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AT A GLANCE

- Small agency of conservation professionals
- Local conservation delivery system
- Governing board of local officials, citizens, and agency partners
- Focus on Minnesota’s private lands (78 percent of the state)
- Collaboration model for results:
 - 15,000 conservation practices installed
 - 7,000 easements funded
 - 515 local water management plans approved
 - 10,000 acres of wetland credits deposited into wetland bank
 - 243 basic performance and accountability assessments completed annually

PURPOSE

Our mission is to improve and protect Minnesota’s water and soil resources by working in partnership with local organizations and private landowners. Our agency has a unique business model that is designed to:

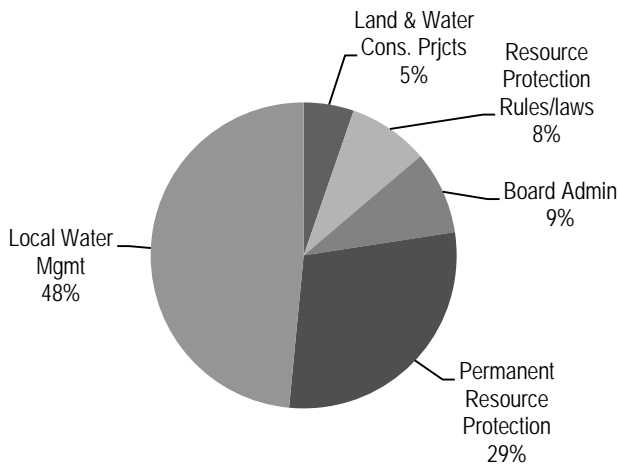
- Operate as an efficient state-level source of technical and financial assistance to a local government delivery system
- Emphasize implementation of conservation practices and projects that meet state objectives
- Focus on Minnesota’s private lands

We contribute to the statewide outcome of **“a clean, healthy environment with sustainable uses of natural resources”** by providing for targeted resource planning, protecting and restoring important water and habitat resources, and ensuring compliance with environmental laws, rules, and regulations.

We also contribute to the statewide outcomes of **“efficient and accountable government services”** by maximizing local and federal partnerships and evaluating the effectiveness of local governments and conservation outcomes.

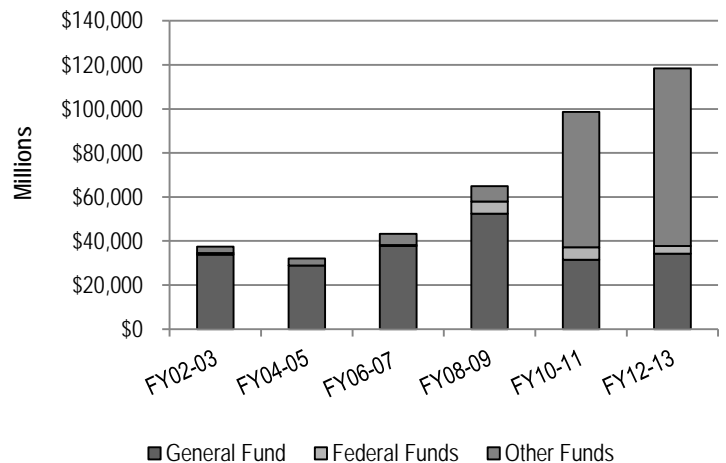
BUDGET

**Spending by Program
FY 13 Actual**



Source: SWIFT

Historical Spending



Legacy Funds are reflected in FY10-11 and FY12-13 “Other Funds”
Source: Consolidated Fund Statement

Funding for agency operations and conservation activities comes from a mix of state and federal funds. General Fund support has shrunk in recent years, and together, the Clean Water Fund and Outdoor Heritage Fund make up the majority of our current budget. The Other Funds category is made up of these two legacy funds in addition to interagency transfers, Environment and Natural Resources Trust Fund, federal funds, and special revenue funds. Approximately 85 percent of our budget passes through the agency in grants to local governments for approved conservation programs and projects. The remaining 15 percent is retained for agency programs and agency operations, of which personnel is the largest expenditure.

STRATEGIES

BWSR's mission is implemented through the following core functions:

- Function as the state soil conservation agency.
- Direct private land soil and water conservation programs through the actions of soil and water conservation districts, counties, cities, townships, watershed districts, and water management organizations.
- Link water resource planning with comprehensive land use planning.
- Provide resolution of water policy conflicts and issues.
- Oversee comprehensive local water management.
- Provide the forum (through the board) for local issues, priorities, and opportunities to be incorporated into state public policy.
- Administer the Wetland Conservation Act.
- Coordinate state and federal resources to realize local priorities.

We accomplish our mission through these key strategies:

- Develop programs that address priority state and local resource concerns such as keeping water on the land; maintaining healthy soils; reducing pollutants in ground and surface water; assuring biological diversity; and reducing flood potential.
- Oversee and provide for targeted resource planning and effectiveness evaluation.
- Prioritize on-the-ground conservation projects in the best locations to achieve multiple benefits and measurable improvements to water and habitat resources.
- Ensure compliance with environmental laws, rules, and regulations. Specifically, we are responsible for administering the Wetlands Conservation Act (WCA) and providing oversight to drainage authorities operating under state drainage law.
- Implement agency operations through board and administrative leadership, internal business systems, and operational support. This includes the board and board management, financial and accounting services, legislative and public relations, communications, and human resources.

The legal authority for the Board of Water and Soil Resources come from the following Minnesota Statutes (<https://www.revisor.mn.gov/statutes/>): MS 103A, 103B, 103C, 103D, 103E, 103F, and 103G

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	13,001	21,234	18,298	15,226	12,659	12,641	13,227	13,133
2000 - Restricted Misc Special Rev	406	468	593	580	626	630	626	630
2001 - Other Misc Special Rev	4,357	5,112	5,786	5,803	5,414	5,414	5,414	5,414
2050 - Environment & Natural Resource	1,103	1,574	3,361	1,777	0	0	0	0
2300 - Outdoor Heritage Fund	6,106	9,156	44,878	22,051	0	0	0	0
2302 - Clean Water Fund	21,511	30,829	34,269	41,857	0	0	49,559	49,559
3000 - Federal	2,863	691	2,304	2,462	1,352	852	1,352	852
Total	49,348	69,065	109,489	89,755	20,052	19,538	70,179	69,589
<i>Biennial Change</i>				80,831		(159,654)		(59,476)
<i>Biennial % Change</i>				68		(80)		(30)
<i>Governor's Change from Base</i>								100,178
<i>Governor's % Change from Base</i>								253

Expenditures by Program

Program: Land & Water Cons. Projects	3,776	4,374	8,199	5,897	1,715	1,715	2,965	2,965
Program: Resource Protection Rules/laws	6,261	8,440	8,996	9,482	9,310	9,331	9,724	9,695
Program: Board Admin & Agency Ops	5,127	6,148	6,145	7,012	3,770	3,770	4,958	4,932
Program: Permanent Resource Protection	9,837	17,789	54,851	34,562	1,619	1,103	1,619	1,103
Program: Local Water Management	24,346	32,314	31,298	32,803	3,637	3,619	50,912	50,894
Total	49,348	69,065	109,489	89,755	20,052	19,538	70,179	69,589

Expenditures by Category

Compensation	5,474	6,163	7,267	9,651	4,484	4,505	8,760	8,801
Operating Expenses	2,896	3,169	4,234	7,146	1,530	1,516	1,605	1,548
Other Financial Transactions	31	88	88	1,057	31	29	31	29
Grants, Aids and Subsidies	30,212	43,045	44,878	41,947	13,280	13,262	59,056	58,985
Capital Outlay-Real Property	10,735	16,600	53,022	29,954	726	226	726	226
Total	49,348	69,065	109,489	89,755	20,052	19,538	70,179	69,589
Total Agency Expenditures	49,348	69,065	109,489	89,755	20,052	19,538	70,179	69,589
Internal Billing Expenditures			11	12	12	12	12	12
Expenditures Less Internal Billing	49,348	69,065	109,477	89,743	20,040	19,526	70,167	69,577

Full-Time Equivalents

	67.5	70.2	79.3	76.0	47.9	47.9	86.3	86.8
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1000 - General

	Actual		Actual FY 14	Estimate FY 15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	1,158	755	3,077	3,673	18		18	
Direct Appropriation	12,562	12,558	13,001	14,757	12,641	12,641	13,209	13,133
Receipts	0		(1)					
Net Transfers		(2)	5,893					
Cancellations	3			3,187				
Expenditures	13,001	21,234	18,298	15,226	12,659	12,641	13,227	13,133
Balance Forward Out	715	3,077	3,673	18				
<i>Biennial Change in Expenditures</i>				(712)		(8,223)		(7,163)
<i>Biennial % Change in Expenditures</i>				(2)		(25)		(21)
<i>Gov's Exp Change from Base</i>								1,060
<i>Gov's Exp % Change from Base</i>								4
FTEs	41.0	32.5	35.4	34.9	34.2	34.2	37.7	37.7

2000 - Restricted Misc Special Rev

	Actual		Actual FY 14	Estimate FY 15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	491	333	291	269	271	178	271	178
Receipts	311	426	570	584	534	534	534	534
Net Transfers	(63)		0					
Expenditures	406	468	593	580	626	630	626	630
Balance Forward Out	333	291	269	271	178	81	178	81
<i>Biennial Change in Expenditures</i>				299		83		83
<i>Biennial % Change in Expenditures</i>				34		7		7
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	2.8	4.2	4.1	4.6	4.6	4.6	4.6	4.6

2001 - Other Misc Special Rev

	Actual		Actual FY 14	Estimate FY 15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	1,960	3,728	3,675	2,806	926	749	926	749
Receipts	6,764	4,702	5,227	5,661	5,547	5,547	5,547	5,547
Net Transfers	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(310)
Cancellations	336		0	1,430				
Expenditures	4,357	5,112	5,786	5,803	5,414	5,414	5,414	5,414
Balance Forward Out	3,721	3,007	2,806	926	749	572	749	572

(Dollars in Thousands)

2001 - Other Misc Special Rev

<i>Biennial Change in Expenditures</i>				2,119		(761)		(761)
<i>Biennial % Change in Expenditures</i>				22		(7)		(7)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	4.7	5.6	5.5	5.3	5.3	5.3	5.3	5.3

2050 - Environment & Natural Resource

	Actual		Actual FY 14	Estimate FY 15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In		1,723	1,471	820				
Direct Appropriation	2,751	1,106	3,771	957	0	0	0	0
Net Transfers			(970)					
Cancellations			91					
Expenditures	1,103	1,574	3,361	1,777	0	0	0	0
Balance Forward Out	1,648	1,255	820					
<i>Biennial Change in Expenditures</i>				2,460		(5,137)		(5,137)
<i>Biennial % Change in Expenditures</i>				92		(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.3	0.7	1.5	0.8	0	0	0	0

2300 - Outdoor Heritage Fund

	Actual		Actual FY 14	Estimate FY 15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	7,436	20,659	29,031	5,630				
Direct Appropriation	17,140	16,380	21,690	16,422	0	0	0	0
Net Transfers	(500)							
Cancellations		1,351	212					
Expenditures	6,106	9,156	44,878	22,051	0	0	0	0
Balance Forward Out	17,970	26,532	5,630					
<i>Biennial Change in Expenditures</i>				51,668		(66,929)		(66,929)
<i>Biennial % Change in Expenditures</i>				339		(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	2.2	2.8	4.6	4.5				

2302 - Clean Water Fund

(Dollars in Thousands)

2302 - Clean Water Fund

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	477	6,916	8,607	7,828				
Direct Appropriation	27,534	31,734	32,792	34,037	0	0	49,559	49,559
Receipts	0							
Net Transfers	0	0	842	0				
Cancellations	34		145					
Expenditures	21,511	30,829	34,269	41,857	0	0	49,559	49,559
Balance Forward Out	6,467	7,820	7,828					
<i>Biennial Change in Expenditures</i>				23,785		(76,126)		22,992
<i>Biennial % Change in Expenditures</i>				45		(100)		30
<i>Gov's Exp Change from Base</i>								99,118
FTEs	11.9	17.2	22.1	22.0			34.9	35.4

3000 - Federal

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	110	249	528	146				
Receipts	2,940	692	1,923	2,315	1,353	853	1,353	853
Net Transfers	63							
Expenditures	2,863	691	2,304	2,462	1,352	852	1,352	852
Balance Forward Out	250	252	146					
<i>Biennial Change in Expenditures</i>				1,212		(2,561)		(2,561)
<i>Biennial % Change in Expenditures</i>				34		(54)		(54)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	4.6	7.1	6.0	3.8	3.8	3.8	3.8	3.8

Board of Water and Soil Resources

FY16-17 Biennial Budget Change Item

Change Item: Clean Water Fund Recommendation

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	47,134	47,134	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	47,134	47,134	0	0
FTEs	34.9	34.9	0	0

Recommendation:

The Governor recommends \$47.134 million in FY 2016 and \$47.134 million in FY 2017 from the Clean Water Fund for grants to local units of government to address nonpoint sources of pollution and to improve water quality.

Rationale/Background:

With more than 10,000 lakes, 100,000 river and stream miles, and extensive groundwater systems, water is a major part of Minnesota's culture, economy, and natural ecosystems. Today, about half of Minnesota's surface waters have been assessed for water quality, and of those, about 40% do not meet basic water quality standards.

Protecting and restoring Minnesota's waters is a collaborative effort between federal, state, and local partners. As Minnesota's soil and water conservation agency, the mission of the Board of Water and Soil Resources (BWSR) is to improve and protect the state's water and soil resources by working in partnership with local organizations and private landowners. BWSR works with these partners on prioritized projects that will protect and restore Minnesota's waters. Using a wide range of conservation practices and tools, critical water quality problems are targeted and addressed through on-the-ground, local projects.

Proposal:

This proposal includes:

1. **Targeted Wellhead/Drinking Water Protection (\$3.5 million):** Grants to implement best management practices and permanent conservation easements in communities/wellhead protection areas where the actions needed to protect drinking water are known.
2. **Surface and Drinking Water Protection/Restoration Grants (\$24.5 million):** (Projects and Practices) Grant and incentive funding to protect, enhance and restore water quality in lakes, rivers and streams and to protect groundwater and drinking water by implementing priority actions in local water management plans.
3. **Accelerated Implementation (\$12 million):** Enhance the capacity of local governments to accelerate implementation of projects and activities that supplement or exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, streams, and groundwater. Activities include: 1) increase technical assistance through regional technical service areas (TSAs), 2) technical training and certification, 3) inventories of potential restoration or protection sites, and 4) developing and using analytical targeting tools that fill an identified gap.
4. **Measures, Results and Accountability (\$1.9 million):** Conservation quality assurance by providing oversight, assessment, assistance and reporting of local government performance and results.
5. **Grants to Watersheds with Multiyear Plans (\$12 million):** (Targeted Watershed Program) Focuses on watersheds where the amount of change necessary to improve water quality is known, the actions needed to achieve results are identified, those actions can be implemented within a four-year time period, and are capable of achieving a measurable outcome.
6. **Conservation Drainage Management and Assistance (\$1.5 million):** Implementation of a conservation drainage/multipurpose drainage water management program in consultation with the Drainage Work Group to improve surface water management by providing funding under the provisions of 103E.015.
7. **Soil Loss and Shoreland Buffer Compliance (\$0 million):** **Note: This item has been adjusted and moved to the Governor's Buffer Initiative Change Item.

8. **Riparian Buffer-Permanent Conservation Easements (\$12 million):** Purchase and restore permanent conservation easements on riparian lands adjacent to public waters, except wetlands. Establish buffers of native vegetation that must be at least 50 feet where possible and no more than 100 feet. This program is coordinated and matched with Outdoor Heritage Funds.
9. **Technical Evaluation (\$168,000):** Statutory mandate to annually evaluate a sample of up to 10 habitat restoration projects, beginning July 1, 2011. BWSR and DNR have been collaborating on implementing state statute (Laws of MN 2011, First Special Session, Ch. 6) that requires restoration evaluations to be conducted on habitat restoration projects completed with funds from the Clean Water Fund, Outdoor Heritage Fund and Parks and Trails Fund.
10. **Water Management Transition (One Watershed One Plan) (\$4.2 million):** Accelerate implementation of the State's Watershed Approach through the statewide development of watershed-based local water planning that is synchronized with Watershed Restoration and Protection Strategies (WRAPS) and Groundwater Restoration and Protection Strategies (GRAPS)
11. **Conservation Reserve Enhancement Program (CREP) (\$18 million):** Interagency effort to implement a CREP aimed at restoring surface water quality in areas targeted for nutrient reductions and protecting sensitive groundwater and drinking water resources.
12. **Critical Shoreland Protection-Permanent Conservation Easements (\$2 million):** A pilot program to purchase permanent conservation easements to protect lands adjacent to public waters with good water quality but threatened with degradation.
13. **Tillage and Erosion Transects (\$1 million):** Program to systematically collect data and produce statistically valid estimates of the rate of soil erosion and tracking the adoption of high residue cropping systems in the 67 counties with greater than 30% of land in agricultural row crop production.
14. **Community Partners Clean Water Program (\$1.5 million):** Increase citizen participation in implementing water quality projects and programs to increase long term sustainability of water resources. The efforts and resources of active and engaged community groups, such as lake associations, non-profits, and conservation groups, will be supported through this program. This effort will be delivered through local collaboration using a 'small grants partners' program.

IT Related Proposals:

Not applicable.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Target</i>	<i>Dates</i>
Results	Percentage of lakes with good water quality, as measured by acceptable Trophic State Index	62%	70%	By 2034
Results	Percentage of rivers and streams with healthy fish communities, as measured by the Index of Biotic Integrity	60%	67%	By 2034

Statutory Change(s):

Not applicable.

Board of Water and Soil Resources & Department of Natural Resources

FY16-17 Biennial Budget Change Item

Change Item Title: Implementation of the Governor's Buffer Initiative

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	2,825	2,825	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,825	2,825	0	0
FTEs	1.0	1.5	0	0

Request:

The Governor recommends \$2.825 million in FY 2016 and \$2.825 million in FY 2017 from the Clean Water Fund for the Department of Natural Resources (DNR) and Board of Water and Soil Resources (BWSR) to implement the Governor's Buffer Initiative. This initiative would protect Minnesota's water resources from erosion and runoff pollution by establishing at least 50 feet of vegetation adjacent to the state's waters. Funding would provide grants for local government implementation and technical assistance and program coordination at the state level.

Rationale/Background:

Statewide, there are roughly 125,000 acres of land without vegetated buffers adjacent to Minnesota's streams, rivers and watercourses. The Board of Soil and Water Resources has estimated, in the southern and western regions of Minnesota, 64% of watercourses are not subject to any buffer requirements under current law. In addition, the Minnesota Pollution Control Agency estimates that only 43% of western and southern Minnesota's rivers and streams have vegetated buffers. Riparian buffers aid in filtering out phosphorus, nitrogen, and sediment by slowing runoff, trapping sediment, and allowing vegetation to absorb any pollutants before they enter the water. A vegetated buffer can also provide aquatic and wildlife habitat in addition to protecting and improving the quality of state waters.

Current buffer laws and rules do not require vegetated buffers where they are needed to protect water quality and existing compliance mechanisms are insufficient or ineffective. The Governor's proposal was developed by reviewing a number of studies looking at the extent of Minnesota's waters subject to current buffer requirements, and the additional buffers needed to address water quality protection. Input has also been gathered from stakeholder input meetings with agriculture interests, environment and conservation organizations, and federal, state, and local government representatives. Counties that have effectively implemented buffer initiatives were also surveyed to learn more about the elements of their successful efforts.

Proposal:

This proposal will require a 50 foot buffer of perennial vegetation adjacent to the state's perennial waters by September 1, 2016. The state's perennial waters are public waters and other watercourses with a defined bed and bank and have water flowing during the majority of the growing seasons in most years. The proposal would exempt the following areas: areas covered by a road, building or other structures; areas enrolled in the Conservation Reserve Program; public or private water access or recreational use areas; and municipalities in compliance with federal or state storm water requirements.

Under the proposal, landowners would retain use of the buffer in any way as long as permanent vegetation is maintained. In cases where a 50 foot buffer will not protect or improve water quality, landowners will be able to seek approval for an alternative practice. Landowners who have applied for financial assistance by September 1, 2016 will receive a conditional compliance waiver approved and filed by the soil and water conservation district until financial assistance is available for the buffer installation, up to September 1, 2017.

The DNR will establish and maintain an inventory map of each county that shows the waters that are subject to the buffer requirement. Following the initial phase in period for compliance, the DNR will have responsibilities for issuing enforcement orders and following up on corrective actions.

Soil and water conservation districts will be required to implement the buffer requirement including planning, technical assistance to landowners, approval of alternative practices, and tracking and reporting progress of the program.

This proposal requests \$5,650,000 in FY2016-17 from the Clean Water Fund for the DNR and BWSR as follows and summarized in the table below:

- \$400,000 per year to DNR for establishing and maintaining an inventory map of all water requiring a riparian buffer and providing guidance to local units of government for implementation of the new buffer requirements. The DNR will collect and analyze data to develop, publish, modify and disseminate maps and mapping tools to local units of government and make them available to landowners via the internet.
- \$2,425,000 per year to BWSR for grants to local governments for program implementation. Soil and water conservation districts or their delegates are required to implement the new buffer requirements. Duties include planning, map review, technical and compliance assistance to landowners, follow up on complaints, approval of alternative practices, and tracking progress of implementing the new buffer requirement.

FUNDING SUMMARY TABLE

Agency	Activity	Amount	State FTEs			
		(FY16-17)	2016	2017	2018*	2019*
DNR	Buffer Program Coordination, including maps and enforcement	800	1.0	1.0	3.0	3.0
BWSR	Local program implementation	4,850	0.0	0.5	0.5	0.5
	Total	5,650	1.0	1.5	3.5	3.5

* Shown only to demonstrate ongoing activities and beginning of enforcement activities. These are not reflected in the FY16-17 budget because CWF is not a base budget funding source.

Statutory Change(s):

103F

Board of Water and Soil Resources

FY16-17 Biennial Budget Change Item

Change Item: Operating Adjustment

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	154	128	128	128
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	154	128	128	128
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding for compensation related costs associated with the delivery of agency services. This amount represents an annual increase of 1.8% for General Fund compensation costs in addition to a one-time \$93,000 to cover unanticipated retirement costs.

Rationale/Background:

Each year, compensation costs rise due to labor contract settlements, and changes in employer-paid contributions for insurance, FICA, Medicare, retirement, and other factors. Absorbing this increase in compensation costs within existing agency base appropriations results in reduced staffing and/or reduced non-compensation spending.

Proposal:

The Governor recommends increasing agencies' general fund budgets for employee wage and benefit costs by 1.8% per year for FY 2016-17. Agencies were instructed to include a 1.8% increase to total compensation each year in their base budgets, based upon the compound annual compensation spending rate increase per FTE over the last ten years for executive branch employees. This recommendation is intended to allow agencies to maintain their current level of agency operations.

For non-General Fund direct appropriated funds, the Governor's budget recommendations also include an adjustment of 1.8% per year, where the amount can be supported by the source of revenue.

Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

Statutory Change(s):

N.A.

Board of Water and Soil Resources

FY16-17 Biennial Budget Change Item

Change Item: Enhancing Implementation of the Wetland Conservation Act

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	414	364	375	375
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	414	364	375	375
FTEs	3.5	3.5	3.5	3.5

Recommendation:

The Governor recommends \$778,000 from the General Fund in the FY2016-2017 biennium to incorporate new implementation responsibilities for the Wetland Conservation Act (WCA) by providing 3.5 new FTEs and \$50,000 in one-time funding for an analysis of in-lieu-fee program options. One FTE is associated with WCA expanded and on-going program and stakeholder leadership, including rulemaking; one FTE is associated with the development and implementation of an in-lieu fee wetland replacement program; and 1.5 FTEs are to improve mitigation outcomes through implementation of existing and new statutory responsibilities to accomplish high-quality wetland mitigation.

Rationale/Background:

In 1991 Minnesota enacted WCA, which requires anyone proposing to drain, fill, or excavate a wetland first to try to avoid disturbing the wetland; second, to try to minimize any impact on the wetland; and finally, to replace any lost wetland acres, functions, and values. Local governments—cities, counties, watershed management organizations, soil and water conservation districts, and townships—implement the act locally; BWSR administers the act statewide.

BWSR supports local implementation of WCA by providing:

- technical and administrative assistance,
- oversight through project review and annual reporting,
- administration of the state wetland banking system by reviewing wetland bank plans, accepting conservation easements on approved bank sites, and managing credit transactions and accounting, and
- an appeals process when disputes occur regarding local decisions.

BWSR also implements the Local Government Roads Wetland Replacement Program, which replaces wetland impacts as part of local transportation improvement projects. This approach consolidates the necessary technical, financial, and record-keeping components to provide high quality, cost-effective wetland replacement while reducing regulatory burdens on local governments.

It is clear that there is a growing frustration among project proposers, landowners, local governments, and some environmental groups that implementation of WCA is currently not as responsive, efficient, or effective as it should be. In addition, the quality and location of wetland mitigation has been an area of growing concern. The new positions will help ensure that the agency has increased capacity to address new statutory responsibilities and reduce regulatory burdens on project proposers, while improving environmental and ecological outcomes at the same time.

Beginning in summer 2012 with the issuance of Executive Order 12-04, BWSR has been engaged in a process with partner agencies and stakeholder organizations to evaluate WCA to identify and develop program changes to further enhance the long-term protection and enhancement of Minnesota's wetland resources. Key goals of this work are to improve the targeting of wetland replacement, ensure the quality and sustainability of wetland replacement and to ensure that replacement wetlands are locally accepted. Legislation proposed based on the stakeholder process is ready for consideration in 2015 to address these goals.

Proposal:

Specifically, BWSR proposes the following 3.5 staff positions to increase program efficiency and improve mitigation outcomes:

- Wetland program lead and policy specialists (1 FTE).
 - Manage wetland stakeholder coordination and resulting policy initiatives (proposed).
 - Coordinate and lead the establishment and implementation of high priority areas for wetland mitigation (proposed).
 - Creation of the alternative wetland mitigation options for northeast MN (proposed).
 - Establishment and coordination of the interagency mitigation project review team (proposed).
 - Lead rulemaking processes to carry out statutory directives and implement improved mitigation policies.

- In-lieu fee program manager (1 FTE).
 - Development and implementation of an in-lieu fee wetland replacement program (proposed).
 - Lead interagency coordination for program consistency and use of the in-lieu fee program, including coordination with the Department of Natural Resources, the U.S. Army Corps of Engineers, and the U.S. Department of Agriculture (USDA).

- Wetland mitigation specialists (1.5 FTE).
 - Implement existing and new statutory mitigation initiatives in the field.
 - Serve on the Environmental Protection Agency/U.S. Army Corps of Engineers Interagency Review Team (IRT) to assure state and federal programs are aligned.
 - Serve as the field coordinator (shared with USDA) of the agricultural wetland banking program to assure state and federal wetland mitigation projects and procedures are aligned.
 - Provide specialized technical assistance relating to wetland mitigation to local governments and project sponsors.
 - In-the-field implementation of the interagency mitigation project review team.
 - Develop an on the development of high quality, sustainable wetland mitigation projects.

In addition to these proposed staff additions and the associated policy initiatives, we have begun an evaluation of WCA implementation responsibilities of the agency and local governments. The goal is to recommend changes that will improve the effectiveness, efficiency, and consistency of program implementation by the agency and local governments. Ultimately, these changes will result in regulatory processes that arrive at decisions quicker and at a lower cost for applicants, while providing better wetland resource outcomes.

IT Related Proposals:

Not applicable.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Percent gain/loss of wetland acres*		0.02%	2006-2011
Quality	Number of wetland appeals	38	9	2007-2013
Quality	Road Program credit demand met	100% (166 credits)	100% (161 credits)	2009-2013

Statutory Change(s):

One of the proposed FTEs is related to a policy proposal that would change BWSR's authority under M.S. 103G.2242, Subds. 2 and 3 to allow for in-lieu-fee wetland mitigation. Another 1.5 FTEs are related to policy proposals aimed at improving the targeting and quality of wetland mitigation through the establishment of high priority areas for wetland mitigation under M.S. 103G.3355, the implementation of an interagency mitigation project review team under 103G.222 and one FTE will be responsible for implementing new policies for creating additional resource restoration and protection options for wetland mitigation in northeast MN under M.S. 103G.2242 and 103G.2251; and increasing opportunities for stakeholder involvement and consensus recommendations for WCA policies through enhanced stakeholder coordination under M.S. 103B.101.

Board of Water and Soil Resources

FY16-17 Biennial Budget Change Item

Change Item: Conservation Easement Stewardship Account

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Request:

The Governor recommends authority for the Board of Water and Soil Resources to create an interest-bearing account for perpetual easement monitoring and enforcement funds.

Rationale/Background:

In its 2013 evaluation report on conservation easements, the Office of the Legislative Auditor (OLA) recommended that the legislature “amend Minnesota Statutes 2012, Chapter 84C, to require all holders of state-funded conservation easements to have long-term stewardship plans and funding identified for monitoring.” The report further noted that while BWSR has implemented a long-term easement stewardship plan, the agency does not have sufficient dedicated funding for this purpose. Finally, while the report identified a number of options for funding conservation easement stewardship, the Legislature has not acted on any of the recommendations to date.

BWSR currently holds more than 6,000 permanent conservation easements, which means the agency has significant perpetual obligations to manage, monitor, and enforce these easements. We accomplish this task in cooperation with soil and water conservation districts, whose staff monitor easements on a regular schedule - every year for the first five years and every three years thereafter. Easement monitoring has been supported through General Fund dollars, but due to recent budget cuts and heightened standards for easement monitoring and enforcement, this funding is not meeting current need. One common method to fund easement stewardship is to calculate the one-time amount needed for each individual easement that is sufficient, when invested, to generate enough income to cover annual expenses.

Proposal:

This new initiative includes two components. First, it will create interest-bearing accounts to serve as the repository for funds appropriated in the future for the purpose of managing, monitoring, and enforcing BWSR's conservation and wetland mitigation easements. Funds deposited in the account(s) would be invested by the State Board of Investment (SBI) to secure the maximum return consistent with the perpetual maintenance of the account. Second, this proposal also will require that existing funds appropriated (Outdoor Heritage Fund) or collected (Wetland Banking Fees) for the purpose of easement stewardship be transferred to this account.

IT Related Proposals:

Not applicable.

Results:

Performance will be measured by tracking the number of easements monitored and the easement violation rate.

Statutory Change(s):

This proposal will require changes to the Reinvest in Minnesota (RIM) Reserve Statute, 103F OR the Conservation Easement Statute, 84C.

Program: Land and Water Conservation Projectswww.bwsr.state.mn.us**AT A GLANCE**

- Delivers conservation programs through local governments, in cooperation with private landowners.
- Implements high priority erosion control, native buffers, feedlot, and weed management projects.
- Leverages local and federal funds.

PURPOSE & CONTEXT

The goal of this program is to meet state objectives for clean water, productive soil, and abundant fish and wildlife habitat. Focused on partnerships with local governments, we meet these objectives by implementing targeted projects and practices on private lands to prevent soil erosion and pollution from entering surface and ground water.

Projects are implemented through grants to local governments, including soil and water conservation districts, counties, cities, watershed districts, and watershed management organizations.

SERVICES PROVIDEDConservation Projects Cost Share

Grants to local governments provide funding for a variety of on-the-ground projects that address state conservation objectives. Specifically, these projects address:

- *Keeping water on the land:* restoring natural hydrology and reducing runoff is achieved by restoring wetlands, installing rain gardens, constructing stormwater treatment ponds, and implementing conservation drainage practices.
- *Maintaining healthy soils:* healthy soils are supported through conservation tillage and erosion control projects.
- *Reducing pollutants in surface and ground water:* reducing pollution in sensitive ecological areas is accomplished by upgrading feedlots and subsurface sewage treatment systems, and sealing abandoned wells.
- *Ensuring biological diversity:* protection of native plants and animals and their habitats is accomplished through the installation of permanent buffers of native vegetation and cooperative weed management programs that address invasive species management.
- *Maintaining stream integrity:* healthy stream hydrology and abundant fish populations are achieved through streambank and shore stabilization.

Working through local governments ensures that private landowners have access to a local, trusted resource that can help address conservation needs. We provide funds to local governments for the costs of constructing conservation projects and practices in addition to the costs of project design, construction oversight, and fiscal and outcomes reporting. Eligibility for funding is contingent on a state approved and locally adopted water management plan that links scientific information with local priorities to ensure state funds are targeted to the most critical needs. Local governments also leverage local and federal funds for these projects.

Grant Management

We use a comprehensive grant management system to track the use of state funds in the most efficient manner possible. We establish eligibility criteria, determine grant program policies, review work plans, issue grant agreements, and conduct close-out reviews upon project completion. This grant management system is compliant with the policies adopted by the Department of Administration and the Office of Grants Management.

RESULTS

The measures below represent our two key goals of this budget program: to reduce water pollutants to improve water quality and to deliver services that ensure trust in government. Specifically, projects funded under this program contribute toward meeting the state's pollution reduction goals for sediment, phosphorus, and nitrogen. It's also important that landowners have access to a trusted, local resource that is responsive to conservation needs. Experience (and research) supports the notion that landowners trust local government more than state government and therefore are more likely to engage in a conservation activity if they have access to a valued and credible resource within their own community. For example, data from an annual Gallup Poll show that trust in local

government has largely been stable over the years, while trust in state and federal government has shown considerably more variation, with the current level at 62% trusting in state government, and 34% trusting in the legislative branch of the federal government.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Amount of nutrients removed compared to state goals			2010,2011
	Phosphorus	1.9% 20,541 lbs/yr	2.2% 24,495 lbs/yr	
	Nitrogen	0.07% 41,302 lbs/yr	0.09% 49,160 lbs/yr	
Quality	Trust in local government (Gallup Poll*)	69%	71%	1997,2013

*<http://www.gallup.com/poll/164663/americans-trust-government-generally-down-year.aspx>

The legal authority for Land and Water Conservation projects comes from Minnesota Statutes, chapter 103C.501 and Minnesota Administrative Rules, chapter 8400.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	2,127	2,094	6,552	3,712	1,560	1,560	1,560	1,560
2001 - Other Misc Special Rev	546	476	197	99	155	155	155	155
2050 - Environment & Natural Resource	158	162	22	0	0	0	0	0
2302 - Clean Water Fund	945	1,642	1,427	2,086	0	0	1,250	1,250
Total	3,776	4,374	8,199	5,897	1,715	1,715	2,965	2,965
<i>Biennial Change</i>				5,945		(10,666)		(8,166)
<i>Biennial % Change</i>				73		(76)		(58)
<i>Governor's Change from Base</i>								2,500
<i>Governor's % Change from Base</i>								73

Expenditures by Budget Activity

Budget Activity: Projects And Project Mgmt	3,776	4,374	8,199	5,897	1,715	1,715	2,965	2,965
Total	3,776	4,374	8,199	5,897	1,715	1,715	2,965	2,965

Expenditures by Category

Compensation	99	155	133	54	110	110	332	332
Operating Expenses	143	159	74	2,489	13	13	13	13
Other Financial Transactions		1						
Grants, Aids and Subsidies	3,534	4,058	7,991	3,354	1,592	1,592	2,620	2,620
Capital Outlay-Real Property		0	0					
Total	3,776	4,374	8,199	5,897	1,715	1,715	2,965	2,965
Total Agency Expenditures	3,776	4,374	8,199	5,897	1,715	1,715	2,965	2,965
Expenditures Less Internal Billing	3,776	4,374	8,199	5,897	1,715	1,715	2,965	2,965

Full-Time Equivalents

	1.3	1.6	1.2	1.0	1.0	1.0	3.2	3.2
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Program: Land & Water Cons. Projects

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	1,137	570	36	1,297				
Direct Appropriation	1,560	1,560	1,920	3,676	1,560	1,560	1,560	1,560
Net Transfers			5,893					
Cancellations				1,261				
Expenditures	2,127	2,094	6,552	3,712	1,560	1,560	1,560	1,560
Balance Forward Out	570	36	1,297					
<i>Biennial Change in Expenditures</i>				6,042		(7,144)		(7,144)
<i>Biennial % Change in Expenditures</i>				143		(70)		(70)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.3	0.3						

2001 - Other Misc Special Rev

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	1,074	933	862	624	546	411	546	411
Receipts	734	557	270	330	330	330	330	330
Net Transfers	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(310)
Cancellations	20							
Expenditures	546	476	197	99	155	155	155	155
Balance Forward Out	931	705	624	546	411	276	411	276
<i>Biennial Change in Expenditures</i>				(726)		14		14
<i>Biennial % Change in Expenditures</i>				(71)		5		5
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0

2050 - Environment & Natural Resource

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In		12	22					
Direct Appropriation	170	170	0	0	0	0	0	0
Expenditures	158	162	22	0	0	0	0	0
Balance Forward Out	12	21						
<i>Biennial Change in Expenditures</i>				(297)		(22)		(22)
<i>Biennial % Change in Expenditures</i>				(93)		(100)		(100)

Program: Land & Water Cons. Projects

Program Financing by Fund

(Dollars in Thousands)

2050 - Environment & Natural Resource

Gov's Exp Change from Base					0
Gov's Exp % Change from Base					0
FTEs	0.3	0.2	0.2		

2302 - Clean Water Fund

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	140	27	85	518				
Direct Appropriation	1,000	1,700	1,700	1,700	0	0	1,250	1,250
Net Transfers	(194)		160	(130)				
Expenditures	945	1,642	1,427	2,086	0	0	1,250	1,250
Balance Forward Out		85	518					
<i>Biennial Change in Expenditures</i>				925		(3,513)		(1,013)
<i>Biennial % Change in Expenditures</i>				36		(100)		(29)
<i>Gov's Exp Change from Base</i>								2,500
FTEs							2.2	2.2

Program: Resource Protection Rules and Lawswww.bwsr.state.mn.us**AT A GLANCE**

- State laws and rules implemented by local governments with state assistance and oversight:
 - Wetland Conservation Act
 - Drainage Law
 - Comprehensive Local Water Management
 - Shoreland Management
 - County Feedlot Program
 - Subsurface Sewage Treatment Systems
- Emphasizes interagency coordination

PURPOSE & CONTEXT

This program supports local implementation of and compliance with environmental protection laws, rules and regulations of multiple agencies. These rules and laws include the Wetland Conservation Act, drainage law, shoreland rules, feedlot rules, and subsurface sewage treatment system rules.

Local implementation of state resource management programs and drainage laws allows for regulation to occur in close proximity to the regulated activity and is more cost effective than state implementation. This program allows us to provide important coordination, assistance, and oversight to ensure that local governments have current knowledge as well as financial and staff capacity to properly implement state programs.

SERVICES PROVIDEDOversight of the Wetland Conservation Act

In 1991 Minnesota enacted the Wetland Conservation Act (WCA), one of the most sweeping comprehensive wetlands protection laws in the country, the purpose of which was to retain the benefits of wetlands and attain no-net-loss of wetlands. WCA requires anyone proposing to drain, fill, or excavate a wetland first to try to avoid disturbing the wetland; second, to try to minimize any impact on the wetland; and, finally, to replace any lost wetland acres, functions, and values. Local governments—cities, counties, watershed management organizations, soil and water conservation districts, and townships—implement the act locally; we administer the Act statewide, and it is enforced by the Department of Natural Resources.

We support local implementation of WCA by providing:

- technical and administrative assistance
- oversight through project review and annual reporting
- administration of the state wetland banking system by approving wetland bank applications and managing credit accounting
- an appeals process when disputes occur regarding local decisions

We also implement the Local Government Roads Wetland Replacement Program, which requires us to replace wetlands impacted as part of local transportation improvement projects. This approach consolidates the necessary technical, financial and record-keeping components to provide high quality, cost-effective wetland replacement.

Drainage Management

We provide essential support to public drainage authorities and stakeholders through:

- advisory review of watershed district engineers' reports and plans for drainage, flood damage reduction, water quality, and other natural resource enhancement projects
- collection of Ditch Buffer Strip Annual Reports, a requirement of county and watershed district public drainage authorities to report miles of buffer strips established in accordance with statute, as well as system inspections and enforcements actions
- facilitation of the Drainage Work Group, which provides a forum for agency and stakeholder representatives to discuss and develop recommendations for updates to drainage law, and the Drainage Management Team, which coordinates information and technical assistance to local governments

Natural Resources Block Grants

A number of state resource management programs are implemented by counties, as required by statute. To create efficiency, we coordinate and package the financial support for these programs in cooperation with the Department of Natural Resources (DNR) and the Pollution Control Agency (PCA). These programs include:

- Comprehensive Local Water Management
- Wetland Conservation Act
- Shoreland Management
- County Feedlot Permit
- Subsurface Sewage Treatment Systems

RESULTS

The measures detailed below represent the key goal of this budget program, which is to ensure effective local implementation of state resource management laws, rules, and programs. Specifically, we aim to maintain and protect Minnesota’s wetlands and the benefits they provide, as well as to ensure that Minnesota has an effective stakeholder forum (the Drainage Work Group) through which consensus can be achieved on issues related to drainage law and policy and an updated Public Drainage Manual that promotes uniformity in interpretation and implementation of drainage law. We also strive for agency coordination and efficiency through a composite of five grants to local governments that helps reduce the administrative costs of these state natural resource programs.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Percent gain/loss of wetland acres*		0.02%	2006-2011
Quality	Number of wetland appeals	38	9	2007,2013
Quality	Road Program credit demand met	100% (166 credits)	100% (161 credits)	2009,2013
Quantity	Percent of drainage authorities reporting on ditch buffers	75% counties 89% watershed districts	100% counties 100% watershed districts	2007,2013
Result	Success of Drainage Work Group legislative initiatives	Passed - split vote	Passed - unanimous	2007,2014
Result	Update of Public Drainage Manual is complete	0%	2%	2014,2014
Quantity	Number of grants issued to local governments for state resource management programs	>400 If separate grants	87 As block grant	N/A

*Status and Trends of Wetlands in Minnesota: Wetland Quantity Trends from 2006-2011. Minnesota Department of Natural Resources. May 2013.

The legal authority for the Resource Protection Rules and Laws program comes from Minnesota Statutes, Chapter 103E and 103G, Minnesota Administrative Rules, chapter 8420

Expenditures By Fund

	Actual		Actual FY14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY13			FY16	FY17	FY16	FY17
1000 - General	3,915	4,035	3,974	3,975	3,975	3,975	4,389	4,339
2000 - Restricted Misc Special Rev	318	429	559	511	578	599	578	599
2001 - Other Misc Special Rev	1,804	3,386	4,396	4,766	4,757	4,757	4,757	4,757
2050 - Environment & Natural Resource	75	350		230	0	0	0	0
3000 - Federal	149	239	67					
Total	6,261	8,440	8,996	9,482	9,310	9,331	9,724	9,695
<i>Biennial Change</i>				3,776		164		942
<i>Biennial % Change</i>				26		1		5
<i>Governor's Change from Base</i>								778
<i>Governor's % Change from Base</i>								4

Expenditures by Budget Activity

Budget Activity: Resource Protection Rules/Laws	6,261	8,440	8,996	9,482	9,310	9,331	9,724	9,695
Total	6,261	8,440	8,996	9,482	9,310	9,331	9,724	9,695

Expenditures by Category

Compensation	894	1,168	1,033	988	1,008	1,029	1,372	1,393
Operating Expenses	135	256	133	302	122	122	172	122
Other Financial Transactions	2	12	0					
Grants, Aids and Subsidies	5,227	7,003	7,819	8,189	8,180	8,180	8,180	8,180
Capital Outlay-Real Property	4	0	11	3				
Total	6,261	8,440	8,996	9,482	9,310	9,331	9,724	9,695
Total Agency Expenditures	6,261	8,440	8,996	9,482	9,310	9,331	9,724	9,695
Expenditures Less Internal Billing	6,261	8,440	8,996	9,482	9,310	9,331	9,724	9,695

Full-Time Equivalents

	10.4	13.0	11.4	10.0	10.0	10.0	13.5	13.5
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Program: Resource Protection
Rules/laws

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	3	60		1				
Direct Appropriation	3,975	3,975	3,975	3,975	3,975	3,975	4,389	4,339
Receipts			0					
Cancellations	3							
Expenditures	3,915	4,035	3,974	3,975	3,975	3,975	4,389	4,339
Balance Forward Out	60		1					
<i>Biennial Change in Expenditures</i>				(1)		1		779
<i>Biennial % Change in Expenditures</i>				0		0		10
<i>Gov's Exp Change from Base</i>								778
<i>Gov's Exp % Change from Base</i>								10
FTEs	5.6	5.7	5.7	5.5	5.5	5.5	9.0	9.0

2000 - Restricted Misc Special Rev

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	376	314	251	208	249	174	249	174
Receipts	256	366	516	553	503	503	503	503
Expenditures	318	429	559	511	578	599	578	599
Balance Forward Out	314	250	208	249	174	78	174	78
<i>Biennial Change in Expenditures</i>				322		107		107
<i>Biennial % Change in Expenditures</i>				43		10		10
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	2.8	4.2	4.0	4.5	4.5	4.5	4.5	4.5

2001 - Other Misc Special Rev

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	0	1,964	1,698	1,710	270	270	270	270
Receipts	4,028	3,120	4,407	4,756	4,757	4,757	4,757	4,757
Cancellations	262			1,430				
Expenditures	1,804	3,386	4,396	4,766	4,757	4,757	4,757	4,757
Balance Forward Out	1,962	1,698	1,710	270	270	270	270	270
<i>Biennial Change in Expenditures</i>				3,972		352		352
<i>Biennial % Change in Expenditures</i>				77		4		4
<i>Gov's Exp Change from Base</i>								0

Program: Resource Protection
Rules/laws

Program Financing by Fund

(Dollars in Thousands)

2001 - Other Misc Special Rev

Gov's Exp % Change from Base				0
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2050 - Environment & Natural Resource

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In		175						
Direct Appropriation	175	175	0	230	0	0	0	0
Expenditures	75	350		230	0	0	0	0
Balance Forward Out	100							
<i>Biennial Change in Expenditures</i>				(195)		(230)		(230)
<i>Biennial % Change in Expenditures</i>				(46)		(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs		0.0						

3000 - Federal

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	0	61		0				
Receipts	210	178	67		0	0	0	0
Expenditures	149	239	67					
Balance Forward Out	61		0					
<i>Biennial Change in Expenditures</i>				(321)		(67)		(67)
<i>Biennial % Change in Expenditures</i>				(83)		(100)		(100)
FTEs	2.0	3.1	1.6					

Program: Board Administration and Agency Operationswww.bwsr.state.mn.us**AT A GLANCE**

- 20-member governing board includes local officials, citizens, and agency partners
- 101 staff in 9 offices
- 954 grants to local governments issued in 2014

PURPOSE & CONTEXT

The goal of this program is to advance the agency mission by providing high quality, timely and cost-effective operational and administrative support.

In addition to providing support to agency staff, we provide direct support to the 20-member Board, as well as support and information to external partners such as local governments, non-governmental and other community groups, businesses, legislators, and citizens.

SERVICES PROVIDEDAdministrative Services

We provide human resource, labor relations, budgeting, payroll, purchasing, motor pool service, and financial reporting services to the agency.

Board Operations

Staff provides operational and logistical support to the Board. The Board provides direction and oversight on policy development, grant funds to implement the state's conservation programs, and regulatory decisions. The 20-member board is comprised of citizens and representatives from local governments, including city, county, township, watershed district and soil and water conservation district, as well as representatives from Department of Agriculture, Department of Natural Resources, Pollution Control Agency, Department of Health, and University of Minnesota Extension Service.

Agency Leadership and External Relations

Our Executive Team provides leadership and direction for the agency, develops and implements Board policies, manages all regulatory and legislative affairs, and represents the agency in interactions with stakeholders and local, state and federal agencies.

Accountability and Evaluation

We provide appropriate internal control policies and related oversight and accountability for agency programs, financial oversight and verification of grants to local governments, and assessment of local government performance.

Information Technology

We provide the business-side expertise and support to develop and implement essential programming systems, coordinate geographic information systems, and manage telecommunication and network infrastructure.

Communications

We provide for strategic agency communication, including implementing the Governor's directive to use social media, directed according to the agency's External Communications Plan.

RESULTS

To understand the impact of this budget program, we review agency operations for efficiency and adequate internal controls. This includes completing our agency Risk Management Plan and implementing an annual internal control self-assessment certification. We also seek to understand the public's awareness of our work. Our communications work is directed by an External Communications Plan, which was nominated for "Best in Show" in 2012 by the Minnesota Association of Government Communicators. Finally, we also review the efficiency and program effectiveness of our local government grantees. Since 2007, we have been methodically assessing the performance of the local units of government that constitute Minnesota's delivery system for conservation of water and soil resources. We also review grants for full compliance with the Office of Grants Management policy and other management best practices.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Percent of total budget spent on program implementation (grants/projects)	78%	88%	2002,2013
Quantity	Number of overdue local water plans	22	7	2009,2013
Quantity	Media Coverage Print Media (population reached) Social Media (Facebook & Twitter followers)	3.6 million 0*	2.8 million 486	2013,2014 2013, 2014
Quality	Number of findings in internal controls audits	9 (all resolved)	2 (1 resolved)	2010,2014
Quality	Percent grant funds to local governments reviewed (should be at least 10% per Office of Grants Management policy)	14.17 %	11.84%	2010,2012

*BWSR's social media work began in 2013.

The legal authority for the Board of Water and Soil Resources comes from Minnesota Statutes Chapter 103B.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	3,582	3,749	3,708	3,833	3,770	3,770	3,924	3,898
2050 - Environment & Natural Resource	250	250	0	0	0	0	0	0
2302 - Clean Water Fund	1,295	2,149	2,437	3,179	0	0	1,034	1,034
Total	5,127	6,148	6,145	7,012	3,770	3,770	4,958	4,932
<i>Biennial Change</i>				1,882		(5,616)		(3,266)
<i>Biennial % Change</i>				17		(43)		(25)
<i>Governor's Change from Base</i>								2,350
<i>Governor's % Change from Base</i>								31

Expenditures by Budget Activity

Budget Activity: Board Admin & Agency Ops	5,127	6,148	6,145	7,012	3,770	3,770	4,958	4,932
Total	5,127	6,148	6,145	7,012	3,770	3,770	4,958	4,932

Expenditures by Category

Compensation	3,782	3,865	4,685	4,518	2,726	2,726	3,121	3,095
Operating Expenses	1,273	2,196	1,426	2,473	1,022	1,022	1,022	1,022
Other Financial Transactions	28	72	32	18	18	18	18	18
Grants, Aids and Subsidies	1	0	3	4	4	4	797	797
Capital Outlay-Real Property	44	16	0					
Total	5,127	6,148	6,145	7,012	3,770	3,770	4,958	4,932
Total Agency Expenditures	5,127	6,148	6,145	7,012	3,770	3,770	4,958	4,932
Internal Billing Expenditures			11	12	12	12	12	12
Expenditures Less Internal Billing	5,127	6,148	6,134	7,000	3,759	3,759	4,947	4,921

Full-Time Equivalents

	47.0	43.7	51.4	50.7	28.7	28.7	31.1	31.1
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Program: Board Admin & Agency Ops

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In		106		62				
Direct Appropriation	3,649	3,645	3,770	3,770	3,770	3,770	3,924	3,898
Receipts	0							
Net Transfers		(2)						
Expenditures	3,582	3,749	3,708	3,833	3,770	3,770	3,924	3,898
Balance Forward Out	67		62					
<i>Biennial Change in Expenditures</i>				209		0		282
<i>Biennial % Change in Expenditures</i>				3		0		4
<i>Gov's Exp Change from Base</i>								282
<i>Gov's Exp % Change from Base</i>								4
FTEs	35.1	26.5	29.2	28.7	28.7	28.7	28.7	28.7

2050 - Environment & Natural Resource

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Direct Appropriation	250	250	0	0	0	0	0	0
Expenditures	250	250	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				(500)		0		0
<i>Biennial % Change in Expenditures</i>				(100)		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2302 - Clean Water Fund

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	53	1,389	1,476	1,259				
Direct Appropriation	900	1,200	0	0	0	0	1,034	1,034
Receipts	0							
Net Transfers	1,726	1,036	2,220	1,920				
Expenditures	1,295	2,149	2,437	3,179	0	0	1,034	1,034
Balance Forward Out	1,384	1,476	1,259					
<i>Biennial Change in Expenditures</i>				2,173		(5,616)		(3,548)
<i>Biennial % Change in Expenditures</i>				63		(100)		(63)
<i>Gov's Exp Change from Base</i>								2,068
FTEs	11.9	17.2	22.1	22.0			2.4	2.4

Program: Permanent Resource Protectionwww.bwsr.state.mn.us**AT A GLANCE**

- Uses science-based conservation methods to achieve multiple benefits:
 - Creates and restores wildlife habitat
 - Improves hunting and fishing
 - Reduces soil erosion and improves water quality
 - Provides flood retention
 - Enhances groundwater recharge
 - Creates and sustains Minnesota jobs
- Funded more than 7,000 easements, protecting more than 250,000 acres

PURPOSE & CONTEXT

This program is a critical component of the state's goals to protect and improve water quality, protect and enhance wildlife habitat, and reduce flooding. Through the Reinvest in Minnesota (RIM) Reserve program, we acquire conservation easements to permanently protect, restore, and manage resources while keeping private ownership of the land. Specifically, RIM easements protect the state's water and soil resources by:

- Retiring marginal agricultural lands
- Restoring drained wetlands and associated buffers
- Acquiring buffers in sensitive landscapes
- Reducing flood potential by expanding flood retention areas along rivers

Today, RIM is the largest non-Federal private lands permanent protection program in the country. Anchored in the work of local soil and water conservation districts, the program uses an effective system of local delivery and key federal and non-governmental organization partnerships

SERVICES PROVIDEDConservation Easement Acquisition

The RIM program consists of several sub-programs aimed at protecting and restoring wetlands, wild rice lakes, and areas along lakes, rivers, and streams. We also work to protect lands from intensive development within a three-mile radius around Camp Ripley, ensuring both the protection of high quality wildlife habitat and continued use of Camp Ripley as a National Guard training facility. RIM targets the highest priority areas through science-based conservation methods. Conservation activities are prioritized based on a methodology that determines the areas where dollars spent maximize return on investment. Agency staff provide the necessary administrative, legal, and engineering expertise to secure perpetual conservation easements with private landowners through local soil and water conservation districts (SWCDs). The thousands of acres of restored wetlands, adjacent native grassland and buffers on privately-owned lands remain on local tax rolls. RIM dollars are primarily used for easement payments to landowners, project construction costs associated with restoring wetland basins and establishing native vegetation, and program implementation (surveying, engineering designs, and realty transactions).

Conservation Easement Management

Effective long-term easement management requires documenting baseline conditions at the time of acquisition as well as regular ongoing monitoring, and enforcement when necessary, to ensure compliance. Local SWCDs perform regular monitoring inspections of all conservation easements. We maintain baseline, monitoring, and geospatial data.

RESULTS

Measuring performance of this program is guided by progress toward goals outlined in state habitat and water quality plans and strategies, like the Minnesota Prairie Conservation Plan and Nutrient Reduction Strategy, which call for increasing connected areas of wildlife habitat and using conservation easements in strategic locations to reduce the amount of pollutants reaching Minnesota's waters. For example, according to the MPCA study on Nitrogen in Minnesota Surface Waters, the two most significant treatments for reducing nitrogen are putting riparian land (land that is adjacent to rivers and streams) that is currently in corn into grass and putting into perennials those areas where corn grows only marginally. We also aim to create and sustain Minnesota jobs. Based on a report from the Natural Resources Conservation Service (NRCS), for every \$100,000 in RIM funding, one new job is created or maintained and \$128,000 in total economic output is achieved. Finally, in order to make sure this program is effective into the future, we need to ensure the integrity of conservation easements over the long-term.

Performance measures for this program typically have been expressed as outputs. We currently are working to develop appropriate outcome measures to be used in the future.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Acres protected under RIM Reserve	251,090	277,411	2011,2014
Quality	Percent easements monitored on schedule	100% (1,805)	100% (2,337)	2011,2013
Quality	Percent easement violations (should be <5%)	No Data	0.15%	2014

The legal authority for the Permanent Resource Protection Program is found in Minnesota Statutes, Chapter 103F.501-103F.535.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	0	7,978	728	370	0	0	0	0
2000 - Restricted Misc Special Rev	17	9		16	17	0	17	0
2001 - Other Misc Special Rev	871	194	698	362	250	250	250	250
2300 - Outdoor Heritage Fund	6,106	9,156	44,878	22,051	0	0	0	0
2302 - Clean Water Fund	130		6,310	9,301				
3000 - Federal	2,714	452	2,237	2,462	1,352	852	1,352	852
Total	9,837	17,789	54,851	34,562	1,619	1,103	1,619	1,103
<i>Biennial Change</i>				61,787		(86,691)		(86,691)
<i>Biennial % Change</i>				224		(97)		(97)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Budget Activity

Budget Activity: Permanent Resource Protection	9,837	17,789	28,956	6,735	1,619	1,103	1,619	1,103
Budget Activity: Permanent Protection	0	0	25,895	27,827	0	0	0	0
Total	9,837	17,789	54,851	34,562	1,619	1,103	1,619	1,103

Expenditures by Category

Compensation	522	731	1,209	3,889	602	603	602	603
Operating Expenses	264	52	1,582	733	278	263	278	263
Other Financial Transactions		3	54	1,039	13	11	13	11
Grants, Aids and Subsidies	701	8,281	3,123	1,083	0	0	0	0
Capital Outlay-Real Property	8,351	8,722	48,882	27,818	726	226	726	226
Total	9,837	17,789	54,851	34,562	1,619	1,103	1,619	1,103
Total Agency Expenditures	9,837	17,789	54,851	34,562	1,619	1,103	1,619	1,103
Full-Time Equivalents	6.8	9.0	12.7	12.2	6.9	6.9	6.9	6.9

Program: Permanent Resource Protection

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In		0	3,022	2,295				
Receipts			(1)					
Cancellations				1,926				
Expenditures	0	7,978	728	370	0	0	0	0
Balance Forward Out		3,022	2,295					
<i>Biennial Change in Expenditures</i>				(6,880)		(1,098)		(1,098)
<i>Biennial % Change in Expenditures</i>				(86)		(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs			0.5	0.7	0	0	0	0

2000 - Restricted Misc Special Rev

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	93	14	12	33	17		17	
Receipts	1	7	21					
Net Transfers	(63)							
Expenditures	17	9		16	17	0	17	0
Balance Forward Out	14	12	33	17				
<i>Biennial Change in Expenditures</i>				(10)		1		1
<i>Biennial % Change in Expenditures</i>				(38)		6		6
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2001 - Other Misc Special Rev

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	402	116	560	112				
Receipts	594	250	250	250	250	250	250	250
Cancellations	11		0					
Expenditures	871	194	698	362	250	250	250	250
Balance Forward Out	114	172	112					
<i>Biennial Change in Expenditures</i>				(5)		(560)		(560)
<i>Biennial % Change in Expenditures</i>				0		(53)		(53)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Permanent Resource Protection

Program Financing by Fund

(Dollars in Thousands)

2001 - Other Misc Special Rev

FTEs	2.0	2.1	3.3	3.1	3.1	3.1	3.1
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2300 - Outdoor Heritage Fund

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	7,436	20,659	29,031	5,630				
Direct Appropriation	17,140	16,380	21,690	16,422	0	0	0	0
Net Transfers	(500)							
Cancellations		1,351	212					
Expenditures	6,106	9,156	44,878	22,051	0	0	0	0
Balance Forward Out	17,970	26,532	5,630					
<i>Biennial Change in Expenditures</i>				51,668		(66,929)		(66,929)
<i>Biennial % Change in Expenditures</i>				339		(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	2.2	2.8	4.6	4.5				

2302 - Clean Water Fund

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In				1,752				
Direct Appropriation	0	0	7,800	7,800	0	0	0	0
Net Transfers	140		262	(250)				
Cancellations	10							
Expenditures	130		6,310	9,301				
Balance Forward Out			1,752					
<i>Biennial Change in Expenditures</i>				15,481		(15,611)		(15,611)
<i>Biennial % Change in Expenditures</i>				11,908		(100)		(100)

3000 - Federal

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	110	189	528	146				
Receipts	2,730	514	1,856	2,315	1,353	853	1,353	853
Net Transfers	63							
Expenditures	2,714	452	2,237	2,462	1,352	852	1,352	852
Balance Forward Out	189	252	146					
<i>Biennial Change in Expenditures</i>				1,533		(2,494)		(2,494)

Program: Permanent Resource
Protection

Program Financing by Fund

(Dollars in Thousands)

3000 - Federal

<i>Biennial % Change in Expenditures</i>				48		(53)		(53)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	2.6	4.0	4.4	3.8	3.8	3.8	3.8	3.8

Program: Local Water Managementwww.bwsr.state.mn.us**AT A GLANCE**

- One Watershed One Plan Pilot launched in five watersheds in 2014
- 90 Conservation Delivery grants issued in 2014, totaling \$1,765,001

PURPOSE & CONTEXT

The goal of this program is to develop and maintain local capacity to protect and enhance Minnesota's water and soil resources. We do this by ensuring adequate technical resources and capacity are in place to implement protection and restoration projects at the local level and by providing adequate training, oversight, and accountability.

This includes the capacity to plan and implement local water management plans. We have oversight responsibilities to ensure that local water plans are prepared and coordinated with existing local and state efforts and that plans are implemented effectively. These local plans focus on priority concerns, defined goals and objectives, and measurable outcomes.

SERVICES PROVIDEDConservation Delivery Grants

These grants represent a long-standing partnership between state, local and federal governments to provide base-level resources for operating expenses associated with the local delivery of state conservation programs by providing each soil and water conservation district (SWCD) with a certain degree of funding stability. These funds help provide shared engineering and technical assistance for SWCDs through eight regional Technical Service Areas (TSA). They also provide resources for SWCD staff to monitor Reinvest in Minnesota (RIM) Reserve conservation easements to ensure compliance with those easements.

Water Management Planning and Implementation

Protecting and restoring Minnesota's water resources relies on the knowledge, authorities, partnerships, commitment and resources of state and local governments. Working with local governments on their water management plans ensures the water resources of the state will be effectively managed. Specifically, we guide local government staff and boards as they develop comprehensive water management plans that address local priorities while meeting state requirements and goals. Local water plans include Comprehensive Local Water Management Plans (County Water Plans), Watershed District Watershed Management Plans, Metro Watershed Management Plans, Metro County Groundwater Management Plans, and Soil and Water Conservation Comprehensive Plans. Our Board reviews and approves local water plans. Agency staff provide overall program guidance, process affiliated grants, and provide plan review and comments.

In 2011 the Local Government Water Roundtable initiated One Watershed, One Plan – the planning and implementation of water management on a watershed scale. The Roundtable's recommendation led to legislation authorizing watershed-based plans in 2012, and we launched the One Watershed, One Plan initiative in 2013. The program currently is in a pilot phase in five watersheds.

Pass-through Grant Management

This area includes pass-through funding for two local water entities: Area II and the Red River Basin Commission. Area II was formed in 1978 as a non-profit organization and works to alleviate the recurrent flood problems in south-western Minnesota – specifically in Brown, Cottonwood, Lac qui Parle, Lincoln, Lyon, Murray, Pipestone, Redwood, and Yellow Medicine counties. The Red River Basin Commission works toward comprehensive and integrated natural resource planning, management and implementation in the Red River Basin.

RESULTS

This program aims to ensure that SWCDs have a base level of capacity to address water and soil resource concerns. Since 2007 we have been methodically assessing the performance of the local units of government that constitute Minnesota's delivery system for conservation of water and soils resources through the Performance Review and Assistance Program (PRAP). We also aim to enhance management of water resources due to long-range plans being in place according to the 10-year planning cycle. Plans are improving by becoming more focused and watershed-based: The One Watershed One Plan initiative currently is in a pilot phase. This pilot will allow for a thorough review and evaluation of the planning framework before implementing the permanent program by the end of 2015.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	SWCDs meeting basic performance and accountability requirements	99%	82%	2011-2013*
Quantity	Number of overdue water plans	22	7	2009-2013

*Decrease is due to a tightening of the performance standard during the review period and not to decreasing compliance.

Minnesota Statutes, Chapter 103B; Minnesota Statutes, Chapter 103C; Minnesota Statutes, Chapter 103D

Expenditures By Fund

	Actual		Actual FY14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY13			FY16	FY17	FY16	FY17
1000 - General	3,377	3,378	3,336	3,336	3,354	3,336	3,354	3,336
2000 - Restricted Misc Special Rev	71	29	34	53	31	31	31	31
2001 - Other Misc Special Rev	1,136	1,056	495	576	252	252	252	252
2050 - Environment & Natural Resource	620	813	3,338	1,547	0	0	0	0
2302 - Clean Water Fund	19,141	27,038	24,094	27,291	0	0	47,275	47,275
Total	24,346	32,314	31,298	32,803	3,637	3,619	50,912	50,894
<i>Biennial Change</i>				7,440		(56,844)		37,706
<i>Biennial % Change</i>				13		(89)		59
<i>Governor's Change from Base</i>								94,550
<i>Governor's % Change from Base</i>								1,303

Expenditures by Budget Activity

Budget Activity: BWSR Operations	0	0	133	2,222	0	0	2,100	2,100
Budget Activity: Grants To Local Govt	24,346	32,314	31,165	30,581	3,637	3,619	48,812	48,794
Total	24,346	32,314	31,298	32,803	3,637	3,619	50,912	50,894

Expenditures by Category

Compensation	178	243	207	202	37	37	3,332	3,378
Operating Expenses	1,081	506	1,019	1,150	96	96	121	128
Other Financial Transactions	2	0	2					
Grants, Aids and Subsidies	20,749	23,703	25,941	29,318	3,504	3,486	47,459	47,388
Capital Outlay-Real Property	2,336	7,862	4,129	2,133				
Total	24,346	32,314	31,298	32,803	3,637	3,619	50,912	50,894
Total Agency Expenditures	24,346	32,314	31,298	32,803	3,637	3,619	50,912	50,894
Expenditures Less Internal Billing	24,346	32,314	31,298	32,803	3,637	3,619	50,912	50,894
Full-Time Equivalents	2.0	3.0	2.5	2.1	1.2	1.2	31.5	32.0

Program: Local Water Management

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY 15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	18	19	19	19	18		18	
Direct Appropriation	3,378	3,378	3,336	3,336	3,336	3,336	3,336	3,336
Receipts	0							
Expenditures	3,377	3,378	3,336	3,336	3,354	3,336	3,354	3,336
Balance Forward Out	19	19	19	18				
<i>Biennial Change in Expenditures</i>				(83)		18		18
<i>Biennial % Change in Expenditures</i>				(1)		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2000 - Restricted Misc Special Rev

	Actual		Actual FY 14	Estimate FY 15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	23	6	29	27	5	4	5	4
Receipts	54	52	33	31	31	31	31	31
Net Transfers			0					
Expenditures	71	29	34	53	31	31	31	31
Balance Forward Out	6	29	27	5	4	3	4	3
<i>Biennial Change in Expenditures</i>				(13)		(25)		(25)
<i>Biennial % Change in Expenditures</i>				(13)		(29)		(29)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs			0.0	0.0	0.0	0.0	0.0	0.0

2001 - Other Misc Special Rev

	Actual		Actual FY 14	Estimate FY 15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	485	714	555	360	110	68	110	68
Receipts	1,408	775	300	325	210	210	210	210
Net Transfers	0							
Cancellations	44							
Expenditures	1,136	1,056	495	576	252	252	252	252
Balance Forward Out	714	432	360	110	68	26	68	26
<i>Biennial Change in Expenditures</i>				(1,122)		(567)		(567)
<i>Biennial % Change in Expenditures</i>				(51)		(53)		(53)
<i>Gov's Exp Change from Base</i>								0

Program: Local Water Management

Program Financing by Fund

(Dollars in Thousands)

2001 - Other Misc Special Rev

<i>Gov's Exp % Change from Base</i>									0
FTEs	2.0	2.6	1.2	1.2	1.2	1.2	1.2	1.2	1.2

2050 - Environment & Natural Resource

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		1,536	1,449	820				
Direct Appropriation	2,156	511	3,771	727	0	0	0	0
Net Transfers			(970)					
Cancellations			91					
Expenditures	620	813	3,338	1,547	0	0	0	0
Balance Forward Out	1,536	1,234	820					
<i>Biennial Change in Expenditures</i>				3,452		(4,885)		(4,885)
<i>Biennial % Change in Expenditures</i>				241		(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.1	0.5	1.2	0.8	0	0	0	0

2302 - Clean Water Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	284	5,500	7,047	4,299				
Direct Appropriation	25,634	28,834	23,292	24,537	0	0	47,275	47,275
Net Transfers	(1,671)	(1,036)	(1,800)	(1,540)				
Cancellations	24		145					
Expenditures	19,141	27,038	24,094	27,291	0	0	47,275	47,275
Balance Forward Out	5,082	6,259	4,299					
<i>Biennial Change in Expenditures</i>				5,206		(51,385)		43,165
<i>Biennial % Change in Expenditures</i>				11		(100)		84
<i>Gov's Exp Change from Base</i>								94,550
FTEs							30.3	30.8

FY16-17 Federal Funds Summary

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	2014 Actuals	2015 Budget	2016 Base	2017 Base	State Match or MOE Required?	FTEs
U.S. Army 12.401	Permanent Resource Protection: Grants for permanent easements surrounding the Camp Ripley National Guard Base.		1,947	2,000	1,000	500	No	1.00
Dept. of Agriculture 10.072	Permanent Resource Protection: Contribution agreement with Nat'l Res. Cons. Service for Wetland Restorations		265	347	200	200	Match	2.00
U.S. Army Corp of Engineers 10.912	Permanent Resource Protection: Interpersonnel agreements with the COE to pay for portions of BWSR staff time in conservation-related duties.		35	115	153	153	No	1.00
	Budget Activity Total		2,237	2,462	1,352	852		4.00
	Program Total		2,237	2,462	1,352	852		4.00
	Federal Fund – Agency Total		2,237	2,462	1,352	852		4.00

Narrative:

BWSR has minimal federal fund usage. The funds are all in the Permanent Resource Protection Budget Activity and come from three sources as noted above. The U.S. Army Compatible Use Buffer (ACUB) Program, provides funds for purchases of easements around the Camp Ripley MN National Guard Base. This program is ongoing but entirely dependent on federal funds availability.

The agreements with NRCS are a 50/50 match program for wetland restoration efforts in Minnesota, which is a shared goal of both the State and NRCS. This program is ongoing and the amounts have been stable.

The final area is individual agreements for staff time with the U.S. Army Corp of Engineers, which accomplishes various work projects primary in the area of the Wetland Conservation Act and Wetland Banking. The agreements are short term and one-time in nature when they occur. New agreements totaling \$63K are included above and were approved in the latest LCC package.