

Chair Rick Hansen
Environment and Natural Resources Finance and Policy Committee
State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, Minnesota 55155

March 17, 2023

Re: Support of HF 1900 /SF 2404– Environment & Natural Resources Trust Fund

Dear Chair Hansen and Members of the Committee,

Since its first appropriations in 1991, the Environment and Natural Resources Trust Fund (ENRTF) has provided more than \$900 million in stable, long-term funding for innovative projects in natural resource management. The ENRTF currently offers over \$70 million annually to protect, conserve, and restore Minnesota's air, land, and water.

Over the past few years, a group of BIPOC environmental leaders and environmental nonprofit staff¹ have been working collaboratively to propose changes that will increase the equitable distribution and use of ENRTF funds to benefit all Minnesotans. The proposed legislative language reflects the intent of our work, and we look forward to helping shape refinements as it moves through the legislative process.

The case for community grants

Securing ENRTF funding through the Legislative Citizen Commission on Minnesota Resources (LCCMR) is a lengthy, complex, time-consuming, and resource-intensive process. As a threshold barrier, applicants must have the financial reserves to engage in a reimbursement-based grant process. Organizations must also have the staff capacity to respond to LCCMR's request for proposals and engage with LCCMR members, staff, and legislators to advocate for their proposal. These systemic barriers mean many impactful projects are never proposed to LCCMR.

Nonprofits that traditionally secure funding are mainly large, well-established organizations. Tribes, smaller nonprofits, and BIPOC-led organizations are infrequent LCCMR grant recipients.

For example, over the past five funding cycles, nearly 70% of available LCCMR funds were distributed to state agencies and universities. No Tribes were funded during that time, and nonprofit organizations and community groups received approximately 10% of available LCCMR funding. Local and regional units of government received the remaining 20%.

Community grant program goals

We strongly support the creation of a community grants program as part of this legislation. New community grant program goals include:

- To increase distribution and use of ENRTF funds across Minnesota by directing resources to communities and organizations that experience insurmountable barriers in the current LCCMR process.
- To support and strengthen the capacity of smaller nonprofits, community-based organizations, and Tribes to further deploy their specialized skills and local knowledge for the benefit of our natural resources and all Minnesotans.

¹ BIPOC environmental leaders and environmental nonprofit signatories of this letter have worked collaboratively on community grant program design. Minnesota regional foundation staff have also provided counsel and strategic leadership to support this effort.

- To complement and enhance LCCMR's stable and long-term funding to protect, conserve, and restore Minnesota's air, land, and water.

The new community grants program will not replace or compete with LCCMR's current funding process. Funding for the new community grant program would come from a 10% increased draw on the trust fund and by capturing unclaimed prizes. This would generate an estimated \$20 million per year for the community grants program.

The ENRTF plays a critical role in addressing emerging challenges to our natural resources. It is vital that we work to renew the constitutional dedication and expand access to all Minnesotans.

As constituents across Minnesota, we urge you to **support the creation of a new community grants program and the constitutional amendment reauthorizing the dedication of state lottery proceeds to the Environment and Natural Resources Trust Fund.**

Sincerely,

Paul Austin, Executive Director
Conservation Minnesota

Rob Schultz, Vice President
Lindsay J. Brice, Policy Director
Audubon Minnesota Iowa Missouri

Bill Droessler, Executive Lead – Partnership
Development
Environmental Initiative

Rachel Geissinger, Senior Administrative
Coordinator
Environmental Initiative

Sam Grant, Executive Director
Rainbow Research

Mike Harley, Executive Director
Environmental Initiative

Kathryn Hoffman, CEO
Minnesota Center for Environmental Advocacy

Francisco Segovia, Executive Director
COPAL MN

James Trice, Founder and CEO
Public Policy Project

Kris Larson, CEO
Minnesota Land Trust

Joe Morales,
Indigenous Action Research Director
Rainbow Research

Steve Morse, Executive Director
Minnesota Environmental Partnership

Ann Mulholland, Chapter Director
Stephanie Pinkalla, Government Relations
Director
The Nature Conservancy in Minnesota

Sharon Nordrum,
Artist and Culture Bearer
Red Lake Band Member

Bob McGillivray, Acting State Director
Trust for Public Land