



April 21, 2022

The Honorable Rena Moran
Chair, House Ways and Means Committee
449 Rev Dr Martin Luther King Jr Blvd
St. Paul, MN 55155

Dear Chair Moran and Ways and Means Committee Members,

Thank you for the opportunity to provide comments on House File 4492-1E, the House Supplemental Environment and Natural Resources Omnibus 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.

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

- **Support for Water Storage and Treatment Program**

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.

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 HF 4492-1E, 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. In addition, this appropriation is expected to leverage federal funds from the US Department of Agriculture (USDA).

- **Support for accelerated Soil Health efforts**

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 bill to accelerate soil health efforts and will work to leverage complementary federal funds from USDA for this important work.

- **Support for Tribal Liaison at BWSR**

HF4492-1E 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 to hire 1 FTE for this purpose.

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

We appreciate the \$595,000 in HF 4492-1E for COVID-related unreimbursed costs at BWSR. This funding will allow us to provide catch-up engineering and other services for projects upon which landowners and local governments are relying.

- **Support for budget neutral policy change**

We also appreciate including the budget neutral policy language changes that will bring greater efficiency into BWSR's expenditure of state funds for repair and replacement of water control structures. This policy change allows repair or replacement to occur before an emergency situation is created, and we appreciate its inclusion in the bill.

We have two small concerns with the policy language in HF4492-1E. First, the appropriation for soil health practices needs a mechanism to accommodate multi-year contracts with landowners and local governments. This mechanism could best be accomplished via appropriations in the tails, as was the Governor's recommendation, or it could be accomplished via language making the funds available for expenditure through fiscal year 2028 to accommodate up to five-year contracts.

Second, we believe the policy language for the soil health program and goals could be most efficiently and effectively implemented if the Governor's policy recommendation for implementation could be added to the bill. This language (Article 3, Section 1, Subdivision 6 of HF4366 as introduced) would direct BWSR to work with other state and federal agencies, academic institutions, local governments, and practitioners in a collaborative approach to implement soil health goals and program elements.

We appreciate the Environment and Natural Resources Finance and Policy Committee's work and the bill's strong support for conservation of Minnesota's lands and waters. We look forward to continued conversations in the weeks ahead.

Sincerely,



John Jaschke
Executive Director, Board of Water and Soil Resources

Cc: Rep. Rick Hansen, Chair, Environment and Natural Resources Finance and Policy
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