



April 2, 2022

The Honorable Julie Rosen
Chair, Senate Finance Committee
2113 Minnesota Senate Bldg.
St. Paul, MN 55155

Dear Senator Rosen and Finance Committee Members,

Thank you for the opportunity to provide comments on Senate File 4062-1E, the Omnibus Supplemental Environment and Natural Resources Finance bill.

Minnesotans value their natural resources and care about clean water and productive use of their land and infrastructure. Minnesotans also expect a great deal from the state agencies charged with overseeing natural resources, and we at the Board of Water and Soil Resources (BWSR) take that responsibility seriously. Working in partnership with the local governments who implement conservation practices on the ground, BWSR has been making noticeable progress.

We have concerns with several fiscal aspects of SF 4062-1E and would like the committee to be aware of these impacts.

First, this bill omits a \$15 million acceleration for the **Water Storage and Treatment Program**. This statutory program (MN Stat. Ch. 103F.05) focuses critical conservation and infrastructure work on the headwaters areas of Minnesota's watersheds and allows us to leverage federal funding.

Minnesota is experiencing larger and more frequent and intense rainfall events, resulting in negative impacts to agriculture production and infrastructure, significant erosion along riverbanks, and declining water quality. This new program would provide matching funds to producers and local governments for water storage projects that will slow down or temporarily hold back water from reentering streams or rivers. As defined in the statute for this new program, water storage includes retention structures and basins, soil and substrate infiltration, wetland restoration, creation, or enhancement, channel restoration or enhancement, and floodplain restoration or enhancement projects. Leaving this item out of SF 4062-1E is a missed opportunity to help landowners, producers and local governments in greater Minnesota build resiliency and avoid costly damage to lands, waters and infrastructure.

Second, while noting the update to the SF 4062-1E spreadsheet to track \$17 million that the Governor has recommended for **accelerated soil health efforts**, a provision that originated in the Omnibus Ag Supplemental Finance bill (SF4019), neither the policy nor the critical funding to accomplish soil health practices is included in SF 4062-1E.

Soil health (defined in MN Stat. Ch. 103C.101) is the soil's ability to sustain agricultural crop productivity while providing essential functions such as regulating water, filtering and buffering pollutants, and cycling nutrients without resulting in soil degradation or otherwise harming the environment.

One of the best ways to improve soil health is to keep farmland covered with vegetation for much of the year. Practices such as cover crops, reduced tillage, and planting perennial vegetation (known as continuous living cover) help to increase organic matter and build healthier soils.

Farm census data indicates that approximately 2% of Minnesota's ag land includes cover crops. Common hurdles to implementation include; lack of information specific to northern climates, access to equipment and support, and funding to sufficiently offset risk until the crop is established. Leaving this important item out of SF 4062-1E is another missed opportunity to help ag producers and local governments to protect and sustain the soil that we must rely on to provide food, fiber and fuel in the future. State funding for accelerating adoption of voluntary soil health practices would also allow us to leverage federal funding.

Third, SF 4062-1E omits funding for a **Tribal Liaison**, thus impeding BWSR's ability to carry out new statutory requirements for formal consultation and informal coordination with Minnesota's eleven Tribal Nations as enacted in 2021. BWSR seeks to comply with these new statutory requirements and needs an additional FTE to do so.

Fourth, the requested \$595,000 appropriation to cover one-time **COVID-related unreimbursed costs** at BWSR is not included SF 4062-1E. If not funded, these unreimbursed costs will hamper our ability to provide catch-up engineering and other services for projects that landowners and local governments are relying on.

Fifth, SF 4062-1 omits a **budget neutral policy change** that brings greater efficiency into expenditure of state funds for repair and replacement of water control structures. This policy change allows repair or replacement to occur before an emergency situation is created.

Finally, by not funding the **Soil Health and Water Storage programs** this bill misses a crucial opportunity to bring federal dollars to Minnesota to address growing threats to the livelihoods of farmers, landowners and to the fiscal capacities of local governments. Although details are still being worked out, federal leveraging amounts are expected to be 1:1 or better, so failing to invest in these programs is a missed opportunity.

We appreciate your commitment to protecting and improving Minnesota's environment and natural resources and we look forward to continuing the conversation with you and others in the weeks ahead.

Sincerely,



John Jaschke, Executive Director

cc: Rachel Ganani, Policy Advisor to Governor Tim Walz
Sen. Bill Ingebrigtsen, Chair, Senate Environment Finance Committee
Sen. Patricia Torres Ray, Ranking Minority Member, Senate Environment Finance Committee