

2025 legislative work funds local conservation including soil health, easements, wetlands



YOUR Clean Water
Fund AT WORK

The Minnesota Legislature allocated \$139.3 million from the Clean Water Fund to BWSR for the 2026-27 biennium to support Watershed-Based Implementation Funding, competitive grants, easements and other conservation priorities.

Conservation programs and initiatives overseen by the Minnesota Board of Water and Soil Resources (BWSR) will benefit from funding allocations and policy changes passed during the 2025 regular legislative session and a June 9 special session.

Allocations for the 2026-27 biennium emphasize support for local government conservation delivery, including competitive and noncompetitive grants. Programs and initiatives funded this budget cycle include local soil and water conservation district (SWCD) conservation delivery grants, conservation easements, soil health implementation, wellhead protection and wetland restorations.

The following are among this session's conservation highlights.

Capital investment (bonding)

The Minnesota Legislature passed a \$700 million capital investment (bonding) bill during the special session. It includes \$5 million for BWSR's Local Government Road

Wetland Replacement Program (LGRWRP), which develops wetland mitigation by restoring previously drained or filled wetlands and adjacent uplands. The LGRWRP then provides this wetland mitigation to local road authorities — such as counties, cities and townships — to offset impacts to wetlands that occur while repairing, restoring or replacing public roads.

General fund

The Legislature passes a biennial budget during odd-numbered years. BWSR's general fund budget for fiscal years 2026 and 2027 (FY26-27) reflects a measured approach to the state's priorities given an unclear budget outlook. New fiscal years begin on July 1.

BWSR received a total of \$35.2 million in general fund dollars for the next biennium. Allocations include \$3.1 million annually for SWCD conservation delivery grants and \$3.4 million annually for County Natural Resources Block Grants. Additional funding was dedicated to invasive species and weed management, technical assistance for the Minnesota Drainage Work

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

Group and soil health practices administration. Pass-through funding for certain areas of the state — including the Red River Basin, Lower Minnesota River watershed and southwestern Minnesota floodplains — totaled \$960,000.

Included in the total, BWSR received one-time appropriations of \$200,000 for agreements with local governments to implement programs that reduce water pollution caused by garbage and other waste left on the ice of state waters. An additional \$3 million was allocated to the LGRWRP to help mitigate local projects.

Clean Water Fund

The Legislature approved the Clean Water Council's recommendation for BWSR to receive \$139.3 million from the state's Clean Water Fund (CWF) for BWSR initiatives during the FY26-27 biennium, with most funds set aside for local conservation implementation. Funding highlights include: \$88.1 million for Watershed-Based Implementation

Funding (WBIF), \$6 million for competitive projects and practices grants, and \$8.7 million for accelerated implementation grants.

BWSR continues to transition its conservation funding model away from plan development and competitive grants — such as the projects and practices and accelerated implementation grants — while dedicating more dollars to formula-based WBIF grants. Planning partnerships formed via BWSR's One Watershed, One Plan Program and related efforts receive WBIF biennially to target the highest priority projects in Minnesota's watersheds as identified in local comprehensive watershed management plans.

In addition to funding conservation project implementation grants for local governments, Clean Water Funds approved this session include \$9.48 million for cover crop adoption, \$5 million for targeted wellhead easements, \$1 million for critical shoreland easements, \$2 million for working lands floodplain

easements, \$4 million for riparian protection and \$2 million for conservation drainage management.

Additional CWF dollars will support BWSR's work with its partners, including \$1.5 million for agreements with the Conservation Corps of Minnesota & Iowa, \$1 million for implementing the Clean Water Legacy Partners Grant Program, and \$1 million for local partners in the Lake Superior basin to leverage federal funding such as the Great Lakes Restoration Initiative.

Outdoor Heritage Fund

Through the Legacy Finance Bill, BWSR will receive funding for six projects as recommended by the Lessard-Sams Outdoor Heritage Council:

- \$2.2 million: Camp Ripley Army Compatible Use Buffer (ACUB) Program
- \$3.4 million: RIM grasslands easements
- \$4 million: Reinvest in Minnesota (RIM) Buffers for Wildlife and Water
- \$4.3 million RIM

wetlands

- \$2.7 million: Integrating Habitat and Clean Water
- \$1 million: Mississippi Headwaters Habitat Corridor Project

Policy changes

BWSR-related policy provisions passed as part of the Environment and Natural Resources Bill. These include requiring BWSR to track extensions of decisions by other government units related to wetlands, as found in Minnesota Rules Chapter 8420. BWSR is required to provide a one-time legislative report in 2028 about these extensions. The bill also repealed a 2007 local government reporting requirement for ditch buffer strips. The repeal was recommended by the BWSR-facilitated Drainage Work Group since the reporting duplicates other, more comprehensive reporting requirements established through the 2015 Buffer Law.

BWSR staff members write and produce Snapshots, a monthly newsletter highlighting the work of the agency and its partners.