

Senators Dibble, Anderson, Rosen, Sams and Moua introduced--  
S.F. No. 1133: Referred to the Committee on Finance.

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A bill for an act

relating to appropriations; appropriating money for  
extended employment services; increasing a  
reimbursement rate.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [APPROPRIATION INCREASE.]

\$3,200,000 is appropriated from the general fund to the  
commissioner of employment and economic development for  
increasing the current 2004-2005 appropriation for extended  
employment services provided by Laws 2003, chapter 128, article  
10, section 2, subdivision 8.

Sec. 2. [INCREASE IN REIMBURSEMENT RATE.]

The reimbursement rate for extended employment services is  
increased to \$1.98 per work hour for center-based employment;  
\$3.53 per work hour for community employment; and \$3.98 per work  
hour for supported employment.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final  
enactment.

**Fiscal Note – 2005-06 Session**

**Bill #:** S1133-0 **Complete Date:** 03/18/05

**Chief Author:** DIBBLE, SCOTT

**Title:** EXTENDED EMPLOYMENT SVCS REIMB RATE

<b>Fiscal Impact</b>	<b>Yes</b>	<b>No</b>
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

**Agency Name:** Employment & Economic Dev Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

<b>Dollars (in thousands)</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Expenditures</b>					
General Fund	383	2,817			
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund	383	2,817			
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund	383	2,817			
<b>Total Cost &lt;Savings&gt; to the State</b>	383	2,817			

	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

### **Bill Description**

\$3,200,000 is appropriated from the general fund 'for increasing the current 2004-2005 appropriation for extended employment services'. It also increases reimbursement rates for extended employment program outcomes.

The bill takes effect the day after enactment.

### **Assumptions:**

1. The language specifies the current appropriation with immediate enactment. The assumption is that this increases expenditures for SFY2005. Provider contracts are closed on SFY2004 but open for SFY2005. Dollars would be earned under current open contracts. The contracts amounts would be distributed under the current funding rule MN Rule 3300.2005-3300.2055.
2. The appropriation is not added to the FY 2006-2007 base.
3. The higher rates paid in FY2005 are permanent and must be paid in FY2006 and beyond. The extended employment program pays for hours of work worked by individuals with severe disabilities. Since the rate per hour of work reported increases, fewer hours of work would be needed to earn dollars available under the current appropriation.
4. Specified changes in the payment rates for performance outcomes would be applied only from the date following final enactment. Enactment date is assumed to be May 21<sup>st</sup>. Expenditures made would be determined from actual performance during the period following enactment. The expenditure provided is based on an estimate from year to date performance by the 31 community rehabilitation program providers.
5. Unearned dollars would be carried forward and expended under authority contained in MS 268a.15.
6. Administrative costs would be to amend 31 provider contracts and to reprogram software. This would be done using existing staff. No administrative dollars are specified in the bill.

### **Expenditure and/or Revenue Formula**

The process for authorizing expenditures is specified in MN Rule 3300.2005-3300.2055.

### **Long Term Fiscal Considerations**

The legislation codifies funding rates. The specified rates are 25% greater than current rates. At current base funding levels the increased rates would decrease the outcomes for the program in subsequent years. Also the current funding rule allows the department to adjust the rates based on changes in cost of living. This flexibility would be lost. Future rate changes would require legislative changes.

If the appropriation is not added to base in FY06 and FY07 and in the following years, a potential of twenty to twenty five percent fewer persons would be served annually in the out years. Without future funds to supplement the rate increase, the program would have to serve fewer individuals.

There may be an effect on maintenance of effort in federal match for the vocational rehabilitation program. It is not clear from existing data. If there is a change it is likely to be an increase although probably a small one.

### **Local Government Costs**

No local government costs.

### **Reference Sources**

1. MN Rule 3300.2005-3300.2055.

2. Laws 2003, chapter 128, article 10, section 2, subdivision 8

FN Coord Signature: MIKE MEYER  
Date: 03/18/05 Phone: 297-1978

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KEITH BOGUT  
Date: 03/18/05 Phone: 296-7642

**Senators Dibble, Frederickson, Kubly and Dille introduced--  
S.F. No. 1334: Referred to the Committee on Finance.**

1                                   A bill for an act  
2           relating to appropriations; appropriating money to  
3           fund grants for the deaf and hard of hearing.  
4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:  
5           Section 1. [APPROPRIATION.]  
6           \$210,000 is appropriated from the general fund to the  
7           commissioner of employment and economic development to fund  
8           grants to the Minnesota Employment Center for people who are  
9           deaf and hard of hearing. This amount is added to the budget  
10          base.



**City of Austin  
Flood Event  
September 15, 2004**



**UPPER CEDAR RIVER WATERSHED  
FLOOD REQUEST**

**REQUEST:** The Upper Cedar River Watershed is requesting "MATCHING" funds for a Regional Flood Mitigation Study. The funds requested of \$450,000 will provide the local match to Federal funding of \$550,000. Exhibit 1 shows area of study.

**COMMUNITY  
PROFILE:** Bonnie Rietz - Mayor of City of Austin

**NEED/  
HISTORY OF  
FLOODING:** The Upper Cedar River Watershed has been impacted by increasing frequency and severity of flooding. Exhibit 2 outlines flooding magnitude.

**BENEFITED  
PARTIES:** The proposed funds would go to the Soil Water Conservation Districts of Mower and Freeborn Counties for the area as identified on the attached watershed map. Benefited parties would include the following: Freeborn County, Mower County, Steele County, Dodge County, City of Austin, City of Hollandale, Turtle Creek Watershed, Soil Conservation Districts of Mower and Freeborn County and all downstream impacted property owners.

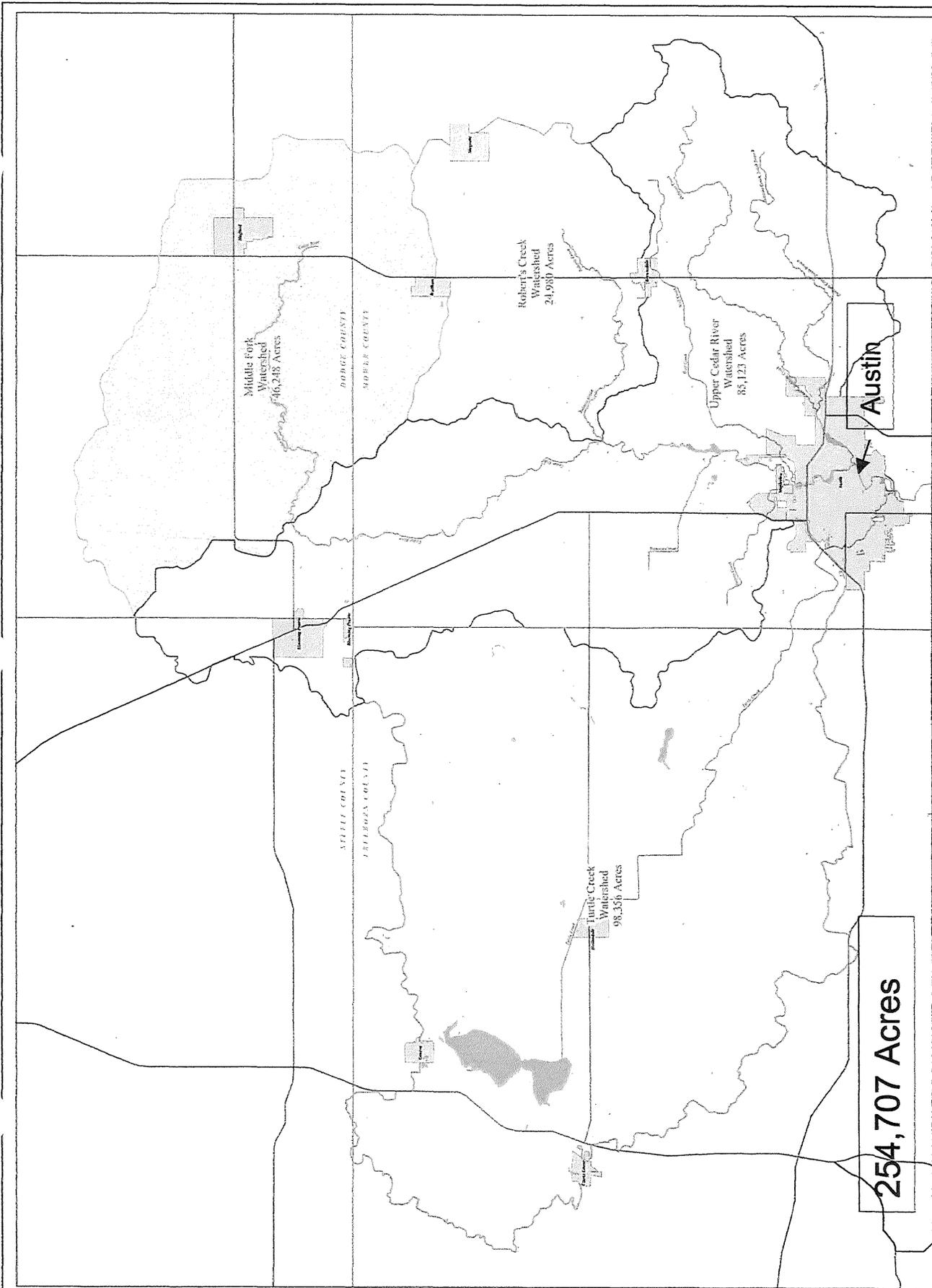
**ECONOMIC  
IMPACT:** Hormel Foods, Inc.

**PROJECT  
SCOPE:**

- 1) Identify problem and potential solutions
- 2) Aerial photo work
- 3) Topography of watershed basin
- 4) Hydraulic profiles of watershed area
- 5) Water surface modeling
- 6) Comprehensive Water Management Plan
- 7) Hazard Mitigation Plan
- 8) Implementation of Comprehensive Plan

**MITIGATION  
EFFORTS TO  
DATE:**

- 1) City of Austin has acquired 225 homes to date
- 2) Mower County has acquired 25 homes to date



**254,707 Acres**

This map was prepared by the Texas Department of Transportation (TxDOT) for the Upper Cedar River Watershed Project. It is not intended to be used for any other purpose. The map is the property of TxDOT and is loaned to you. It is to be returned to TxDOT when you are finished with it. TxDOT is not responsible for any errors or omissions on this map. © 2005 TxDOT

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**UPPER CEDAR RIVER WATERSHED PROJECT AREA**

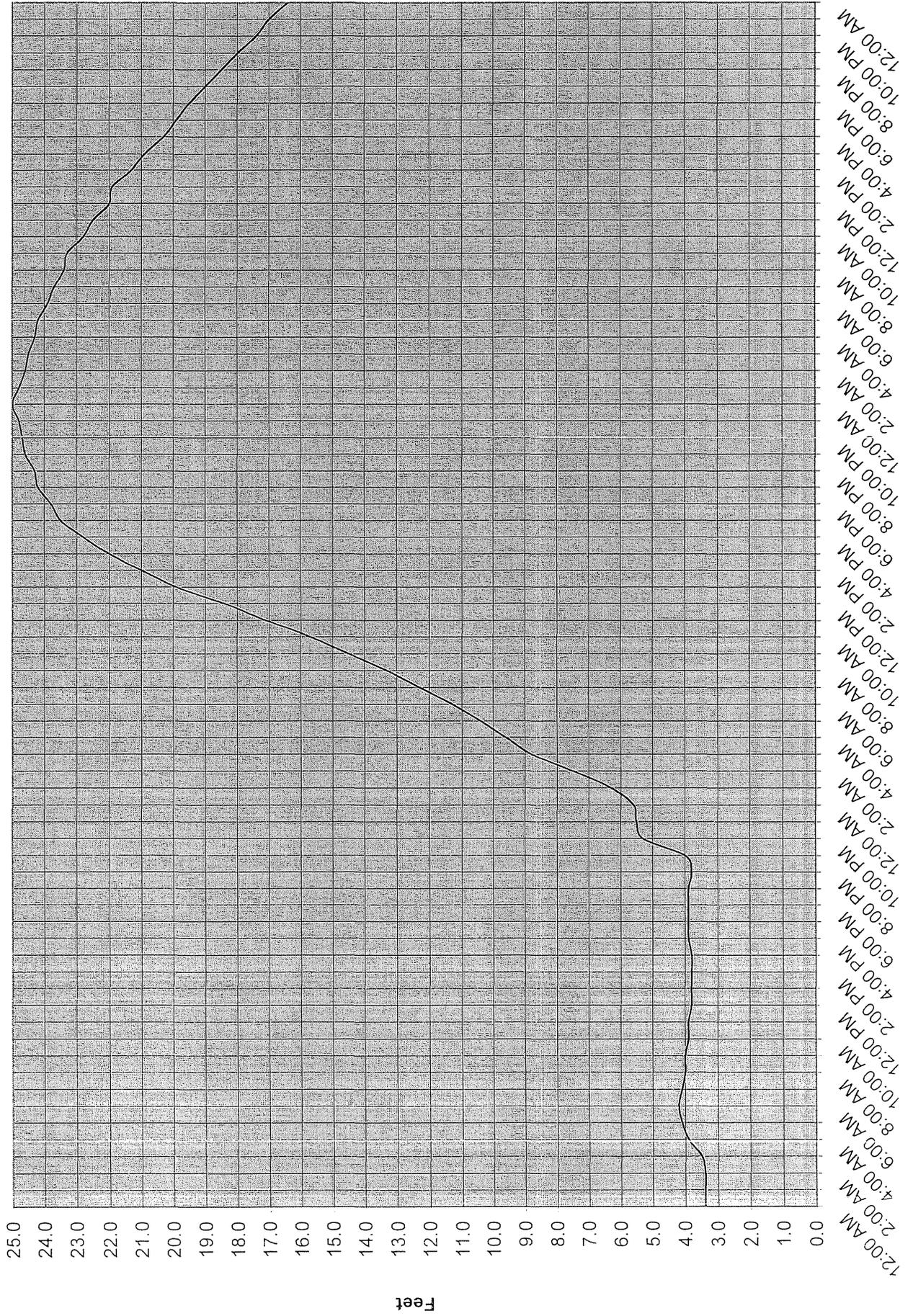
- Legend**
- Upper Cedar River
  - Middle Fork
  - Turtle Creek
  - Robert's Creek
  - Streams and Lakes
  - County Boundaries
  - Intrastate
  - Municipalities
  - US Highway
  - State Highway

## EXHIBIT 2

Ten Highest Known Floods in Order of Flow Magnitude  
Cedar River at Austin, Minnesota

<u>Date of Flood</u>	<u>Gage Height (Ft.)</u> <u>Feet</u>	<u>Maximum Discharge</u> <u>(c.f.s.)</u>
September 15, 2004	25.00	Estimate 17,000
July 10, 2000	22.90	15,500
July 17, 1978	20.35	12,400
August 15, 1993	19.43	10,800
July 7, 1978	18.14	10,200
March 29, 1962	17.18	9,530
March 1, 1965	18.87	9,400
March 26, 1950	17.81	8,800
July 2, 1983	17.01	8,690
April 6, 1965	16.21	8,410

Cedar River level



**City of Austin  
Flood Event  
September 15, 2004**



**City of Austin  
Flood Event  
September 15, 2004**



**City of Austin  
Flood Event  
September 15, 2004**



Senators Sparks, Vickerman, Koering and Murphy introduced--  
S.F. No. 1637: Referred to the Committee on Agriculture, Veterans and Gaming.

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A bill for an act

relating to agriculture; changing certain limits on  
agriculture best management practices loans; amending  
Minnesota Statutes 2004, section 17.117, subdivision  
11.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 17.117,  
subdivision 11, is amended to read:

Subd. 11. [LOANS ISSUED TO BORROWER.] (a) Local lenders  
may issue loans only for projects that are approved and  
certified by the local government unit as meeting priority needs  
identified in a comprehensive water management plan or other  
local planning documents, are in compliance with accepted  
practices, standards, specifications, or criteria, and are  
eligible for financing under Environmental Protection Agency or  
other applicable guidelines.

(b) The local lender may use any additional criteria  
considered necessary to determine the eligibility of borrowers  
for loans.

(c) Local lenders shall set the terms and conditions of  
loans to borrowers, except that:

- (1) no loan to a borrower may exceed ~~\$50,000~~ \$100,000;
- (2) no loan for a project may exceed ~~\$50,000~~ \$100,000; and
- (3) no borrower shall, at any time, have multiple loans  
from this program with a total outstanding loan balance of more

1 than ~~\$50,000~~ \$100,000.

2 (d) The maximum term length for conservation-tillage-and  
3 ~~individual-sewage-treatment-system-projects-is-five-years---~~The  
4 ~~maximum-term-length-for-other~~ projects in-this-paragraph is ten  
5 years.

6 (e) Fees charged at the time of closing must:

7 (1) be in compliance with normal and customary practices of  
8 the local lender;

9 (2) be in accordance with published fee schedules issued by  
10 the local lender;

11 (3) not be based on participation program; and

12 (4) be consistent with fees charged other similar types of  
13 loans offered by the local lender.

14 (f) The interest rate assessed to an outstanding loan  
15 balance by the local lender must not exceed three percent per  
16 year.

# AGRICULTURAL BEST MANAGEMENT PRACTICES LOAN PROGRAM

MINNESOTA DEPARTMENT OF AGRICULTURE

JANUARY 24, 2005

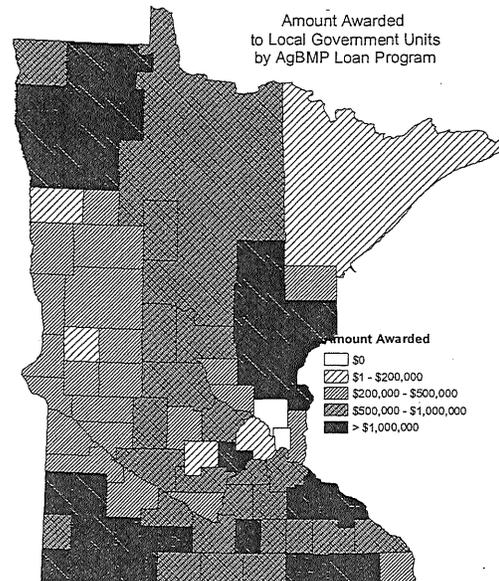
## Program Description

The primary purpose of this loan program is to help local governments implement agriculturally related and individual sewage treatment system (ISTS) water quality priorities identified in their Local Comprehensive Water Plan.

Funds are provided by the USEPA under the Clean Water Act and by direct appropriation of the Minnesota Legislature. The USEPA has provided \$37 million and the Minnesota Legislature has provided \$10 million for agricultural best management practices (AgBMP). In addition in 1997, the Legislature provided \$4 million to the AgBMP Loan Program for ISTS repairs anywhere in participating counties. This secondary program, the Countywide ISTS Loan Program, was merged into the AgBMP Loan Program under the 2001 amendments to the program.

The Minnesota Department of Agriculture makes available zero interest loans to Counties, Soil and Water Conservation Districts, and Joint Power Organizations. These organizations have established revolving loan accounts either with local lenders or with the MDA. The local governments continually re-loan these funds for new projects as repayments are received from prior loans.

These local governments, each with the cooperation of local lenders, provide low-interest (3%) loans to farmers, rural landowners, and farm supply businesses to fund agricultural best management practices and septic systems that implement priorities in local water plans. These loans are typically five to ten years in length and are limited to a maximum of \$50,000.



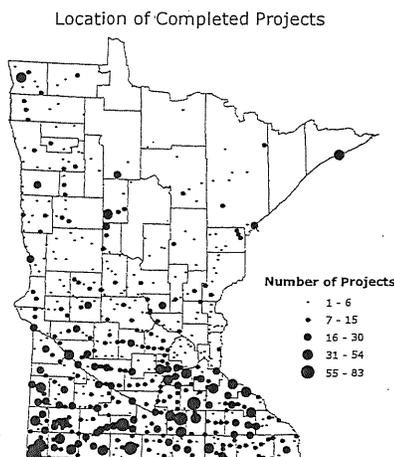
## Allocation of Funds to Counties

Since its inception in 1995, the AgBMP Loan Program has received \$51 million, appropriated from state and federal sources. Funds have been awarded previously to 85 of the state's 87 counties, though 85 are currently participating under contract. The following table shows the total number of projects completed and the amount of loans issued for completed projects, including those funded as new 1<sup>st</sup> generation loans and 2<sup>nd</sup> generation loans for additional projects from the revolving accounts.

Table 1. Summary of allocations to local governments and projects completed under the AgBMP Program, 1995 to 1/24/2005.

Practice Category	Total of All Loans Issued		Completed 1 <sup>st</sup> Generation		Completed 2 <sup>nd</sup> Generation	
	No.	Amount	Initial Loans		Revolving Loans	
			No.	Amount	No.	Amount
Ag Waste Management	1,251	25,728,935	997	20,268,621	296	5,460,315
Structural Erosion Control	189	1,440,843	147	1,066,722	47	374,121
Conservation Tillage Equipment	1,913	29,424,076	1126	15,985,931	846	13,438,145
Septic Systems	2,766	17,238,090	2,010	12,493,914	793	4,744,175
Other Practices	29	307,233	22	227,899	7	79,334
<b>Ag BMP Loan Program Total</b>	<b>6,148</b>	<b>\$74,139,177</b>	<b>4,302</b>	<b>\$50,043,087</b>	<b>1,989</b>	<b>\$24,096,090</b>

## Completed projects and Their Locations



As of January 2005, over 6,100 AgBMP and ISTS projects have been completed providing loans totaling over \$74.1 million. This includes over 1,900 - 2<sup>nd</sup> generation loans totaling about \$24.0 million. The total cost for implementing these projects is reported to be \$109.3 million.

### For Questions Call:

Paul Burns (651) 296-1488

Email: [Paul.Burns@state.mn.us](mailto:Paul.Burns@state.mn.us)

or

Dwight Wilcox (651) 215-1018

Email: [Dwight.Wilcox@state.mn.us](mailto:Dwight.Wilcox@state.mn.us)

Location shown is the mailing address of the loan recipient. Actual project site may differ.

Senators Foley and Scheid introduced--

S.F. No. 1714: Referred to the Committee on Finance.

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A bill for an act

relating to economic development; appropriating money  
for a grant to the Northwest Regional Curfew Center.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [APPROPRIATION.]

\$5,000 in fiscal year 2006 and \$5,000 in fiscal year 2007  
are appropriated from the general fund to the commissioner of  
employment and economic development for a grant to the Northwest  
Regional Curfew Center under the youth intervention program in  
Minnesota Statutes, section 116L.30.

Senators Dibble, Anderson, Rosen, Sams and Moua introduced--  
S.F. No. 1133: Referred to the Committee on Finance.

1

A bill for an act

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relating to appropriations; appropriating money for  
extended employment services; increasing a  
reimbursement rate.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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Section 1. [APPROPRIATION INCREASE.]

7

\$3,200,000 is appropriated from the general fund to the

8

commissioner of employment and economic development for

9

increasing the current 2004-2005 appropriation for extended

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employment services provided by Laws 2003, chapter 128, article

11

10, section 2, subdivision 8.

12

Sec. 2. [INCREASE IN REIMBURSEMENT RATE.]

13

The reimbursement rate for extended employment services is

14

increased to \$1.98 per work hour for center-based employment;

15

\$3.53 per work hour for community employment; and \$3.98 per work

16

hour for supported employment.

17

Sec. 3. [EFFECTIVE DATE.]

18

Sections 1 and 2 are effective the day following final

19

enactment.

**Fiscal Note – 2005-06 Session**

**Bill #:** S1133-0 **Complete Date:** 03/18/05

**Chief Author:** DIBBLE, SCOTT

**Title:** EXTENDED EMPLOYMENT SVCS REIMB RATE

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

**Agency Name:** Employment & Economic Dev Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
<b>Expenditures</b>					
General Fund	383	2,817			
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund	383	2,817			
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund	383	2,817			
<b>Total Cost &lt;Savings&gt; to the State</b>	383	2,817			

	FY05	FY06	FY07	FY08	FY09
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

### **Bill Description**

\$3,200,000 is appropriated from the general fund 'for increasing the current 2004-2005 appropriation for extended employment services'. It also increases reimbursement rates for extended employment program outcomes.

The bill takes effect the day after enactment.

### **Assumptions:**

1. The language specifies the current appropriation with immediate enactment. The assumption is that this increases expenditures for SFY2005. Provider contracts are closed on SFY2004 but open for SFY2005. Dollars would be earned under current open contracts. The contracts amounts would be distributed under the current funding rule MN Rule 3300.2005-3300.2055.
2. The appropriation is not added to the FY 2006-2007 base.
3. The higher rates paid in FY2005 are permanent and must be paid in FY2006 and beyond. The extended employment program pays for hours of work worked by individuals with severe disabilities. Since the rate per hour of work reported increases, fewer hours of work would be needed to earn dollars available under the current appropriation.
4. Specified changes in the payment rates for performance outcomes would be applied only from the date following final enactment. Enactment date is assumed to be May 21<sup>st</sup>. Expenditures made would be determined from actual performance during the period following enactment. The expenditure provided is based on an estimate from year to date performance by the 31 community rehabilitation program providers.
5. Unearned dollars would be carried forward and expended under authority contained in MS 268a.15.
6. Administrative costs would be to amend 31 provider contracts and to reprogram software. This would be done using existing staff. No administrative dollars are specified in the bill.

### **Expenditure and/or Revenue Formula**

The process for authorizing expenditures is specified in MN Rule 3300.2005-3300.2055.

### **Long Term Fiscal Considerations**

The legislation codifies funding rates. The specified rates are 25% greater than current rates. At current base funding levels the increased rates would decrease the outcomes for the program in subsequent years. Also the current funding rule allows the department to adjust the rates based on changes in cost of living. This flexibility would be lost. Future rate changes would require legislative changes.

If the appropriation is not added to base in FY06 and FY07 and in the following years, a potential of twenty to twenty five percent fewer persons would be served annually in the out years. Without future funds to supplement the rate increase, the program would have to serve fewer individuals.

There may be an effect on maintenance of effort in federal match for the vocational rehabilitation program. It is not clear from existing data. If there is a change it is likely to be an increase although probably a small one.

### **Local Government Costs**

No local government costs.

### **Reference Sources**

1. MN Rule 3300.2005-3300.2055.

2. Laws 2003, chapter 128, article 10, section 2, subdivision 8

FN Coord Signature: MIKE MEYER  
Date: 03/18/05 Phone: 297-1978

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: KEITH BOGUT  
Date: 03/18/05 Phone: 296-7642

Senators Dibble, Frederickson, Kubly and Dille introduced--  
S.F. No. 1334: Referred to the Committee on Finance.

1                                   A bill for an act  
2           relating to appropriations; appropriating money to  
3           fund grants for the deaf and hard of hearing.  
4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:  
5           Section 1. [APPROPRIATION.]  
6           \$210,000 is appropriated from the general fund to the  
7           commissioner of employment and economic development to fund  
8           grants to the Minnesota Employment Center for people who are  
9           deaf and hard of hearing. This amount is added to the budget  
10          base.

Senators Sparks, Cohen, Marty, Sams and Dille introduced—

S. F. No. 856 Referred to the Committee on Finance

1                                   A bill for an act  
2           relating to natural resources; appropriating money for  
3           a flood damage mitigation engineering study.  
4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:  
5           Section 1. [FLOOD DAMAGE MITIGATION STUDY; APPROPRIATION.]  
6           \$700,000 is appropriated for the fiscal biennium ending  
7 June 30, 2007, from the general fund to the commissioner of  
8 natural resources for a grant to the Mower and Freeborn County  
9 Soil and Water Conservation Districts for an engineering study  
10 for the purpose of mitigating future flood damages.

**City of Austin  
Flood Event  
September 15, 2004**



**UPPER CEDAR RIVER WATERSHED  
FLOOD REQUEST**

**REQUEST:** The Upper Cedar River Watershed is requesting "MATCHING" funds for a Regional Flood Mitigation Study. The funds requested of \$450,000 will provide the local match to Federal funding of \$550,000. Exhibit 1 shows area of study.

**COMMUNITY  
PROFILE:** Bonnie Rietz - Mayor of City of Austin

**NEED/  
HISTORY OF  
FLOODING:** The Upper Cedar River Watershed has been impacted by increasing frequency and severity of flooding. Exhibit 2 outlines flooding magnitude.

**BENEFITTED  
PARTIES:** The proposed funds would go to the Soil Water Conservation Districts of Mower and Freeborn Counties for the area as identified on the attached watershed map. Benefited parties would include the following: Freeborn County, Mower County, Steele County, Dodge County, City of Austin, City of Hollandale, Turtle Creek Watershed, Soil Conservation Districts of Mower and Freeborn County and all downstream impacted property owners.

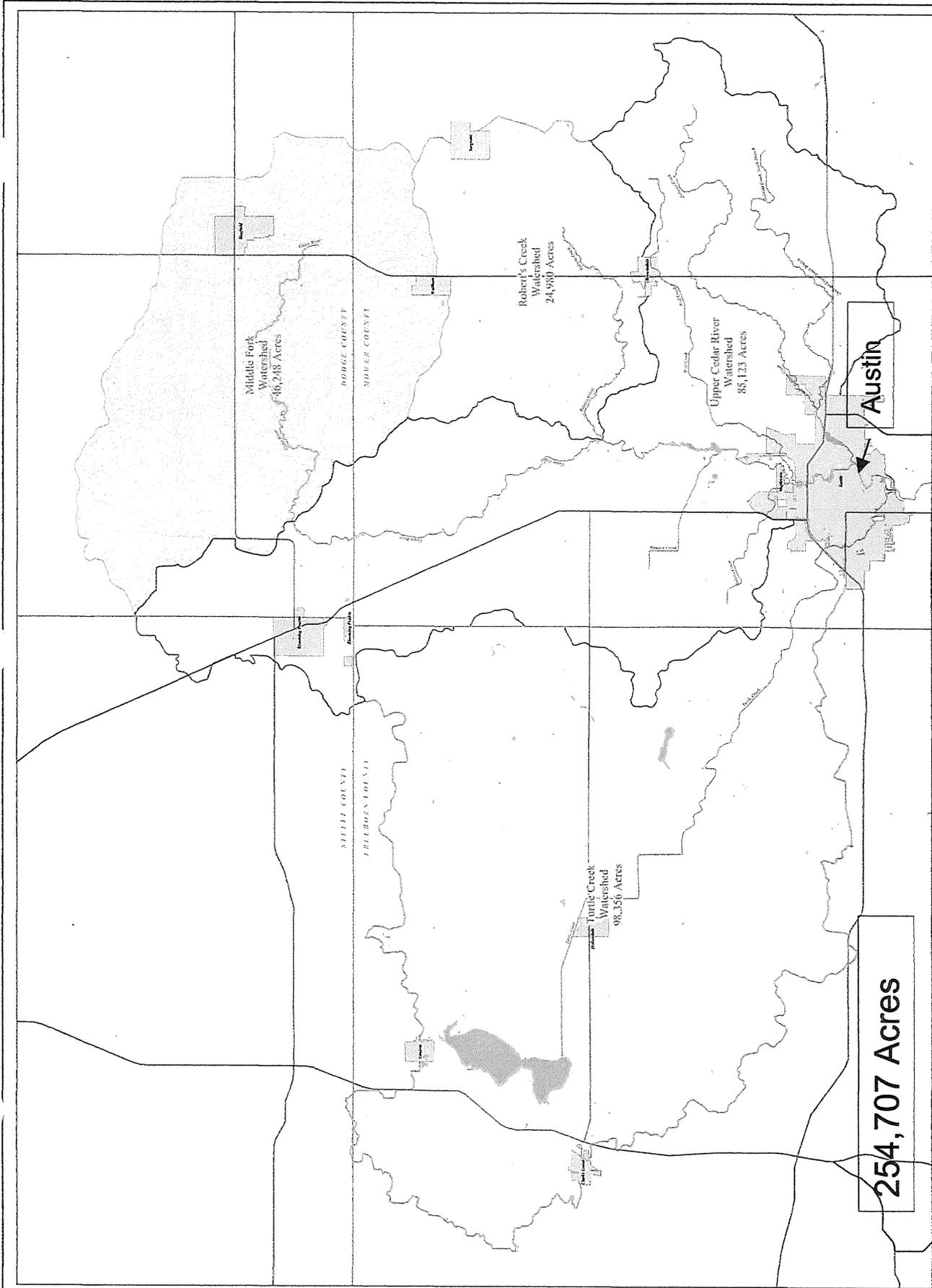
**ECONOMIC  
IMPACT:** Hormel Foods, Inc.

**PROJECT  
SCOPE:**

- 1) Identify problem and potential solutions
- 2) Aerial photo work
- 3) Topography of watershed basin
- 4) Hydraulic profiles of watershed area
- 5) Water surface modeling
- 6) Comprehensive Water Management Plan
- 7) Hazard Mitigation Plan
- 8) Implementation of Comprehensive Plan

**MITIGATION  
EFFORTS TO  
DATE:**

- 1) City of Austin has acquired 225 homes to date
- 2) Mower County has acquired 25 homes to date



**254,707 Acres**

**Austin**



This map was prepared by the Texas Department of Transportation (TxDOT) for the Upper Cedar River Watershed Project Area. The map is not to be used for any other purpose without the written consent of TxDOT. The map is based on data provided by the Texas Department of Transportation (TxDOT) and the Texas Department of Water Resources (TDWR). The map is dated 11/20/06.



**UPPER CEDAR RIVER WATERSHED PROJECT AREA**

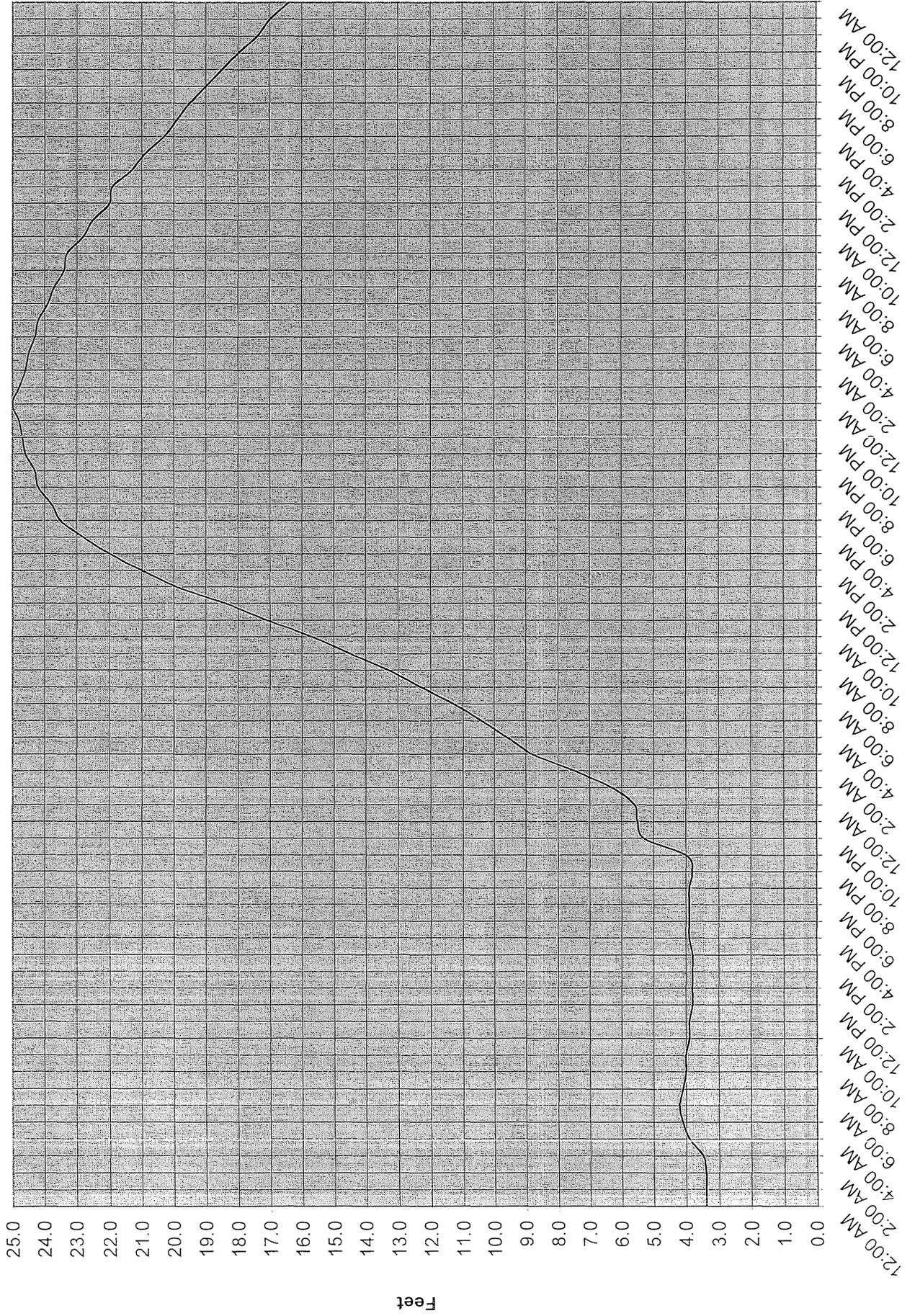
- Legend**
- Upper Cedar River
  - Middle Fork
  - Turtle Creek
  - Robert's Creek
  - Streams and Lines
  - County Boundaries
  - Municipalities
  - Interstate
  - US Highway
  - State Highway

## EXHIBIT 2

Ten Highest Known Floods in Order of Flow Magnitude  
Cedar River at Austin, Minnesota

<u>Date of Flood</u>	<u>Gage Height (Ft.)</u> <u>Feet</u>	<u>Maximum Discharge</u> <u>(c.f.s.)</u>
September 15, 2004	25.00	Estimate 17,000
July 10, 2000	22.90	15,500
July 17, 1978	20.35	12,400
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July 7, 1978	18.14	10,200
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March 26, 1950	17.81	8,800
July 2, 1983	17.01	8,690
April 6, 1965	16.21	8,410

Cedar River level



**City of Austin  
Flood Event  
September 15, 2004**



**City of Austin  
Flood Event  
September 15, 2004**



**City of Austin  
Flood Event  
September 15, 2004**





1 than ~~\$50,000~~ \$100,000.

2 (d) The maximum term length for ~~conservation-tillage-and~~  
3 ~~individual-sewage-treatment-system-projects-is-five-years.--The~~  
4 ~~maximum-term-length-for-other~~ projects in this paragraph is ten  
5 years.

6 (e) Fees charged at the time of closing must:

7 (1) be in compliance with normal and customary practices of  
8 the local lender;

9 (2) be in accordance with published fee schedules issued by  
10 the local lender;

11 (3) not be based on participation program; and

12 (4) be consistent with fees charged other similar types of  
13 loans offered by the local lender.

14 (f) The interest rate assessed to an outstanding loan  
15 balance by the local lender must not exceed three percent per  
16 year.

# AGRICULTURAL BEST MANAGEMENT PRACTICES LOAN PROGRAM

MINNESOTA DEPARTMENT OF AGRICULTURE

JANUARY 24, 2005

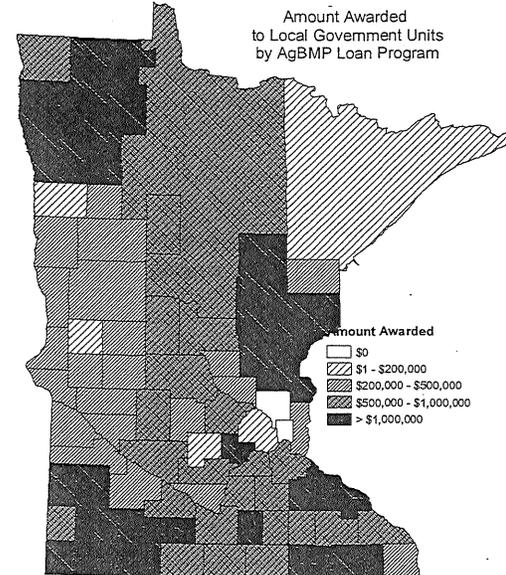
## Program Description

The primary purpose of this loan program is to help local governments implement agriculturally related and individual sewage treatment system (ISTS) water quality priorities identified in their Local Comprehensive Water Plan.

Funds are provided by the USEPA under the Clean Water Act and by direct appropriation of the Minnesota Legislature. The USEPA has provided \$37 million and the Minnesota Legislature has provided \$10 million for agricultural best management practices (AgBMP). In addition in 1997, the Legislature provided \$4 million to the AgBMP Loan Program for ISTS repairs anywhere in participating counties. This secondary program, the Countywide ISTS Loan Program, was merged into the AgBMP Loan Program under the 2001 amendments to the program.

The Minnesota Department of Agriculture makes available zero interest loans to Counties, Soil and Water Conservation Districts, and Joint Power Organizations. These organizations have established revolving loan accounts either with local lenders or with the MDA. The local governments continually re-loan these funds for new projects as repayments are received from prior loans.

These local governments, each with the cooperation of local lenders, provide low-interest (3%) loans to farmers, rural landowners, and farm supply businesses to fund agricultural best management practices and septic systems that implement priorities in local water plans. These loans are typically five to ten years in length and are limited to a maximum of \$50,000.



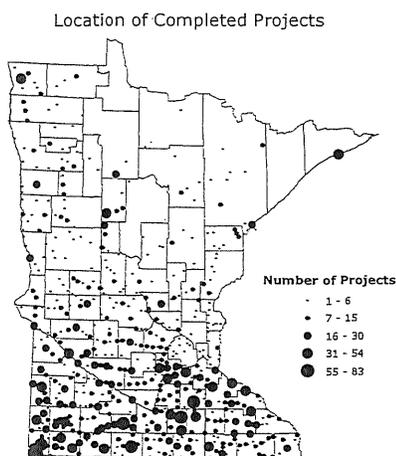
## Allocation of Funds to Counties

Since its inception in 1995, the AgBMP Loan Program has received \$51 million, appropriated from state and federal sources. Funds have been awarded previously to 85 of the state's 87 counties, though 85 are currently participating under contract. The following table shows the total number of projects completed and the amount of loans issued for completed projects, including those funded as new 1<sup>st</sup> generation loans and 2<sup>nd</sup> generation loans for additional projects from the revolving accounts.

Table 1. Summary of allocations to local governments and projects completed under the AgBMP Program, 1995 to 1/24/2005.

Practice Category	Total of All Loans Issued		Completed 1 <sup>st</sup> Generation		Completed 2 <sup>nd</sup> Generation	
	No.	Amount	Initial Loans		Revolving Loans	
			No.	Amount	No.	Amount
Ag Waste Management	1,251	25,728,935	997	20,268,621	296	5,460,315
Structural Erosion Control	189	1,440,843	147	1,066,722	47	374,121
Conservation Tillage Equipment	1,913	29,424,076	1126	15,985,931	846	13,438,145
Septic Systems	2,766	17,238,090	2,010	12,493,914	793	4,744,175
Other Practices	29	307,233	22	227,899	7	79,334
<b>Ag BMP Loan Program Total</b>	<b>6,148</b>	<b>\$74,139,177</b>	<b>4,302</b>	<b>\$50,043,087</b>	<b>1,989</b>	<b>\$24,096,090</b>

## Completed projects and Their Locations



As of January 2005, over 6,100 AgBMP and ISTS projects have been completed providing loans totaling over \$74.1 million. This includes over 1,900 - 2<sup>nd</sup> generation loans totaling about \$24.0 million. The total cost for implementing these projects is reported to be \$109.3 million.

### For Questions Call:

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Location shown is the mailing address of the loan recipient.  
Actual project site may differ.

Senators Foley and Scheid introduced--

S.F. No. 1714: Referred to the Committee on Finance.

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A bill for an act

relating to economic development; appropriating money  
for a grant to the Northwest Regional Curfew Center.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [APPROPRIATION.]

\$5,000 in fiscal year 2006 and \$5,000 in fiscal year 2007  
are appropriated from the general fund to the commissioner of  
employment and economic development for a grant to the Northwest  
Regional Curfew Center under the youth intervention program in  
Minnesota Statutes, section 116L.30.