wetland restoration, creation, or enhancement, channel restoration or enhancement, and floodplain restoration or enhancement projects. The \$10 million in the House bill, while not at the Governor's recommended \$15 million, will help landowners, agricultural producers, and local governments to build resiliency and avoid costly damage to lands, waters, and infrastructure. We appreciate the opportunity to work with the conference committee chairs to fine-tune how this appropriation might be used to the greatest benefit and ensure this appropriation can be used to leverage federal funds from the US Department of Agriculture (USDA).

- **Soil Health Practices**

Soil health is the soil's ability to sustain agricultural crop productivity while providing essential functions such as regulating water, filtering and buffering pollutants, and cycling nutrients without resulting in soil degradation or otherwise harming the environment. One of the best ways to improve soil health is to keep farmland covered with vegetation for much of the year. Practices such as cover crops, reduced tillage, and planting perennial vegetation (known as continuous living cover) help to increase organic matter and build healthier soils.

Farm census data indicates that approximately 2% of Minnesota's ag land includes cover crops. Common hurdles to implementation include lack of information specific to northern climates, access to equipment and support, and funding to sufficiently offset risk until the crop is established. We appreciate the \$5 million in the House bill to accelerate soil health efforts and are working to leverage complementary federal funds from USDA for this important work.

- **Support for Tribal Liaison at BWSR**

The House provision will allow BWSR to comply with new requirements for formal consultation and coordination with Minnesota's eleven Tribal nations, per statutory requirements enacted by the Legislature in 2021. We welcome the inclusion of \$125,000 in FY 23 for 1 FTE for this purpose.

- **Support for unreimbursed COVID-related costs**

We appreciate the \$595,000 for COVID-related unreimbursed costs at BWSR in the House bill. This funding will allow us to provide catch-up engineering and other services for projects upon which landowners and local governments are relying.

BWSR also recognizes significant environmental benefits our State will gain from other provisions in the bills, including:

- **Conservation Reserve Program (House)**
- **Lawns to Legumes (House)**
- **Reinvest in Minnesota Reserve Program (House)**
- **Accelerated tree planting (House)**
- **Continuation of Clean Water Act Section 404 Assumption efforts (Senate)**

It is important to note that most of these appropriations provide opportunity to bring federal dollars to Minnesota to address growing threats to the livelihoods of farmers, landowners and to the fiscal capacities of local governments. Although details are still being worked out, federal leveraging amounts are expected to be 1:1 or better, so failing to invest in these programs would be a missed opportunity.

Article 2 - Policy/Programs

There is also a noted difference between the Senate and House versions of this Omnibus bill. We appreciate the House policy language included for the following BWSR provisions:

- **Increasing BWSR Board Member Per Diem**
- **Easement Stewardship Account Modification**
- **Lawns to Legumes program established**

In particular, the modifications to the Easement Stewardship and Mitigation accounts are budget neutral and will ensure prudent use of these dedicated funds to protect the state's investments in these public assets. The proposed language in the House bill brings greater efficiency into expenditure of state funds for repair and replacement of water control structures. This policy change allows repair or replacement to prevent emergency situations.

We appreciate your commitment to protecting and improving Minnesota's environment and natural resources and we look forward to continuing the conversation with you and conference committee members in the weeks ahead.

Sincerely,



John Jaschke, Executive Director

cc: Sen. Patricia Torres Ray, Ranking Minority Member, Senate Environment Finance Committee
Rep. Josh Heintzeman, GOP Lead, House Environment and Natural Resources Finance and Policy
Rachel Ganani, Policy Advisor to Gov. Tim Walz and Lt. Gov. Peggy Flanagan