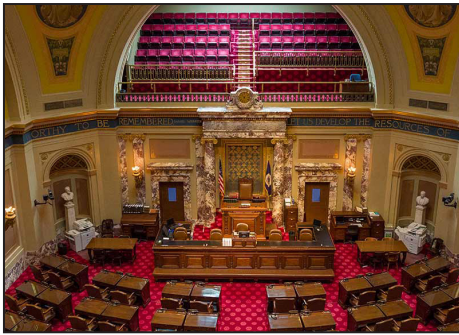


2023 Legislative Session delivers myriad conservation investments



The Minnesota Legislature allocated \$155 million from the Clean Water Fund to BWSR for the 2024-25 biennium to support competitive grants, Watershed-Based Implementation Funding, easements and other conservation priorities.

Conservation efforts overseen by the Minnesota Board of Water and Soil Resources (BWSR) will benefit from funding allocations and policy changes passed during the 2023 Legislative Session. These significant investments in conservation provide new funding for emerging initiatives, continued funding for existing programs and support for Gov. Tim Walz’s Climate Action Framework for natural and working landscapes. Highlights are covered in this wrap-up; see BWSR’s website for a more in-depth [2023 BWSR Legislative Summary](#) that includes complete funding breakdowns.

General fund

The Minnesota Legislature passes a biennial budget during odd-numbered years. BWSR’s general fund budget for fiscal years 2024 and 2025 (FY24-25) supports ongoing grant programs, agency operations, easement stewardship and Wetland Conservation Act implementation. Many of these programs were funded at the same levels as the previous biennium. New fiscal years begin on July 1.

Changes include a one-time increase for county Natural Resources Block Grants, a one-time increase for southwest Minnesota’s Area II Minnesota River Basin Projects’

floodplain management, and ongoing funding for a BWSR tribal liaison. Noteworthy one-time general fund appropriations this biennium include: \$21 million for soil health efforts; \$17 million for water quality and storage; \$4 million for the Lawns to Legumes Program; \$1 million for the Habitat Friendly Utilities Program; \$4 million for the Habitat Enhancement Landscape Program (HELP); \$21 million for grassland easements; \$9 million for peatland easements; \$4 million to enhance existing easements and \$3 million for Conservation Reserve Program (CRP) state incentives.

Clean Water Fund

The Legislature approved the Clean Water Council’s recommendation for BWSR to receive \$155 million from the Clean Water Fund (CWF) this biennium. Nearly 90% will go to local governments for conservation implementation. Funding highlights include: \$79 million for Watershed-Based Implementation Funding; \$17 million for competitive projects and practices grants; \$11 million for accelerated implementation grants and \$10 million for wetland restoration easements.

This year’s Clean Water, Land and Legacy Act Bill appropriated more than \$318 million from the CWF

From left: *The Minnesota Senate passes legislation in the senate chamber; "The Progress of the State," a gilded quadriga statue, perches atop the Minnesota State Capitol; the Minnesota House of Representatives passes legislation in the house chamber. Photo Credits: Minnesota Historical Society*

across state government for the 2024-25 biennium.

New this year: The 2023 Omnibus Tax Bill established Soil and Water Conservation District (SWCD) Aid as a direct payment from the Minnesota Department of Revenue to SWCDs. Previously, this funding came from the CWF.

Outdoor Heritage Fund

Through the approved Clean Water, Land and Legacy Amendment Bill, BWSR will receive funding for six projects as recommended by the Lessard-Sams Outdoor Heritage Council:

- \$4.1 million: Reinvest in Minnesota (RIM) Reserve for wetlands
- \$3.3 million: RIM Reserve for One Watershed, One Plan
- \$2.7 million: RIM Reserve for grasslands
- \$2.7 million: RIM Reserve for working lands
- \$2.1 million: Camp Ripley Army Compatible Use Buffer (ACUB) Program
- \$1.5 million: Buffalo-Red River Watershed District stream habitat

Environment and Natural Resources Trust Fund

The Environment Omnibus Bill passed this year included funds from the Environment and Natural Resources Trust Fund (ENRTF) for projects recommended



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by the Legislative-Citizens Commission on Minnesota Resources (LCCMR). BWSR is listed as a collaborator with three programs: Statewide Forest Carbon Inventory and Change Mapping, Conservation Cooperative for Working Lands, and Increasing Diversity in Environmental Careers. Language updates to a 2022 BWSR appropriation to reflect efforts for the Watershed and Forest Restoration: What a Match! project were also included.

Capital investment

The Legislature approved a total of \$2.6 billion of capital investment funding this year via two bills — one containing general obligation bonds and another for general fund spending. These bills included four BWSR appropriations and funding for additional Minnesota Department of Natural Resources (DNR) flood hazard mitigation projects. The DNR projects, to the extent practicable and consistent with the project, shall create wetlands that are eligible for wetland replacement credit in BWSR's Local Government Road Wetland Replacement Program.

Policy changes

Multiple BWSR-related policy provisions passed as part of the Environment Omnibus Bill:

Program updates:

New statute language creates frameworks for the following programs: Lawns to Legumes, RIM, RIM Working Lands, Habitat Friendly Utilities and the HELP program. A framework was also developed for an initiative that supports soil health practices.

Easement stewardship accounts:

These changes will allow BWSR to use existing stewardship accounts to undertake critical maintenance of water management structures that are located on BWSR-managed easements.

Wetland banking:

Updated language improves the state's valuable wetland banking program, which generates mitigation credits to offset negative impacts to wetlands.

Drainage Work Group (DWG) expectations:

The omnibus bill requires the DWG to review a drainage authority's power

on various provisions including abandonment, reconstruction, or dismantling of water-control structures. Language in the bill also directs BWSR and the DWG to evaluate and develop recommendations on outlet adequacy and public notice requirements for proposed public drainage.

Updates for conservation practices:

New language reflects BWSR's efforts to work on conservation practices such as habitat restoration and climate work in addition to existing water quality practices.

Clarify ability to work with tribal governments and others:

Provisions in the bill extend BWSR's opportunities for collaboration, including grant agreements and conservation practices, with partners outside of its traditional clientele of local governments.

Updates to recognize future funding opportunities:

Updates were made to existing cost-share statute language for grants to SWCDs. This change creates more flexibility and reflects the opportunity to use a framework for potential funding from the federal government and other non-state sources.

Clarify watershed districts authority for establishing projects:

Updated language clarifies that following a project hearing, watershed district managers will initiate the project through an establishment order.

Compensation:

BWSR Board members' daily compensation cap increased from \$75 to \$125.