
LEGISLATIVE-CITIZEN COMMISSION

ON

**MINNESOTA RESOURCES
(LCCMR)**

**Fall 2006 Operations Plan
for Funding Recommendations**

And

Proposed Future Direction

Adopted

October 12, 2006

Sen. Ellen Anderson, Al Berner, Jeff Broberg, Rep. Lyndon Carlson, Sen. Satveer Chaudhary,
Sen. Dennis Frederickson, Nancy Gibson, David Hartwell, John Herman, John Hunt, Mary
Mueller, Rep. Pete Nelson, Rep. Dennis Ozment, Rep. Kathy Tingelstad, Sen. Pat Pariseau,
*Sen. Jim Vickerman, Rep. Jean Wagenius

*Designated by Sen. Dallas Sams, Chair of Environment, Agriculture, and Economic
Development Budget Division

Legislative-Citizen Commission on Minnesota Resources
100 Rev. Dr. Martin Luther King Jr. Blvd.
Room 65 State Office Building
St. Paul, MN 55155

TABLE OF CONTENTS

Background.....3

I. Fall 2006 Operations Plan – Process for Funding Recommendations
to the 2007 Legislature.....5

A. Land Protection.....6

B. Water Resource Conservation and Protection7

C. Regional Grants for Land Protection and Water Resources.....8

II. Six-year Strategic Plan for the Environment and Natural Resources Trust Fund 10

III. Statewide Conservation and Preservation Plan 11

Appendices

Appendix A (Trust Fund Constitution M.S. 116P.08).....12

Appendix B (Trust Fund Vision and Mission Statement)13

Appendix C (RFP for Water Resource Conservation and Protection)..... 14

LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES (LCCMR)

Fall 2006 Operations Plan for Funding Recommendations and Proposed Future Direction

- I. **Fall 2006 Operations Plan - Process for Funding Recommendations to the 2007 Legislature**
- II. **Six-Year Strategic Plan for the Trust Fund - Proposed process for the development of the required Six-Year Strategic Plan for expenditures from the Environment and Natural Resources Trust Fund**
- III. **Statewide Conservation and Preservation Plan - Proposed process for the development of a Statewide Conservation and Preservation Plan to inform future expenditures and updates to the Six-Year Strategic Plan for the Trust Fund**

Background

Establishment and Responsibility of LCCMR

Established in legislation in 2006, the Legislative–Citizen Commission on Minnesota Resources (LCCMR) convened in late August 2006 with a unique governance structure consisting of seven appointed citizens and ten legislators charged with providing recommendations for expenditure from the Environment and Natural Resources Trust Fund to the Minnesota Legislature. The LCCMR is guided by the constitutional amendment for the Environment and Natural Resources Trust Fund (Trust Fund) and M.S. 116P, the implementing statute (Appendix A). Recommendations to the legislature for Trust Fund expenditures are to be made annually.

Statutory Charge

M.S. 116P directs the LCCMR to:

- (1) develop a six-year strategic plan to guide their recommendations for the use of the proceeds of the Environment and Natural Resources Trust Fund;
- and (2) recommend annual appropriations from the Trust Fund to the Legislature in January of each year.

The 2005 Advisory Task Force that recommended the new governance structure also recommended that the funding recommendations be provided in the form of a free standing legislative bill, intended for passage early in each annual legislative session.

Environment and Natural Resources Trust Fund and Other Funds

The amounts available from the Trust Fund for FY08 (beginning July 1, 2007) and FY09 (beginning July 1, 2008) is \$22,688,000 for each year based on 5.5% of the corpus value of the Trust Fund as of June 30, 2006. The total corpus value on June 30, 2006 was \$415,755,141. In addition to the Trust Fund, the LCCMR has the responsibility to recommend funding from the State Land and Water Conservation Account (LAWCON), Oil Overcharge Money and the Great Lakes Protection Account. The dollars available for recommendation from these funds will be estimated at the time of the November 2006 forecast.

Proposed Fall 2006 Activities and Decisions (Short-term Operations Plan)

Because the LCCMR was not fully appointed until late August 2006, there is a very short time-frame available to develop the funding recommendations for the 2007 Legislature. Due to this short time-frame, the LCCMR concluded that an abbreviated process for 2007 recommendations is appropriate.

The LCCMR recommendations for Trust Fund expenditures in this initial annual cycle for consideration by the 2007 legislature will focus on a discrete number of specific programs targeted at Land Protection and Water Resources. The land protection and conservation activities being recommended are targeted to ensure the continuity in baseline surveys and research and opportunities for land acquisition and conservation easements that, if lost, will not be available in the future. The water resource focus recommendations will be for water resource conservation and protection.

This document outlines the process the LCCMR will use to develop Trust Fund expenditure recommendations to the 2007 legislature and to meet its future statutory responsibilities for strategic planning as follows:

- I. **Fall 2006 Operations Plan - Process for Funding Recommendations to the 2007 Legislature**
- II. **Six-Year Strategic Plan for the Trust Fund - Proposed process for the development of the required Six-Year Strategic Plan for expenditures from the Environment and Natural Resources Trust Fund**
- III. **Statewide Conservation and Preservation Plan - Proposed process for the development of a Statewide Conservation and Preservation Plan to inform future expenditures and updates to the Six-Year Strategic Plan for the Trust Fund**

To guide the process and recommendations of the LCCMR for the Trust Fund, the LCCMR affirmed and adopted the Trust Fund Vision and Mission Statement from the 1989 Strategic Plan for the Trust Fund (Appendix B). These statements of Vision and Mission will continue to be reviewed over time by the LCCMR.

I. Fall 2006 Operation Plan - Process for Funding Recommendations to the 2007 Legislature

The recommendations for 2007 will be targeted on two focus areas of **Land Protection and Water Resource Conservation and Protection** and will include three approaches to funding.

All projects recommended for funding are expected to have a sound scientific basis that can be evaluated and verified.

The available funding will be recommended to both Land Protection and Water Resource Conservation and Protection focus areas. It is the intent of the LCCMR to recommend a large portion of the funding to Land Protection.

A. Land Protection

The Commission will strategically select certain outstanding ongoing Trust Fund projects that focus on land protection and conservation, including baseline survey work.

B. Water Resource Conservation and Protection

The Commission will issue a Request for Proposal (RFP) for innovative approaches to water resource conservation and protection and solicit strategically selected Trust Fund projects.

C. Regional Grants - Land Protection and Water Resources

The Commission will consider recommending an allocation for four separate regional grant programs.

1. The DNR Local Initiative Matching Grants Program for acquisition of outstate regional parks and natural and scenic areas;
2. The Metropolitan Council, Metropolitan Regional Park and Open Space Program (40% match provided by the Council) for acquisitions identified in adopted Metropolitan Regional Park Plans;
3. The DNR Local Initiative Matching Grants program for small grants for natural resource management through conservation and environment partnerships; and
4. The Board of Water and Soil Resources (BWSR) Local Water Management Matching Challenge Grant program for implementation of priority activities identified in approved local water management plans.

The process to be used for these funding recommendations is outlined below.

A. Land Protection

Strategically select certain outstanding past or currently funded projects that focus on land protection and provide additional funding to continue the selected projects.

Criteria

Selected projects are based on the criteria below:

- Projects that are consistent with the Trust Fund (...for the public purpose of protection, conservation, preservation and enhancement... MN Const. Sec 14). (Appendix A)
- Projects that are consistent with M.S. 116P.08
http://www.revisor.leg.state.mn.us/bin/getpub.php?pubtype=STAT_CHAP&year=current&chapter=116P (Appendix A)
- Projects that have an existing operational structure with strong evidence of demonstrated high quality, high value results and measurable outcomes.
- Projects that have a verifiably sound scientific basis.
- Projects that seek biological control of exotic or invasive species which threaten natural diversity.
- Projects that provide information upon which to base sound environmental decisions about the use and management of the land.
- Projects that protect land by fee or permanent easements. For fee acquisition the land must be restored to meet at least minimum public use standards.

The use and protection of native species is required for all projects.

For acquisition and conservation easements, priority is to be given to acquiring lands with high quality natural resources and conservation lands that provide natural buffers to water resources. Conservation easements must be perpetual.

Selection Process

The project selection process for the land protection focus will consist of evaluating current or formerly funded projects to determine the projects that best meet the criteria. Further evaluation will determine the amount of money allocated and a time frame. The process will also identify the parts of the previous projects that had the most success and direct the new funding to similar efforts.

The projects identified for consideration of 2007 funding will be requested to submit a proposal for review and evaluation.

Specific project funding recommendations will occur during the period of September through December 2006, in preparation for January 2007 funding recommendations to the legislature.

The projects being evaluated for consideration for 2007 funding in the focus area of Land Protection include:

- Forest Conservation Easements, including Forest Legacy
- Metropolitan Conservation Corridors (Metropolitan Wildlife Corridors)
- Habitat Corridors Partnership (HCP) Outstate
- Private and Public Forest Stewardship
- Private and Public Prairie Stewardship
- State Parks and Trails Acquisition
- Biological Control of Invasive Species
- MN County Biological Survey
- Soil Survey

B. Water Resource Conservation and Protection

Request for Proposal

A RFP will be issued seeking proposals that demonstrate innovative approaches to solving water resource issues. The RFP for the conservation and preservation of Minnesota's water resources is attached as Appendix C.

Selection Process

The project funding selection process for the water focus will consist of:

- A published request for proposals (RFP), issued by Oct. 16, 2006 with proposals due Nov. 16, 2006.
- Evaluation of proposed projects to determine the best possible proposals for 2007 recommendations. The Commission may use a combination of staff and technical advice, proposal presentations, and peer review.
- Criteria to be used in the proposal evaluation are published in the RFP.
- Project selection for funding recommendation will occur during the period of mid-November 2006 to early January 2007, in preparation for mid-January 2007 funding recommendations.
- Proposals that are eligible for the Local Water Management Matching Challenge Grant Program will not be accepted in response to the water RFP.

Select Projects

In addition to the RFP for Water Conservation and Protection, the LCCMR has selectively identified two projects for consideration of 2007 funding.

Select projects being evaluated for consideration for 2007 funding in the focus area of Water Resources include:

- County Geologic Atlas
- Impacts on Minnesota's Aquatic Resources from Global Climate Change (2006 appropriation)

The projects identified for consideration of 2007 funding will be requested to submit a proposal for review and evaluation.

Specific project funding recommendations will occur during the period of September through December 2006, in preparation for January 2007 funding recommendations to the legislature.

C. Regional Grants for Land Protection and Water Resources

M.S. 116P allows and encourages some form of block grants to the various regions of the state, to be administered by an existing organization for re-granting to projects that meet local needs but that are also consistent with the Strategic Plan.

For the 2007 funding, LCCMR will consider recommending an allocation for four state and regional matching grant programs targeted to local units of government and nonprofits. These programs operate a competitive process with careful evaluation and very thorough management and evaluation.

The programs identified for consideration of 2007 funding will be requested to submit a proposal for review and evaluation.

Priority is to be given to acquiring lands with high quality natural resources and conservation lands that provide natural buffers to water resources. Conservation easements must be perpetual.

Proposals that are eligible for the following grant programs will not be accepted by the LCCMR.

- **DNR Local Initiative Matching Grants Program**

Regional Park Matching Grant Program (for cities, counties, townships located outside the seven-county metropolitan area) for acquisition costs of regional parks.

Natural and Scenic Area Matching Grant Program (for cities, counties, townships and school districts) for acquisition of natural and scenic areas.

