

**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

**S.F. No. 1878 - Summary of Delete Everything Amendment
(SCS1878A-1)**

Author: Senator Julianne Ortman

Prepared by: Daniel P. McGowan, Senate Counsel (651/296-4397)



Date: March 8th, 2006

The delete everything amendment to S.F. 1878 authorizes Carver County to make the offices of auditor, treasurer, and recorder appointive and provides the process by which the county board may do so. The bill provides for a reverse referendum when requested by ten percent of the registered voters who voted in the last general election, who would petition the county auditor for a referendum. If there is no petition, the resolution making the offices appointive must be approved by a four-fifths vote of the county board.

Under the general law counties are permitted to make these offices appointive, but a mandatory referendum is required in every case. This bill is similar to special legislation approved for other counties in the past few years in which the voters are given an opportunity to petition for a referendum if there is enough interest to do so, but a mandatory referendum is not otherwise needed. A statewide bill similar to this was attempted several years ago, but was met with considerable resistance in the House and was not enacted. Thus it is necessary for counties desiring this authority to come to the legislature for special legislation in order to do so.

Senator Ortman introduced--

S.F. No. 1878: Referred to the Committee on State and Local Government Operations.

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A bill for an act

relating to Carver County; combining the offices of county recorder, county auditor, and county treasurer; providing for a referendum to determine if an office is appointive in Carver County.

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

Section 1. [COMBINATION OF OFFICES.]

Notwithstanding any other law to the contrary, effective on January 1, 2007, the offices of the county recorder, county auditor, and county treasurer in Carver County shall be combined to become the office of the county auditor-treasurer-recorder.

Sec. 2. [CARVER COUNTY OFFICER REFERENDUM.]

At the 2006 general election, a ballot question shall be submitted to the voters in Carver County to determine if the county auditor-treasurer-recorder is an appointive or elective position. If the voters determine that the office is appointive, the appointment shall be made by the county board and shall take effect on January 1, 2010.

Sec. 3. [EFFECTIVE DATE; LOCAL APPROVAL.]

Sections 1 and 2 are effective the day after the governing body of Carver County and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

1.1 Senator moves to amend S.F. No. 1878 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **CARVER COUNTY; AUDITOR, TREASURER, AND RECORDER**
1.4 **MAY BE APPOINTED.**

1.5 Subdivision 1. Authority to make offices appointive. Notwithstanding Minnesota
1.6 Statutes, section 382.01, upon adoption of a resolution by the Carver County Board of
1.7 Commissioners, the offices of county auditor, county treasurer, and county recorder are
1.8 not elective but must be filled by appointment by the county board as provided in the
1.9 resolution.

1.10 Subd. 2. Board controls; may change as long as duties done. Upon adoption of a
1.11 resolution by the Carver County Board of Commissioners and subject to subdivisions 3
1.12 and 4, the duties of the elected official required by statute, whose office is made appointive
1.13 as authorized by this section, must be discharged by the Board of Commissioners of
1.14 Carver County acting through a division head appointed by the board for that purpose. A
1.15 reorganization, reallocation, delegation, or other administrative change or transfer does
1.16 not diminish, prohibit, or avoid the discharge of duties required by statute.

1.17 Subd. 3. Incumbents to complete term. The person elected at the last general
1.18 election to a position made appointive under this section must serve in that capacity and
1.19 perform the duties, functions, and responsibilities required by statute until the completion
1.20 of the term of office to which the person was elected or until a vacancy occurs in the
1.21 office, whichever occurs earlier.

1.22 Subd. 4. Publishing resolution; petition, referendum. The county board may
1.23 provide for the appointment of the county auditor, county treasurer, and the county
1.24 recorder, as permitted in this section if the resolution to make the office appointive is
1.25 approved by at least 80 percent of the members of the county board. Before the adoption
1.26 of the resolution, the county board must publish a resolution notifying the public of its

2.1 intent to consider adopting the option once each week for two consecutive weeks in the
2.2 official publication of the county. Following the publication, the county board must
2.3 provide an opportunity at its next regular meeting for public comment relating to the
2.4 option, before formally adopting the option. The resolution may be implemented without
2.5 the submission of the question to the voters of the county unless, within 30 days after
2.6 the second publication of the resolution, a petition requesting a referendum, signed by
2.7 at least ten percent of the voters registered in the last general election of the county, is
2.8 filed with the county auditor. If a petition is filed, the resolution may be implemented
2.9 unless disapproved by a majority of the voters of the county voting on the question at a
2.10 regular or special election.

2.11 Subd. 5. **Effective date; local approval.** This section is effective the day after the
2.12 governing body of Carver County and its chief clerical officer timely complete their
2.13 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

2.14 Amend the title accordingly

COMMITTEE REPORT - WITH AMENDMENTS

Committee on State and Local Government Operations

S .F. No. 1878

Resolution

Re-referred (from another committee)

Amendments:

A-1 amendment

Committee recommendation:

And when so amended the bill do pass.

And when so amended the bill do pass and be placed on the Consent Calendar.

And when so amended the bill do pass and be re-referred to the Committee on _____

no recommendation: And when so amended the bill be _____ (re-referred to the Committee on _____)

OR _____ (reported to the Senate).

_____ (date of committee recommendation)

1.1 Senator Higgins from the Committee on State and Local Government
1.2 Operations, to which was referred

1.3 S.F. No. 1878: A bill for an act relating to Carver County; combining the offices
1.4 of county recorder, county auditor, and county treasurer; providing for a referendum to
determine if an office is appointive in Carver County.

1.6 Reports the same back with the recommendation that the bill be amended as follows:

1.7 Delete everything after the enacting clause and insert:

1.8 "Section 1. CARVER COUNTY; AUDITOR, TREASURER, AND RECORDER
1.9 MAY BE APPOINTED.

1.10 Subdivision 1. Authority to make offices appointive. Notwithstanding Minnesota
1.11 Statutes, section 382.01, upon adoption of a resolution by the Carver County Board of
1.12 Commissioners, the offices of county auditor, county treasurer, and county recorder are
1.13 not elective but must be filled by appointment by the county board as provided in the
1.14 resolution.

1.5 Subd. 2. Board controls; may change as long as duties done. Upon adoption of a
1.16 resolution by the Carver County Board of Commissioners and subject to subdivisions 3
1.17 and 4, the duties of the elected official required by statute, whose office is made appointive
1.18 as authorized by this section, must be discharged by the Board of Commissioners of
1.19 Carver County acting through a division head appointed by the board for that purpose. A
1.20 reorganization, reallocation, delegation, or other administrative change or transfer does
1.21 not diminish, prohibit, or avoid the discharge of duties required by statute.

1.22 Subd. 3. Incumbents to complete term. The person elected at the last general
1.23 election to a position made appointive under this section must serve in that capacity and
1.24 perform the duties, functions, and responsibilities required by statute until the completion
1.25 of the term of office to which the person was elected or until a vacancy occurs in the
1.26 office, whichever occurs earlier.

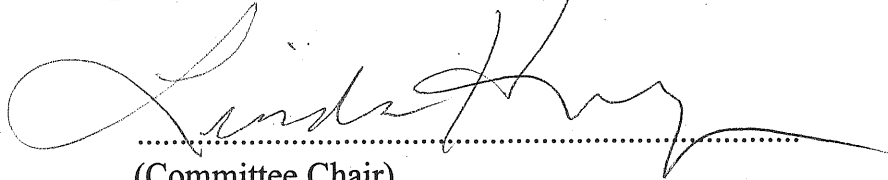
1.27 Subd. 4. Publishing resolution; petition, referendum. The county board may
1.28 provide for the appointment of the county auditor, county treasurer, and the county
1.29 recorder, as permitted in this section if the resolution to make the office appointive is
1.30 approved by at least 80 percent of the members of the county board. Before the adoption
1.31 of the resolution, the county board must publish a resolution notifying the public of its
1.32 intent to consider adopting the option once each week for two consecutive weeks in the
1.33 official publication of the county. Following the publication, the county board must
1.34 provide an opportunity at its next regular meeting for public comment relating to the
1.35 option, before formally adopting the option. The resolution may be implemented without
1.36 the submission of the question to the voters of the county unless, within 30 days after
1.37 the second publication of the resolution, a petition requesting a referendum, signed by
1.38 at least ten percent of the voters registered in the last general election of the county, is

2.1 filed with the county auditor. If a petition is filed, the resolution may be implemented
 2.2 unless disapproved by a majority of the voters of the county voting on the question at a
 2.3 regular or special election.

2.5 Subd. 5. Effective date; local approval. This section is effective the day after the
 2.6 governing body of Carver County and its chief clerical officer timely complete their
 2.7 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

2.7 Amend the title accordingly

2.8 And when so amended the bill do pass. Amendments adopted. Report adopted.



2.9
 2.10 (Committee Chair)

2.11 March 8, 2006
 2 (Date of Committee recommendation)



Office of County Administration
Carver County Government Center
Human Services Building
602 East Fourth Street
Chaska, Minnesota 55318-2102
Phone (952) 361-1510
Fax (952) 361-1581

Appointment of Carver County Auditor, Treasurer, and Recorder Offices Special Legislation Summary (as proposed by the County Board)

I. Purpose

The purpose of the proposed special legislation is to allow for the appointment of the currently elected offices of Carver County Auditor, Treasurer, and Recorder. These appointments would permit the development of more efficient and effective county government.

II. Local Support and Public Input

The Carver County Board of Commissioners unanimously passed a resolution proposing this special legislation. The current Auditor, Treasurer, and Recorder also support the legislation. In addition, five public hearings have been held on this issue at various locations throughout Carver County during which approximately four out of every five citizens who spoke were in favor of appointing these positions.

III. Summary of Provisions

- Requires the County Board to adopt the resolution providing the change by a vote of at least 80% (4 of 5) of its members;
- Provides for a reverse referendum; and
- Allows current office holders to continue to hold their offices until their elected terms expire (through year 2006)

IV. Related Legislative History

The provisions summarized above have been included in all other successful Minnesota county bills authorizing appointments in the past. Since 1967, twenty-four counties have received special legislation to reorganize these offices. All other metropolitan counties except for Carver County have authorized the appointment of all three row offices as we are requesting.

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G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate
State of Minnesota

**S.F. No. 2814 - Reform of Legislative Commission on
Minnesota Resources**

Author: Senator Dallas Sams

Prepared by: Thomas S. Bottern, Senate Counsel (651/296-3810) *TSB*

Date: March 8, 2006

This bill contains recommendations from a legislatively mandated advisory task force that met during the 2005-06 interim to recommend changes in the structure and organization of the Legislative Commission on Minnesota Resources (LCMR). The principal changes include the addition of nonlegislative citizens to the commission and clarifying the use and importance of the strategic plan in making recommendations for appropriations from the Environment and Natural Resources Trust Fund (the "trust fund"). The new commission sunsets on June 30, 2016.

Section 1 [PUBLIC OFFICIAL.] amends the definition of public official to include the citizen members of the Legislative and Citizen Commission on Minnesota Resources created in this bill. This will make the citizen members of the commission subject to the requirements for public officials, such as investment disclosure.

Section 2 [COMMISSION.] redefines "commission" in Minnesota Statutes, chapter 116P, to mean the Legislative and Citizen Commission on Minnesota Resources. This name reflects the new membership of the commission.

Section 3 [TRUST FUND.] specifies that appropriations from the trust fund must be made in a law passed by the Legislature and signed by the Governor, and that amounts appropriated must be consistent with constitutional requirements and requirements of the strategic plan adopted by the commission.

Section 4 [AUDITS REQUIRED.] requires that the Legislative Auditor audit trust fund expenditures to ensure that they are consistent with the purposes for which the money was appropriated.

Section 5 [LEGISLATIVE AND CITIZEN COMMISSION ON MINNESOTA RESOURCES.]

Subdivision 1 [MEMBERSHIP.] changes the membership of the new Legislative and Citizen Commission on Minnesota Resources by reducing it from 20 to 17 members, and reducing the number of legislative members from 20 to ten. The legislative membership includes chairs of the House and Senate Environment and Natural Resources Finance Committees or their designees; four members of the Senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration; and four members of the House appointed by the Speaker. At least two members from each body of the Legislature must be from the minority caucus in that body. Requires seven citizens to serve on the commission, including five appointed by the Governor and one each appointed by the Senate and the House. Establishes the qualifications for citizens who serve on the commission, including experience and expertise in relevant conservation and natural resource areas, and the ability to work in a collaborative environment. Authorizes the membership of the new commission to develop procedures to elect their chair, which must rotate between legislative and citizen members. Limits legislative members on the commission to a maximum of three full two-year terms and citizen membership to the same term limitations.

Paragraph (e) establishes the initial terms for new citizen members of the commission.

Paragraph (f) clarifies that citizen members are entitled to per diem and reimbursement as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subdivision 1a [CITIZEN SELECTION COMMITTEE.] requires the Governor to appoint a trust fund citizen selection committee consisting of five to seven members who must identify citizen candidates for membership on the commission. The Governor is not required to make appointments from the list provided by this committee.

Subdivision 2 [DUTIES.] requires the new commission to recommend an annual bill containing appropriations from the trust fund. Specifies that the commission approval for the bill requires an affirmative vote of 12 members of the commission.

Paragraph (f) specifies that the new commission must follow certain operating procedures, including the participation of all members in all meetings related to funding decision recommendations and funding components for recommended projects.

Subdivision 3 [SUNSET.] sunsets the new commission on June 30, 2016.

Section 6 [INFORMATION GATHERING.] allows the commission to make use of a variety of methods to gather information from the public to establish priorities for funding.

Section 7 [STRATEGIC PLAN.] changes the use of the strategic plan in the funding process. Requires clear short- and long-term goals for expenditures and measurable outcomes. Requires the

commission to consider long-term strategic plans of state agencies with environmental programs during the developmental review of the plan.

Section 8 [LEGISLATIVE RECOMMENDATIONS.] specifically authorizes the new commission to recommend regional block grants to existing regional organizations with strong citizen involvement. Also allows the commission to recommend an annual emerging issues account for issues that come up unexpectedly, but still fit within the strategic plan for approval by the Governor after initiation and recommendation by the commission.

Section 9 [PUBLIC MEETINGS.] requires the commission to attempt to meet in various regions of the state during the biennium.

Section 10 [PURVIEW.] specifies that research proposals must include a focus that is directly related to the constitutional mandate for the trust fund and to the strategic plan adopted by the commission.

Section 11 [ADMINISTRATIVE AUTHORITY.] makes a technical change to delete a reference to the former citizens' advisory committee.

Section 12 [CONFLICT OF INTEREST.] makes technical changes to reflect the creation of the new technical advisory committees in section 13 of the bill.

Section 13 [TECHNICAL ADVISORY COMMITTEES.] authorizes the commission to use public and private expertise by appointing technical advisory committees as necessary to review funding proposals and evaluate project outcomes.

Section 14 [AVAILABILITY OF FUNDS.] makes a technical change to reflect the elimination of the former budget plan and to include the new requirement for a legislative bill to provide funding recommendations from the commission.

Section 15 [CONTINUITY.] specifies that the existing Legislative Commission on Minnesota Resources must continue to operate until the full membership of the new commission has been appointed, but in no event will the existing commission continue to function beyond August 15, 2006. Also specifies that existing staff will provide the same services to the new commission.

Section 16 [APPROPRIATION.] provides the same funding in fiscal year 2007 to the new commission that was provided in fiscal year 2006 to the existing commission. Specifies that the fiscal year 2006 administrative budget for the existing commission is also for the successor commission.

Section 17 [REVISOR'S INSTRUCTION.] requires the Revisor to change the name of the existing Legislative Commission on Minnesota Resources to the new Legislative and Citizen Commission on Minnesota Resources.

Section 18 [REPEALERS.] repeals the existing statutes for the citizens' advisory committee to the LCMR and the June 30, 2006, and repeals the sunset for the LCMR that passed in the 2005 session.

Section 19 [EFFECTIVE DATE.] makes the citizen selection committee appointment and interview process effective the day following enactment and the remainder of the bill effective June 1, 2006.

TSB:rdr

Senators Sams, Chaudhary, Saxhaug, Larson and Pariseau introduced--
S.F. No. 2814: Referred to the Committee on State & Local Government Operations

1.1 A bill for an act
1.2 relating to natural resources; modifying and renaming the Legislative
1.3 Commission on Minnesota Resources; adding citizens and making structural
1.4 changes; appropriating money; amending Minnesota Statutes 2004, sections
1.5 116P.02, subdivision 4; 116P.03; 116P.04, subdivision 5; 116P.05, as amended;
1.6 116P.07; 116P.08, subdivisions 3, 4, 5, 6; 116P.09, subdivisions 1, 6, by adding
1.7 a subdivision; 116P.11; Minnesota Statutes 2005 Supplement, section 10A.01,
1.8 subdivision 35; repealing Minnesota Statutes 2004, sections 116P.02, subdivision
1.9 2; 116P.06; Laws 2005, First Special Session chapter 1, article 2, section 156;
1.10 subdivision 2.

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

1.12 Section 1. Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35,
1.13 is amended to read:

1.14 Subd. 35. **Public official.** "Public official" means any:

1.15 (1) member of the legislature;

1.16 (2) individual employed by the legislature as secretary of the senate, legislative
1.17 auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or
1.18 attorney in the Office of Senate Counsel and Research or House Research;

1.19 (3) constitutional officer in the executive branch and the officer's chief administrative
1.20 deputy;

1.21 (4) solicitor general or deputy, assistant, or special assistant attorney general;

1.22 (5) commissioner, deputy commissioner, or assistant commissioner of any state
1.23 department or agency as listed in section 15.01 or 15.06, or the state chief information
1.24 officer;

1.25 (6) member, chief administrative officer, or deputy chief administrative officer of a
1.26 state board or commission that has either the power to adopt, amend, or repeal rules under
1.27 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

- 2.1 (7) individual employed in the executive branch who is authorized to adopt, amend,
 2.2 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- 2.3 (8) executive director of the State Board of Investment;
- 2.4 (9) deputy of any official listed in clauses (7) and (8);
- 2.5 (10) judge of the Workers' Compensation Court of Appeals;
- 2.6 (11) administrative law judge or compensation judge in the State Office of
 2.7 Administrative Hearings or referee in the Department of Employment and Economic
 2.8 Development;
- 2.9 (12) member, regional administrator, division director, general counsel, or operations
 2.10 manager of the Metropolitan Council;
- 2.11 (13) member or chief administrator of a metropolitan agency;
- 2.12 (14) director of the Division of Alcohol and Gambling Enforcement in the
 2.13 Department of Public Safety;
- 2.14 (15) member or executive director of the Higher Education Facilities Authority;
- 2.15 (16) member of the board of directors or president of Minnesota Technology, Inc.; or
- 2.16 (17) member of the board of directors or executive director of the Minnesota State
 2.17 High School League; or
- 2.18 (18) a citizen member of the Legislative and Citizen Commission on Minnesota
 2.19 Resources.

2.20 Sec. 2. Minnesota Statutes 2004, section 116P.02, subdivision 4, is amended to read:

2.21 Subd. 4. **Commission.** "Commission" means the Legislative and Citizen
 2.22 Commission on Minnesota Resources.

2.23 Sec. 3. Minnesota Statutes 2004, section 116P.03, is amended to read:

2.24 **116P.03 TRUST FUND NOT TO SUPPLANT EXISTING FUNDING;**
 2.25 **APPROPRIATIONS.**

2.26 (a) The trust fund may not be used as a substitute for traditional sources of funding
 2.27 environmental and natural resources activities, but the trust fund shall supplement the
 2.28 traditional sources, including those sources used to support the criteria in section 116P.08,
 2.29 subdivision 1. The trust fund must be used primarily to support activities whose benefits
 2.30 become available only over an extended period of time.

2.31 (b) The commission must determine the amount of the state budget spent from
 2.32 traditional sources to fund environmental and natural resources activities before and after
 2.33 the trust fund is established and include a comparison of the amount in the report under
 2.34 section 116P.09, subdivision 7.

3.1 (c) For the fiscal year beginning July 1, 2007, and each year thereafter, the amount of
 3.2 the environment and natural resources trust fund that is available for appropriation under
 3.3 the terms of the Minnesota Constitution, article XI, section 14, shall be appropriated by a
 3.4 law passed by the legislature and signed by the governor.

3.5 (d) The amount appropriated from the environment and natural resources trust fund
 3.6 may be spent only for the public purpose of protection, conservation, preservation, and
 3.7 enhancement of the state's air, water, land, fish, wildlife, and other natural resources.
 3.8 Recommendations made by the commission under this chapter must be consistent with
 3.9 the Minnesota Constitution, article XI, section 14; chapter 116P; and the strategic plan
 3.10 adopted under section 116P.08, subdivision 3, and must demonstrate a direct benefit to the
 3.11 state's environment and natural resources.

3.12 Sec. 4. Minnesota Statutes 2004, section 116P.04, subdivision 5, is amended to read:

3.13 Subd. 5. **Audits required.** The legislative auditor shall audit trust fund expenditures
 3.14 to ensure that the money is spent for the purposes ~~provided in the commission's budget~~
 3.15 plan for which the money was appropriated.

3.16 Sec. 5. Minnesota Statutes 2004, section 116P.05, as amended by Laws 2005, First
 3.17 Special Session chapter 1, article 2, section 135, is amended to read:

3.18 **116P.05 LEGISLATIVE AND CITIZEN COMMISSION ON MINNESOTA**
 3.19 **RESOURCES.**

3.20 Subdivision 1. **Membership.** (a) A Legislative and Citizen Commission on
 3.21 Minnesota Resources of ~~20~~ 17 members is created, consisting of ~~the chairs of the house~~
 3.22 ~~and senate committees on environment and natural resources or designees appointed for~~
 3.23 ~~the terms of the chairs,~~ the chairs of the house and senate committees on environment and
 3.24 natural resources finance or designees appointed for the terms of the chairs, ~~the chairs of~~
 3.25 ~~the house Ways and Means and Senate Finance Committees or designees appointed for~~
 3.26 ~~the terms of the chairs,~~ seven four members of the senate appointed by the Subcommittee
 3.27 on Committees of the Committee on Rules and Administration, and ~~seven~~ four members
 3.28 of the house appointed by the speaker. Legislative members must have knowledge and
 3.29 expertise in the state's environment and natural resource issues across the various regions
 3.30 of the state.

3.31 At least ~~three~~ two members from the senate and ~~three~~ two members from the house
 3.32 must be from the minority caucus. Members are entitled to reimbursement for per diem
 3.33 expenses plus travel expenses incurred in the services of the commission.

4.1 Seven citizens are members of the commission, five appointed by the governor, one
4.2 appointed by the Senate Subcommittee on Committees of the Committee on Rules and
4.3 Administration, and one appointed by the speaker of the house. The citizen members
4.4 are selected and recommended to the appointing authorities according to subdivision
4.5 1a and must:

4.6 (1) have experience and expertise in the science, policy, or practice of the protection,
4.7 conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife,
4.8 and other natural resources;

4.9 (2) have strong knowledge in the state's environment and natural resource issues
4.10 around the state; and

4.11 (3) have demonstrated ability to work in a collaborative environment.

4.12 (b) Members shall ~~appoint~~ develop procedures to elect a chair who that rotates
4.13 between legislative and citizen members. The chair shall preside and convene meetings as
4.14 often as necessary to conduct duties prescribed by this chapter.

4.15 (c) Appointed legislative members shall serve on the commission until their
4.16 successors are appointed for two-year terms, with a maximum of three full terms, and
4.17 citizen members shall serve for three-year terms, with a maximum of two full terms.

4.18 (d) Vacancies occurring on the commission shall not affect the authority of the
4.19 remaining members of the commission to carry out their duties, and vacancies shall be
4.20 filled in the same manner under paragraph (a).

4.21 (e) Citizen members shall be initially appointed according to the following schedule
4.22 of terms:

4.23 (1) two members appointed by the governor for a three-year term;

4.24 (2) one member appointed by the senate Subcommittee on Committees of the
4.25 Committee on Rules and Administration for a three-year term and one member appointed
4.26 by the speaker of the house for a three-year term;

4.27 (3) two members appointed by the governor for a two-year term; and

4.28 (4) one member appointed by the governor for a one-year term.

4.29 (f) Citizen members are entitled to per diem and reimbursement for expenses
4.30 incurred in the services of the commission, as provided in section 15.059, subdivision 3.

4.31 Subd. 1a. Citizen selection committee. The governor shall appoint a trust fund
4.32 citizen selection committee of five to eight members who come from different regions
4.33 of the state and who have knowledge and experience of state environment and natural
4.34 resource issues.

4.35 The duties of the trust fund citizen selection committee shall be to:

5.1 (1) identify citizen candidates to be members of the commission as part of the open
5.2 appointments process under section 15.0597;

5.3 (2) request and review citizen candidate applications to be members of the
5.4 commission; and

5.5 (3) interview the citizen candidates and recommend an adequate pool of candidates
5.6 to be selected for commission membership by the governor, the senate, and the house
5.7 of representatives.

5.8 Members are entitled to travel expenses incurred to fulfill their duties under this
5.9 subdivision as provided in section 15.059, subdivision 6.

5.10 Subd. 2. **Duties.** (a) The commission shall recommend ~~a budget plan~~ an annual
5.11 legislative bill for expenditures appropriations from the environment and natural resources
5.12 trust fund and shall adopt a strategic plan as provided in section 116P.08. Approval of
5.13 the recommended legislative bill requires an affirmative vote of at least 12 members
of the commission.

5.14 (b) The commission shall recommend expenditures to the legislature from the state
5.15 land and water conservation account in the natural resources fund.

5.16 (c) It is a condition of acceptance of the appropriations made from the Minnesota
5.17 environment and natural resources trust fund, and oil overcharge money under section
5.18 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a
5.19 work program and semiannual progress reports in the form determined by the Legislative
5.20 and Citizens Commission on Minnesota Resources, and comply with applicable reporting
5.21 requirements under section 116P.16. None of the money provided may be spent unless
5.22 the commission has approved the pertinent work program.

5.23 (d) The peer review panel created under section 116P.08 must also review, comment,
5.24 and report to the commission on research proposals applying for an appropriation from the
5.25 oil overcharge money under section 4.071, subdivision 2.

5.26 (e) The commission may adopt operating procedures to fulfill its duties under
5.27 chapter 116P.

5.28 (f) As part of the operating procedures, the commission shall:

5.29 (1) ensure that members' expectations are to participate in all meetings related to
5.30 funding decision recommendations;

5.31 (2) recommend adequate funding for increased citizen outreach and communications
5.32 for trust fund expenditure planning;

5.33 (3) allow administrative expenses as part of individual project expenditures based
5.34 on need;

5.35 (4) provide for project outcome evaluation;

6.1 (5) keep the grant application, administration, and review process as simple as
 6.2 possible; and

6.3 (6) define and emphasize the leveraging of additional sources of money that project
 6.4 proposers should consider when making trust fund proposals.

6.5 Subd. 3. Sunset. This section expires June 30, 2016, unless extended by the
 6.6 legislature.

6.7 Sec. 6. Minnesota Statutes 2004, section 116P.07, is amended to read:

6.8 **116P.07 INFORMATION GATHERING.**

6.9 The commission may convene public forums or employ other methods to gather
 6.10 information for establishing priorities for funding.

6.11 Sec. 7. Minnesota Statutes 2004, section 116P.08, subdivision 3, is amended to read:

6.12 Subd. 3. **Strategic plan required.** (a) The commission shall adopt a strategic
 6.13 plan for making expenditures from the trust fund, including identifying the priority
 6.14 areas for funding for the next six years. The strategic plan must be ~~updated~~ reviewed
 6.15 every two years. ~~The plan is advisory only. The commission shall submit the plan, as a~~
 6.16 ~~recommendation, to the house of representatives Ways and Means and senate Finance~~
 6.17 ~~Committees by January 1 of each odd-numbered year. The strategic plan must have clearly~~
 6.18 stated short- and long-term goals and strategies for trust fund expenditures, must provide
 6.19 measurable outcomes for expenditures, and must determine areas of emphasis for funding.

6.20 (b) ~~The commission may accept or modify the draft of the strategic plan submitted~~
 6.21 ~~to it by the advisory committee before voting on the plan's adoption shall consider the~~
 6.22 long-term strategic plans of agencies with environment and natural resource programs
 6.23 and responsibilities and plans of conservation and environmental organizations during the
 6.24 development and review of the strategic plan.

6.25 Sec. 8. Minnesota Statutes 2004, section 116P.08, subdivision 4, is amended to read:

6.26 Subd. 4. **~~Budget plan~~ Legislative recommendations.** (a) Funding may be provided
 6.27 only for those projects that meet the categories established in subdivision 1.

6.28 (b) ~~Projects submitted to the commission for funding may be referred to the advisory~~
 6.29 ~~committee for recommendation.~~

6.30 (c) ~~The commission must adopt a budget plan~~ recommend an annual legislative bill
 6.31 to make expenditures appropriations from the trust fund for the purposes provided in
 6.32 subdivision 1. ~~The budget plan recommendations~~ must be submitted to the governor for
 6.33 inclusion in the biennial budget and supplemental budget submitted to the legislature.

7.1 (c) The commission may recommend regional block grants for a portion of trust
 7.2 fund expenditures to partner with existing regional organizations that have strong citizen
 7.3 involvement, to address unique local needs and capacity, and to leverage all available
 7.4 funding sources for projects.

7.5 (d) The commission may recommend the establishment of an annual emerging
 7.6 issues account in its annual legislative bill for funding emerging issues, which come up
 7.7 unexpectedly, but which still adhere to the commission's strategic plan, to be approved by
 7.8 the governor after initiation and recommendation by the commission.

7.9 ~~(d)~~ (e) Money in the trust fund may not be spent except under an appropriation
 7.10 by law.

7.11 Sec. 9. Minnesota Statutes 2004, section 116P.08, subdivision 5, is amended to read:

7.12 Subd. 5. **Public meetings.** ~~All~~ Technical advisory committee and commission
 7.13 meetings must be open to the public. The commission shall attempt to meet ~~at least once~~
 7.14 ~~in each of the state's congressional districts~~ throughout various regions of the state during
 7.15 each biennium.

7.16 Sec. 10. Minnesota Statutes 2004, section 116P.08, subdivision 6, is amended to read:

7.17 Subd. 6. **Peer review.** (a) Research proposals must include a stated purpose directly
 7.18 connected to the trust fund's constitutional mandate, chapter 116P, and the adopted
 7.19 strategic plan under subdivision 3, a timeline, potential outcomes, and an explanation of
 7.20 the need for the research. All research proposals must be reviewed by a peer review
 7.21 panel before receiving an appropriation.

(b) In conducting research proposal reviews, the peer review panel shall:

7.23 (1) comment on the methodology proposed and whether it can be expected to yield
 7.24 appropriate and useful information and data;

7.25 (2) comment on the need for the research and about similar existing information
 7.26 available, if any; and

7.27 (3) report to the commission and advisory committee on clauses (1) and (2).

7.28 (c) The peer review panel also must review completed research proposals that have
 7.29 received an appropriation and comment and report upon whether the project reached
 7.30 the intended goals.

7.31 Sec. 11. Minnesota Statutes 2004, section 116P.09, subdivision 1, is amended to read:

7.32 Subdivision 1. **Administrative authority.** The commission may appoint legal
 7.33 and other personnel and consultants necessary to carry out functions and duties of the

8.1 commission. Permanent employees shall be in the unclassified service. In addition,
 8.2 the commission may request staff assistance and data from any other agency of state
 8.3 government as needed for the execution of the responsibilities of the commission and
 8.4 ~~advisory committee~~ and an agency must promptly furnish it.

8.5 Sec. 12. Minnesota Statutes 2004, section 116P.09, subdivision 6, is amended to read:

8.6 Subd. 6. **Conflict of interest.** A commission member, a technical advisory
 8.7 committee member, a peer review panelist, or an employee of the commission may not
 8.8 participate in or vote on a decision of the commission, advisory committee, or peer
 8.9 review panel relating to an organization in which the member, panelist, or employee has
 8.10 either a direct or indirect personal financial interest. While serving on the ~~legislative~~
 8.11 commission, technical advisory committee, or peer review panel, or being an employee of
 8.12 the commission, a person shall avoid any potential conflict of interest.

8.13 Sec. 13. Minnesota Statutes 2004, section 116P.09, is amended by adding a subdivision
 8.14 to read:

8.15 Subd. 8. **Technical advisory committees.** The commission shall make use of
 8.16 available public and private expertise on environment and natural resource issues by
 8.17 appointing necessary technical advisory committees to review funding proposals and
 8.18 evaluate project outcomes. Compensation for technical advisory committee members is
 8.19 governed by section 15.059, subdivision 6.

8.20 Sec. 14. Minnesota Statutes 2004, section 116P.11, is amended to read:

8.21 **116P.11 AVAILABILITY OF FUNDS FOR DISBURSEMENT.**

8.22 (a) The amount ~~biennially~~ annually available from the trust fund for the ~~budget plan~~
 8.23 legislative bill developed by the commission is as defined in the Minnesota Constitution,
 8.24 article XI, section 14.

8.25 (b) Any appropriated funds not encumbered in the biennium in which they are
 8.26 appropriated cancel and must be credited to the principal of the trust fund.

8.27 Sec. 15. **CONTINUITY.**

8.28 (a) The Legislative Commission on Minnesota Resources shall continue to operate
 8.29 until the full membership of the Legislative and Citizen Commission on Minnesota
 8.30 Resources is appointed under section 5, but no later than August 15, 2006.

9.1 (b) The staff of the Legislative Commission on Minnesota Resources shall provide
9.2 administrative and professional services to the Legislative and Citizen Commission on
Minnesota Resources, as provided in Minnesota Statutes, section 15.039, subdivision 7.

9.4 **Sec. 16. APPROPRIATION.**

9.5 (a) \$450,000 in fiscal year 2007 is appropriated from the environment and natural
9.6 resources trust fund to the Legislative and Citizen Commission on Minnesota Resources
9.7 for administration, as provided in Minnesota Statutes, section 116P.09, subdivision 5.

9.8 (b) The fiscal year 2006 administrative budget under Laws 2005, First Special
9.9 Session chapter 1, article 2, section 11, subdivision 3, is for the Legislative Commission
9.10 on Minnesota Resources or its successor commission, as provided in Minnesota Statutes,
9.11 section 15.039, subdivision 6.

Sec. 17. REVISOR'S INSTRUCTION.

9.13 The revisor of statutes shall change the term "Legislative Commission on Minnesota
9.14 Resources" to "Legislative and Citizen Commission on Minnesota Resources" wherever it
9.15 appears in Minnesota Statutes and Minnesota Rules.

9.16 **Sec. 18. REPEALER.**

9.17 Minnesota Statutes 2004, sections 116P.02, subdivision 2; and 116P.06; and Laws
9.18 2005, First Special Session chapter 1, article 2, section 156, subdivision 2, are repealed.

9.19 **Sec. 19. EFFECTIVE DATE.**

Sections 1 to 4; 5, subdivisions 1, 2, and 3; and 6 to 18, are effective June 1, 2006.
9.21 Section 5, subdivision 1a, is effective the day following final enactment.

116P.02 DEFINITIONS.

Subd. 2. **Advisory committee.** "Advisory committee" means the advisory committee created in section 116P.06.

116P.06 ADVISORY COMMITTEE.

Subdivision 1. **Membership.** (a) An advisory committee of 11 citizen members shall be appointed by the governor to advise the Legislative Commission on Minnesota Resources on project proposals to receive funding from the trust fund and the development of budget and strategic plans. The governor shall appoint at least one member from each congressional district. The members shall elect the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575. Notwithstanding section 15.059, subdivision 5, or other law to the contrary, the advisory committee does not expire.

Subd. 2. **Duties.** (a) The advisory committee shall:

- (1) prepare and submit to the commission a draft strategic plan to guide expenditures from the trust fund;
- (2) review the reinvest in Minnesota program during development of the draft strategic plan;
- (3) gather public input during development of the draft strategic plan;
- (4) advise the commission on project proposals to receive funding from the trust fund; and
- (5) advise the commission on development of the budget plan.

(b) The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether the projects:

- (1) meet the standards and funding categories set forth in sections 116P.01 to 116P.12;
- (2) duplicate existing federal, state, or local projects being conducted within the state; and
- (3) are consistent with the most recent strategic plan adopted by the commission.

APPENDIX
Repealed Minnesota Session Laws: 06-6340

Laws 2005, First Special Session chapter 1, article 2, section 156, subdivision 2
Sec. 156. [ENVIRONMENT AND NATURAL RESOURCES TRUST FUND;
ADVISORY TASK FORCE.]
Subd. 2. [SUNSET.] The duties of the Legislative Commission on Minnesota Resources to recommend expenditures from the environment and natural resources trust fund expire on June 30, 2006.

1.1 Senator moves to amend S.F. No. 2814 as follows:

1.2 Page 2, lines 18 and 21, delete "and" and insert a hyphen

1.3 Page 3, lines 18 and 20, delete "and" and insert a hyphen

4 1.4 Page 3, line 21, after "created" insert "in the legislative branch"

1.5 Page 4, lines 16 and 17, delete the new language and insert "for two-year terms,

1.6 beginning in January of each odd-numbered year and continuing through the end of

1.7 December of the next even-numbered year. ~~An appointed legislative member may not~~

1.8 serve on the commission for more than three consecutive full two-year terms. A citizen

1.9 member may not serve on the commission for more than two consecutive full three-year

1.10 terms. Citizen and legislative members continue to serve until their successors are

1.11 appointed"

1.12 Page 4, line 18, after "(d)" insert "A citizen member may be removed by an

1.13 appointing authority for cause."

1.14 Page 4, line 20, after "filled" insert "for the remainder of the term"

1.15 Page 4, lines 23, 25, and 26, delete "three-year term" and insert "term ending the

1.16 first Monday in January 2010"

1.17 Page 4, line 27, delete "two-year term" and insert "term ending the first Monday in

1.18 January 2009"

1.19 Page 4, line 28, delete "one-year term" and insert "term ending the first Monday in

1.20 January 2008"

1.21 Page 5, line 21, delete "and" and insert a hyphen

1.22 Page 7, line 27, strike "and advisory committee"

3 1.23 Page 8, line 29, delete "and" and insert a hyphen

1.24 Page 9, line 2, delete the second "and" and insert a hyphen

2.1 Page 9, lines 6 and 14, delete "and" and insert a hyphen

2.2 Page 9, after line 3, insert:

2.3 "Sec. 16. **TRANSITION PROVISIONS FOR LEGISLATIVE MEMBERS.**

2.4 (a) Legislative members initially appointed to the Legislative-Citizens Commission
2.5 on Minnesota Resources serve through January 2, 2007, or for those who are still
2.6 legislators in January 2007, until their successors are appointed.

2.7 (b) Legislative service on the former Legislative Commission on Minnesota
2.8 Resources is not counted for purposes of the term limits for service on the
2.9 Legislative-Citizens Commission on Minnesota Resources."

2.10 Renumber the sections in sequence and correct the internal references

2.11 Amend the title accordingly

A-2

3

2

4.1 Seven citizens are members of the commission, ~~five~~³ appointed by the governor, ~~one~~²
 4.2 appointed by the Senate Subcommittee on Committees of the Committee on Rules and
 4.3 Administration, and ~~one~~² appointed by the speaker of the house. The citizen members
 4.4 are selected and recommended to the appointing authorities according to subdivision
 4.5 1a and must:

4.6 (1) have experience and expertise in the science, policy, or practice of the protection,
 4.7 conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife,
 4.8 and other natural resources;

4.9 (2) have strong knowledge in the state's environment and natural resource issues
 4.10 around the state; and

4.11 (3) have demonstrated ability to work in a collaborative environment.

*Tomassoni Motion
reinststate old language
Strike New
language
this is 12 &
13.*

4.12 ~~delete~~ (b) Members shall ~~appoint~~ develop procedures to elect a chair ~~who~~ that rotates
 4.13 between legislative and citizen members. The chair shall preside and convene meetings as
 4.14 often as necessary to conduct duties prescribed by this chapter.

4.15 ~~delete~~ (c) Appointed legislative members shall serve on the commission ~~until their~~
 4.16 successors are appointed for two-year terms, with a maximum of three full terms, and
 4.17 citizen members shall serve for three-year terms, with a maximum of two full terms.

4.18 (d) Vacancies occurring on the commission shall not affect the authority of the
 4.19 remaining members of the commission to carry out their duties, and vacancies shall be
 4.20 filled in the same manner under paragraph (a).

4.21 (e) Citizen members shall be initially appointed according to the following schedule
 4.22 of terms:

4.23 (1) two members appointed by the governor for a three-year term;

4.24 (2) ~~one~~² member~~s~~ appointed by the senate Subcommittee on Committees of the
 4.25 Committee on Rules and Administration for a three-year term and ~~one~~² member~~s~~ appointed
 4.26 by the speaker of the house for a three-year term;

4.27 (3) ~~two~~¹ members appointed by the governor for a two-year term; and

4.28 ~~delete~~ (4) one member appointed by the governor for a one-year term.

4.29 (f) Citizen members are entitled to per diem and reimbursement for expenses
 4.30 incurred in the services of the commission, as provided in section 15.059, subdivision 3.

4.31 Subd. 1a. Citizen selection committee. The governor shall appoint a trust fund
 4.32 citizen selection committee of five to eight members who come from different regions
 4.33 of the state and who have knowledge and experience of state environment and natural
 4.34 resource issues.

4.35 The duties of the trust fund citizen selection committee shall be to:

COMMITTEE REPORT - WITH AMENDMENTS

Committee on State and Local Government Operations

S .F. No. 2814

Resolution

Re-referred (from another committee)

Amendments:

A-1 amendment

A-1 as is, no changes.

page 4 line 1 delete "five" and insert "three" and delete "one" and insert "two"

page 4, line 3, delete "one" and insert "two"

page 4, line 6, delete "and"

page 4, lines 24 and 25, delete "one member" and insert "two members"

page 4, line 26, after the semicolon, insert "and"

page 4, line 27, delete "two members" and insert "one member" and delete "and"
page 4, line 28, delete everything before the period.

Committee recommendation:

And when so amended the bill do pass.

And when so amended the bill do pass and be placed on the Consent Calendar.

And when so amended the bill do pass and be re-referred to the Committee on

Environment & Natural Resources

no recommendation: And when so amended the bill be

(re-referred to the Committee on _____)

OR (reported to the Senate).

(date of committee recommendation)

1.1 **Senator Higgins from the Committee on State and Local Government**
 1.2 **Operations, to which was referred**

1.3 **S.F. No. 2814:** A bill for an act relating to natural resources; modifying and
 1.4 renaming the Legislative Commission on Minnesota Resources; adding citizens and
 making structural changes; appropriating money; amending Minnesota Statutes 2004,
 1.7 sections 116P.02, subdivision 4; 116P.03; 116P.04, subdivision 5; 116P.05, as amended;
 1.8 116P.07; 116P.08, subdivisions 3, 4, 5, 6; 116P.09, subdivisions 1, 6, by adding a
 1.9 subdivision; 116P.11; Minnesota Statutes 2005 Supplement, section 10A.01, subdivision
 1.10 35; repealing Minnesota Statutes 2004, sections 116P.02, subdivision 2; 116P.06; Laws
 2005, First Special Session chapter 1, article 2, section 156, subdivision 2.

1.11 Reports the same back with the recommendation that the bill be amended as follows:

1.12 Page 2, line 18, delete "Legislative and Citizen" and insert "Legislative-Citizen"

1.13 Page 2, line 21, strike "Legislative" and delete "and Citizen" and insert "

1.14 Legislative-Citizen"

1.15 Page 3, line 18 strike "LEGISLATIVE" and delete "AND CITIZEN" and insert "

1.16 LEGISLATIVE-CITIZEN"

1.17 Page 3, line 20, strike "Legislative" and delete "and Citizen" and insert "

1.18 Legislative-Citizen"

1.19 Page 3, line 21, after "created" insert "in the legislative branch"

1.20 Page 4, line 1, delete "five" and insert "three" and delete "one" and insert "two"

1.21 Page 4, line 3, delete "one" and insert "two"

1.22 Page 4, line 6, delete "and" and insert "or"

1.23 Page 4, lines 16 to 17, delete the new language and insert "for two-year terms,

1.24 beginning in January of each odd-numbered year and continuing through the end of

1.25 December of the next even-numbered year. An appointed legislative member may not

1.26 serve on the commission for more than three consecutive full two-year terms. A citizen

1.27 member may not serve on the commission for more than two consecutive full three-year

1.28 terms. Citizen and legislative members continue to serve until their successors are

1.29 appointed"

1.30 Page 4, line 18, after "(d)" insert "A citizen member may be removed by an

1.31 appointing authority for cause."

1.32 Page 4, line 20, after "filled" insert "for the remainder of the term"

1.33 Page 4, lines 23, delete "three-year term" and insert "term ending the first Monday in

1.34 January 2010"

1.35 Page 4, line 24, delete "one member" and insert "two members"

1.36 Page 4, delete lines 25 and 26 and insert "Committee on Rules and Administration

1.37 for a term ending the first Monday in January 2010 and two members appointed by the

1.38 speaker of the house for a term ending the first Monday in January 2010; and"

1.39 Page 4, delete lines 27 to 28 and insert:

2.1 "(3) one member appointed by the governor for a term ending the first Monday
2.2 in January 2009."

2.3 Page 5, line 20, strike "Legislative"

Page 5, line 21, delete "and Citizens" and insert "Legislative-Citizen"

2.5 Page 7, line 27, strike "and advisory committee"

2.6 Page 8, line 29, delete "Legislative and Citizen" and insert "Legislative-Citizen"

2.7 Page 9, line 2, delete "Legislative and Citizen" and insert "Legislative-Citizen"

2.8 Page 9, after line 3, insert:

2.9 "Sec. 16. **TRANSITION PROVISIONS FOR LEGISLATIVE MEMBERS.**

2.10 (a) Legislative members initially appointed to the Legislative-Citizen Commission
2.11 on Minnesota Resources serve through January 2, 2007, or for those who are still
2.12 legislators in January 2007, until their successors are appointed.

2.13 (b) Legislative service on the former Legislative Commission on Minnesota
4 Resources is not counted for purposes of the term limits for service on the
2.15 Legislative-Citizen Commission on Minnesota Resources."

2.16 Page 9, line 6, delete "Legislative and Citizen" and insert "Legislative-Citizen"

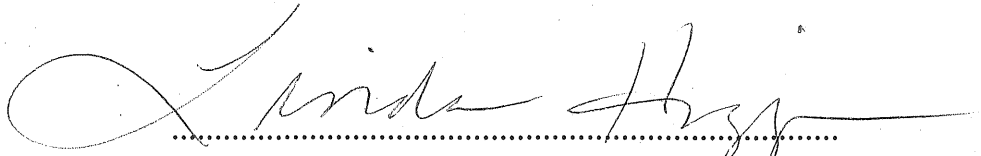
2.17 Page 9, line 14, delete "Legislative and Citizen" and insert "Legislative-Citizen"

2.18 Page 9, line 20, delete "18" and insert "19"

2.19 Renumber the sections in sequence

2.20 Amend the title accordingly

2.21 And when so amended the bill do pass and be re-referred to the Committee on
2.22 Environment and Natural Resources. Amendments adopted. Report adopted.

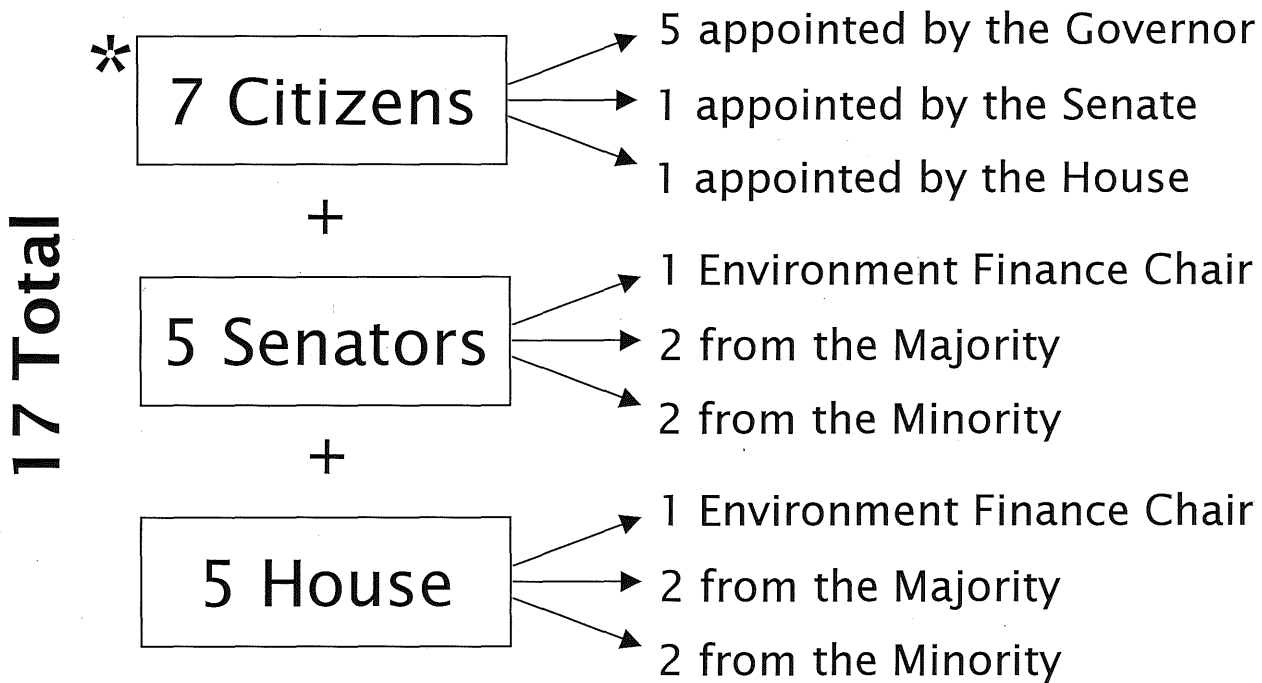
3 
4 (Committee Chair)

2.25 March 8, 2006
2.26 (Date of Committee recommendation)

Legislative & Citizen Commission on Minnesota Resources (LCCMR)

MEMBERSHIP

A. GOVERNANCE (recommend funding to Legislature)



* **Citizen Selection Committee appointed by the Governor**

- Will recommend a pool of qualified candidates for all citizen appointments
- Consists of 5-8 members

B. ADVICE to LCCMR

Technical Advisory Committees

- Possibly 4-10 committees - advise on strategic plan and project funding
- Citizens appointed by LCCMR

+

Peer Review Panel

- 5 or more members - scientific research design expertise
- Citizens appointed by LCCMR

Legislative & Citizen Commission on Minnesota Resources (LCCMR)

PROCESS

A.

APPOINTMENTS

- Governor appoints a Citizen Selection Committee that nominates a sizeable pool of well qualified candidates for consideration by the Governor and Legislature
- Governor and Legislature appoint their respective citizen members (7 Total)
- House & Senate appoint their respective 5 members each (1 each automatic, the Env. Finance Chair)
- Chair rotates between citizens and legislative appointees

B.

PLAN and FUNDING

- LCCMR annually reviews Constitution, statutes and resource plans both public and private
- Uses Technical Advisory Committee(s) to advise on strategic plan and review funding proposals
- Uses Peer Review Committee to judge research based proposals
- Develops a 6-year strategic plan for project funding with measurable outcomes
- Reviews the plan for possible revisions
- With a 12-vote majority recommends a three-part stand alone appropriation bill. The three parts are:
 - Major funding package addressing some focus areas as per the plan
 - Possible regional block grants
 - Possible emerging issues account for interim action

C.

EVALUATION

- LCCMR reviews/approves work programs to enable to begin
- Projects may be annual or multi-biennial projects, all with measurable outcomes
- Each biennium reports to Legislature on measured accomplishments compared to plan outcomes, once the projects are completed

Legislative & Citizen Commission on Minnesota Resources (LCCMR)

PRODUCTS

A. MAJOR FUNDING PACKAGE

- Annual cycles - focused funding
- Strict adherence to Constitution, strategic plan and M.S. 116P.08
- Projects possible in areas of air, water, land, fish, wildlife and other resources including state outdoor recreation systems (state parks, trails, water access, and historic sites) and Twin-Cities metro regional parks and trails (from M.S. 116P.02)

B. REGIONAL BLOCK GRANTS (suggested)

- Partner with existing, operating, regional citizen based organizations who plan and conduct resource protection and conservation projects
- Funding must comply with Strategic Plan
- Meet particular needs of regions
- Leverage other money

C. EMERGING ISSUES ACCOUNT (suggested)

- A small dollar amount appropriated to begin to address issues that arise between funding cycles
- LCCMR initiates and recommends specific projects and forwards to the Governor for allocation

Report of the Environment and Natural Resources Trust Fund Advisory Task Force

February 15, 2006

Adopted February 7, 2006

Advisory Task Force authorizing law, appointments and membership

Minnesota Constitution Article XI, Sec. 14

Sec. 14. **ENVIRONMENT AND NATURAL RESOURCES FUND.** A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]

Per ML 2005, First Special Session, Chapter 1, Article 2, Section 156:

Sec. 156. [ENVIRONMENT AND NATURAL RESOURCES TRUST FUND; ADVISORY TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] (a) An advisory task force to examine the process for making recommendations on expenditures from the environment and natural resources trust fund is created, consisting of:

- (1) four former members of the current Legislative Commission on Minnesota Resources from the house of representatives, appointed by the executive committee of the commission;
 - (2) four former members of the current Legislative Commission on Minnesota Resources from the senate, appointed by the executive committee of the commission; and
 - (3) eight public members who are not current or past members of the Legislative Commission on Natural Resources or the Citizens Advisory Council, established under Minnesota Statutes, section 116P.06, but who have submitted trust fund proposals for funding, appointed by the governor.
- (b) The members of the task force shall select a chair who shall preside and convene meetings of the task force. At least two house members and two senate members appointed must be from the minority caucus. Current legislative members of the task force are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the task force. Public members of the task force shall be compensated as provided in Minnesota Statutes, section 15.0575.
- (c) The task force shall examine the current process for recommending appropriations from the environment and natural resources trust fund and make recommendations for changes in the process. (d) By February 15, 2006, the task force shall report on its recommendations to the governor and the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance.

Subd. 2. [SUNSET.] The duties of the Legislative Commission on Minnesota Resources to recommend expenditures from the environment and natural resources trust fund expire on June 30, 2006.

Advisory Task Force Membership

Governor Pawlenty Appointments:

David Zentner – Co-chair, Karen Bowen, Jeff Broberg, Joe Duggan, Wayne Enger, Ryan Heiniger, Pam Landers, Craig Shaver.

LCMR Executive Committee Appointments:

Loren Solberg – Co-chair, Charlie Berg**, Dave Bishop, Ron Erhardt, Phyllis Kahn, Jane Krentz, Gary Laidig, Steve Morse, Earl Renneke**.

** Earl Renneke resigned on January 6, 2006. He was replaced by Charlie Berg.

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EXECUTIVE SUMMARY

The Advisory Task Force for the Environment and Natural Resources Trust Fund ("Task Force") was established in ML 2005, First Special Session, Chapter 1, Article 2, Section 156 to "examine the process for making recommendations on expenditures from the environment and natural resources trust fund...."

The Task Force was composed of sixteen members with many years of legislative and citizen expertise in the environment, natural resource and governance issues. Although Task Force members had diverse perspectives, they shared a common goal of assuring the preservation and enhancement of Minnesota's environment and natural resources through the best possible stewardship of Trust Fund expenditures. This report reflects the consensus views of the Task Force on how this goal can best be achieved.

The Advisory Task Force held its first meeting on Sept. 27, 2005, and met an additional seven times before the report deadline of February 15, 2006.

The Task Force deliberations served to balance two overriding interests:

- The interest in providing meaningful citizen involvement in the Environment and Natural Resources Trust Fund decision making process; and
- The interest in maintaining the constitutional responsibility of the legislature to appropriate money and oversee the spending of any appropriation.

The Task Force concluded that the goal of increasing citizen input could be achieved by:

- Adding non-legislative citizen appointments to make final funding recommendations by creating a joint Legislative Citizen Commission on Minnesota Resources (Commission).
- Regularly rotating the chair between the citizen and legislative members.
- Requiring a two-thirds majority vote for all final funding decision recommendations.
- Creating a Citizen Selection Committee appointed by the Governor to make recommendations for the citizen appointments.
- Providing for the establishment and use of technical expert advisory committees to assist in strategic plan development and proposal review and evaluation.
- Allocating a portion of the Trust Fund dollars to regions, to engage citizens at the local level and to invest in projects that address the unique needs of the area served.

The Task Force also concluded that the constitutional responsibility of the legislature to appropriate money and oversee the spending of any appropriation could be assured by:

- Maintaining legislative members on the Legislative Citizen Commission on Minnesota Resources to determine final project funding recommendations.
- Forwarding final project funding recommendations from the Commission to the full Legislature for review and appropriation.

Key Findings of the Task Force:

- The Trust Fund expenditures must follow the constitutional “mandate” as defined in MS 116P.02 and allowed in MS 116P.08.
- The Trust Fund must be appropriated by the Legislature.
- The Trust Fund expenditures must provide a long-term benefit to Minnesota’s environment and natural resources.
- The Trust Fund expenditures must supplement and not supplant other environment and natural resource funding.

Summary of Task Force Recommendations:

The Advisory Task Force Recommendations for changes to the process used for expenditures from the Environment and Natural Resources Trust Fund are in the four major areas of:

- Governance
- Long Range Planning
- Grant Administration
- Other Funds to Enhance Trust Fund Expenditures

The Task Force Recommendations include:

The full recommendations are on page 8.

Governance:

In order to provide increased citizen involvement the Task Force recommends replacing the current Legislative Commission on Minnesota Resources (LCMR) and Citizen Advisory Committee (CAC) process for making recommendations for the Trust Fund expenditures to the Legislature with a 17 member Commission composed of citizen and legislative appointed membership.

The 17 members are composed of: 7 citizen appointees, 5 House members and 5 Senate members. The citizen members are appointed by the Governor (5), the Senate (1) and the House (1).

The citizen members are appointed by the Governor, House, and Senate from recommendations received by the Citizen Selection Committee appointed by the Governor. The House and Senate appoint the 10 legislative members.

The chair of the Commission is elected by the membership and rotates between citizen and legislative members. A super majority of 12 of the 17 members (two-thirds) is required for Trust Fund expenditure recommendations.

Technical Advisory Expert Committees must be established to assist in long range planning for expenditures and proposal review and evaluation.

Annually, the Legislature will receive the Commission's recommendations for review and appropriation to forward to the Governor for signature.

Long Range Plan:

The Commission must adopt a 6 –year strategic long range plan for Trust Fund expenditures with measurable outcomes and determine areas of emphasis for funding.

Grant Administration and Funding Cycle

To make the funding available on a more timely basis, the funding cycle is adjusted as follows:

- (1) the cycle is changed from biennial to annual;
- (2) the Legislature is asked to take action on the funding recommendations at the beginning of its annual legislative session as stand alone appropriation legislation;
- (3) regional block grants are encouraged; and
- (4) an account should be set up to fund emerging issues outside of the proposed annual grant cycle with final approval by the Governor.

Other Funds to Enhance Trust Fund Expenditures

- Trust Fund Expenditures should seek to maximize leveraging of non-state dollars in project funding
- The Governor and the Legislative should restore the funding for the MN Future Resources Fund for environment and natural resource expenditures.

INTRODUCTION

Advisory Task Force Charge

The Advisory Task Force for the Environment and Natural Resources Trust Fund was established in ML 2005, First Special Session, Chapter 1, Article 2, Section 156 to “examine the process for making recommendations on expenditures from the environment and natural resources trust fund...”

Advisory Task Force Meetings

The Advisory Task Force held its first meeting on Sept. 27, 2005, and met an additional seven times before the report deadline of February 15, 2006. The Task Force Report was adopted on February 7, 2006 by a unanimous vote.

All materials distributed at the Advisory Task Force meetings and meeting minutes are available on the web at www.lcmr.leg.mn. In addition, the audio of all Advisory Task Force meetings is located at this web site.

Facilitation of the Advisory Task Force was conducted under contract with the Department of Administration.

Information Gathering

The Task Force reviewed the Constitutional amendments for the Trust Fund and MS 116P, the statute that implements the constitutional amendment. Various constitutional issues related to governance structures and expenditure options were provided by House and Senate Research for discussion.

The Advisory Task Force also reviewed the current process for Trust Fund expenditures and programs and processes used by other states, local and national foundations and other state grant programs. Included in the review were presentations from:

- **House, Senate and the Office of the Governor.** House and Senate conference committee members, a representative from the Governor’s office and the current LCMR chair shared their thoughts on the establishment of the Advisory Task Force and its charge.
- **Public Testimony.** The public was invited to share comments and suggestions to improve the process for Trust Fund expenditures. On November 17, 2005, twenty-three people presented testimony. An additional sixteen written comments were received.

- **Citizen Advisory Committee for the Environment and Natural Resources Trust Fund (CAC).**
All current and former CAC members were invited to share their perspectives with the Task Force during the November 17, 2005 meeting. Three CAC members provided testimony. In addition Nancy Gibson, Chair of the CAC, provided written comments.
- **States with Constitutionally Dedicated Environment and Natural Resource Funding and/or Established Trust Funds.**
Representatives of Great Outdoors Colorado, the Nebraska Environmental Trust, and the Missouri Department of Conservation presented overviews of the programs and activities in their states. House Research provided an Issue Brief on “State Environmental Trust Funds” (Appendix A).
- **Foundations and State Grant Programs.** The McKnight Foundation, the National Fish and Wildlife Foundation, and the Minnesota Arts Board presented overviews of their funding governance and process.

FINDINGS AND CONCLUSIONS

The Task Force deliberations served to balance two overriding interests:

- The interest in providing meaningful citizen involvement in the Environment and Natural Resources Trust Fund decision making process; and
- The interest in maintaining the constitutional responsibility of the legislature to appropriate money and oversee the spending of any appropriation.

The Task Force concluded that the goal of increasing citizen input could be achieved by:

- Adding non-legislative citizen appointments to the make final funding recommendations by creating a Legislative Citizen Commission on Minnesota Resources (Commission).
- Regularly rotating the chair between the citizen and legislative members.
- Requiring a two-thirds majority vote for all final funding decision recommendations.
- Creating a Citizen Selection Committee appointed by the Governor to make recommendations for the citizen appointments.
- Providing for the establishment and use of technical expert advisory committees by the Commission to assist in strategic plan development and proposal review and evaluation.
- Allocating a portion of the Trust Fund dollars to regions, to engage citizens at the local level and to invest in projects that address the unique needs of the area served.

The Task Force also concluded that the constitutional responsibility of the legislature to appropriate money and oversee the spending of any appropriation would be assured by:

- Maintaining legislative members on the Legislative Citizen Commission on Minnesota Resources to determine final project funding recommendations.
- Forwarding final project funding recommendations from the Commission to the full Legislature for review and appropriation.

The Task Force identified the following additional findings and conclusions, based on the results of their information gathering and deliberations.

Guiding principles for Trust Fund Expenditures:

- The Trust Fund expenditures must follow the constitutional “mandate” as defined in MS 116P.02 and allowed in MS 116P.08.
- The Trust Fund must be appropriated by the Legislature.
- The Trust Fund expenditures must provide a long-term benefit to Minnesota’s environment and natural resources.
- The Trust Fund expenditures must supplement and not supplant other environment and natural resource funding.

Governance

- Ensure an open public process in the development of the strategic plan and project funding review.
- Increase the involvement of Minnesota citizens in the Trust Fund strategic plan and expenditure decisions.
- Increase the public outreach for reporting the funding accomplishments.

Long Range Planning

- The long-range plan (strategic plan) must conform to the Trust Fund Constitution and M.S. 116P. 08, Environment and Natural Resources Trust Fund allowed expenditures, and definitions in M. S. 116P.02.
- The strategic plan required in M.S. 116P.08, Subd. 3, must provide measurable outcomes for expenditures and determine areas of emphasis for funding.

Grant Administration

- Increase the frequency of the funding cycle.
- Provide for regional grants to address unique needs of the regions.
- Increase responsiveness to emerging issues.

Other Funds to Enhance Trust Fund Expenditures

- Additional state and non-state sources of funds should be leveraged to enhance and maximize the impact of Trust Fund expenditures.

RECOMMENDATIONS

The Advisory Task Force Recommendations address four major areas including,

- Governance
- Long Range Planning
- Grant Administration
- Other Funds to Enhance Trust Fund Expenditures

The Advisory Task Force recommends that a sunset of June 30, 2016 apply to all of its recommendations.

Governance Structure and Membership

- A 17 member Legislative Citizen Commission on Minnesota Resources (Commission) composed of legislative members and citizen appointed members is created to make final recommendations on the Trust Fund expenditures to the legislature.
- The Commission should consist of a membership size that can provide for streamlined decision making and represent diverse points of view and opinions of elected and non-elected citizens.
- All appointments made to the Commission must take into consideration the appointee's qualifications and interest in the mission of the Trust Fund.
- Members are expected to participate in all meetings related to funding decision recommendations through procedures established by the Commission.
- A conflict of interest process would apply to all members of the Commission.

Composition and Duties

- The composition of the 17 member Commission legislative and non-legislative citizen members is:
 - 7 citizen members
 - 5 House members
 - 5 Senate members
- The Commission makes final project funding recommendations for the Trust Fund to the Legislature.
- Funding decision recommendations require a two-thirds majority vote of the full membership (12 members).
- The Commission must establish and use technical expert advisory panels.
- Citizen appointed members will be selected to chair the technical expert advisory panels.
- The Commission must adopt and regularly review a long-term strategic plan.
- The Commission shall operate within the current legislative administrative structure.

Membership

- Appointment process
 - Legislative members are appointed by the House and Senate.
 - Citizen members are appointed by the Governor (5), House (1) and Senate, (1) based on the recommendations of Governor's appointed Citizen Selection Committee.
- The Commission chair is elected by Commission membership. Selection of the chair rotates between citizen membership and legislative membership.
- Membership Terms
 - The Task Force recommends that the legislature develop term limits for the citizen and legislative appointees, such as:
 - Citizen Membership: Staggered 3-year terms, with a maximum of two full terms
 - Legislative Membership: 2-year terms, with a maximum of 3 full terms.

Citizen Membership Criteria

- Criteria for citizen members to the Commission includes:
 - Demonstrated expertise and experience in the science, policy, or practice of the protection, conservation, prevention and enhancement of the State's air, water, land, fish, wildlife and other natural resources (as defined in 116P).
 - Demonstrated ability to work in a collaborative environment.
 - A strong knowledge of the environment and natural resource issues faced across the variety of geographic regions of the state.

Legislative Membership Criteria

- Criteria for legislative members to the Commission includes:
 - Limiting automatic appointments to be the chairs of the environment finance/budget committees in the House and the Senate, or the Chairs' designees.
 - At least 2 of the 5 appointments from the House and Senate must be minority members.
 - A strong knowledge of the environment and natural resource issues faced across the variety of geographic regions of the state.

Citizen Selection Committee Composition and Duties

- A committee totaling 5 – 8 members, representing a geographic balance and diversity in the environment and natural resource interests, appointed by the Governor, recommends citizen members for appointment to the Commission.
- The Citizen Selection Committee duties include:
 - Identification of citizen Commission member candidates from the open appointments process "pool."
 - Requesting and reviewing special applications for citizen member candidates.
 - Interviewing and recommending a "pool" of member candidates to the Governor, House and Senate.

Long-Range Plan

- The strategic plan required in M.S. 116P.08, Subd. 3, (6- year plan, reviewed every 2 years) must provide measurable outcomes for expenditures and determine areas of emphasis for funding.
- The strategic plan must have clearly stated short and long term goals and strategies for Trust Fund expenditures that can move the environment and natural resources toward the desired outcomes.
- The Commission shall consider the long term strategic plans of agencies with environmental programs and responsibilities and conservation and environmental organizations during the development and review of the Trust Fund strategic plan.
- The long-range plan (strategic plan) adopted by the Commission must conform to the Trust Fund Constitution, M.S. 116P.08, Environment and Natural Resources Trust Fund allowed expenditures, and definitions in M.S. 116P.02.

The Task Force recommends that the Commission strategic plan development consider the following as part of its process:

The Commission should develop the first draft of the Trust Fund long range content plan from their combined expertise on and understanding of statewide issues. Once the first draft of the long range plan has been written, the Commission should review the state agency long range plans to determine what portions of the Commission trust fund plan are already being addressed. The Trust Fund long range plan could then be revised to emphasize funding those identified needs not being addressed in the agency plans.

Additionally, the Advisory Task Force recommends that:

- The Commission recommend adequate funding for the Advisory Task Force recommendations for increased citizen outreach and communications as part of the long-range planning and grant-making functions.

Grants Administration

The Legislature is asked to take action on the project funding recommendations at the beginning of its annual legislative session as stand alone appropriation legislation.

Additionally, it is recommended that the Commission:

- Increase the frequency of the funding cycle to an annual cycle (Example of annual cycle in Appendix B).
- Continue to allow for direct administrative expenses for the project expenditures, as needed
- Establish and use technical advisory review committee(s), in proposal

evaluation and project outcome evaluation.

- Continue to conduct scientific peer reviews for research proposals.
- Research expenditures must focus on the environment and natural resources identified in the Trust Fund Constitution and long-range plan.
- Simplify the grant application and review process.
- Streamline the administration of the project expenditures for recipients.
- Continue to ensure the accountability of the expenditures and provide for the evaluation of the projects and the auditing of the expenditures.

The Advisory Task Force also recommends that staff of the Commission be given a stronger role in the screening and initial evaluation of proposals.

In addition to making specific project funding recommendations, the Commission should consider recommending funding for regional block grants and an account for emerging issues.

Regional Block Grants

The Commission should consider establishing regional block grants for a portion of the funding to:

- Partner with existing administrative structures that have strong citizen involvement
- Leverage local and federal funding.
- Help build local capacity for the environment and natural resource activities, education and awareness.
- Address unique needs of areas served.
- Capture potentially high-return, local citizen efforts.

The Commission should consider providing the block grants to existing regional organizations.

The regional block grant expenditures must conform to Constitutional and statutory authorizations and the adopted long-range plan.

Grant recipients must report their grant awards and evaluation results to the Commission and be expected to maximize the funding provided to projects, minimize the administrative dollars, and leverage additional funds.

Emerging Issues Account

The Commission is encouraged to establish an account for emerging issues to be appropriated by the legislature for the Commission to respond rapidly to emerging issues brought to their attention. Expenditures would need to conform to the adopted strategic long-range plan. Recommendations for the account expenditures are subject to final approval by the Governor.

Other Funds to Enhance Trust Fund Expenditures

- Trust Fund expenditures should seek to maximize the leveraging of non-state dollars in project funding by partnering with 501c(3)s, other organizations and agencies.
- It is recommended the Governor and the Legislature restore the funding for the MN Future Resources Fund for environment and natural resource expenditures.
- The Governor and Legislature are encouraged to recognize the need for the environment and natural resource project funding in the capital bonding considerations.