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<https://www.bwsr.state.mn.us/>

### AT A GLANCE

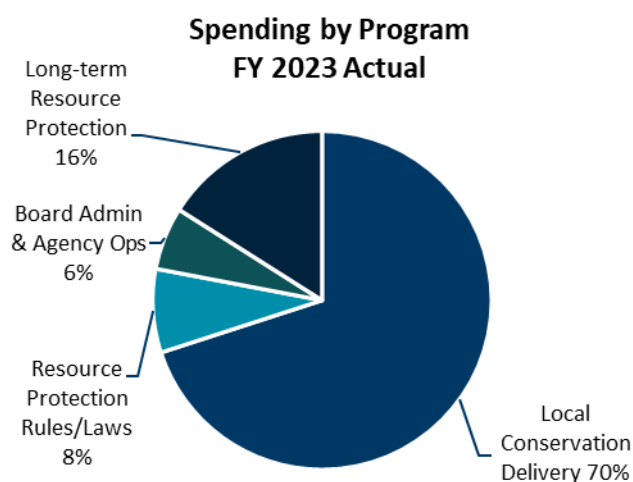
- Small agency of conservation professionals
- Local conservation delivery system
- Governing board of local officials, citizens, and agency partners
- Focus on conservation of private lands (76 percent of Minnesota)
- Transition to comprehensive watershed plans by 2025 (60 plans in total); since 2014:
  - 46 approved *One Watershed, One Plan* plans
  - 11 *One Watershed, One Plan* plans in progress
  - 3 remaining planning partnerships expressed interested in joining program
- Collaborative model for results including, since 1987:
  - Over 66,000 conservation practices installed
  - 8,640 easements funded
  - 21,653 wetland credits deposited into the state's wetland bank
- 238 local government accountability assessments completed annually

### PURPOSE

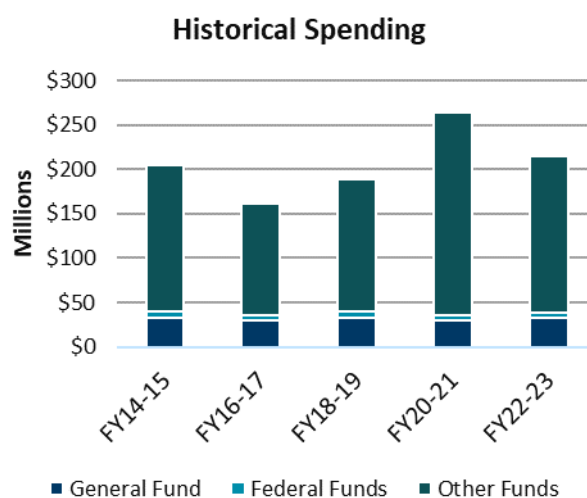
The Board of Water and Soil Resources' (BWSR's) mission is to work with partners to improve and protect Minnesota's land and water resources. This corresponds with the One Minnesota priority of collaborating with community partners on Minnesota's Environment. The agency does this by working in partnership with local organizations and private landowners, and has a unique business model that is designed to:

- Operate as an efficient state-level source of technical and financial assistance to the local government delivery system
- Target implementation of conservation practices and projects that support local goals and meet state objectives
- Focus on Minnesota's private lands

### BUDGET



Source: Budget Planning & Analysis System (BPAS)



Other Funds includes BWSR's CWF and OHF Legacy appropriations

Source: Consolidated Fund Statement

Funding for agency operations and conservation activities comes from a mix of state and federal funds. The clean water fund (CWF) and outdoor heritage fund (OHF) make up the majority of BWSR's budget. The other funds category is made up of these two legacy funds in addition to transfers from other agencies, the environment and natural resources trust fund, and special revenue funds.

The large majority (79 percent) of BWSR's budget is distributed to local governments and landowners for conservation programs, projects, and easements. The remaining 21 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:

- Serve as the statewide 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 other water management organizations
- Link water resource planning with comprehensive land use planning, including management of the state's statutorily required Local Government Roads Wetlands Replacement Program
- Provide resolution of water policy conflicts and issues
- Oversee comprehensive local water management
- Provide a forum (through the board) for local issues, priorities, and opportunities to be incorporated into state public policy
- Coordinate state and federal resources to realize local priorities
- Administer implementation of the Wetland Conservation Act and Riparian Protection laws

BWSR accomplishes its mission through these key strategies:

- Developing 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)
- Participating in statewide coordinated efforts to implement Minnesota's Climate Action Framework that helps further One Minnesota goals for Minnesota's Environment
- Prioritizing on-the-ground conservation projects in the best locations to achieve multiple benefits and measurable improvements to water and habitat resources
- Ensuring compliance with environmental laws, rules, and regulations
- Implementing agency operations through board and administrative leadership, internal business systems, planning and effectiveness evaluation, and operational support, including the board and board management, financial and accounting services, legislative and public relations, communications, and human resources

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The legal authority for the Board of Water and Soil Resources comes from the following Minnesota Statutes:

M.S. 103A <https://www.revisor.mn.gov/statutes/?id=103A>  
M.S. 103B <https://www.revisor.mn.gov/statutes/?id=103B>  
M.S. 103C <https://www.revisor.mn.gov/statutes/?id=103C>  
M.S. 103D <https://www.revisor.mn.gov/statutes/?id=103D>  
M.S. 103E <https://www.revisor.mn.gov/statutes/?id=103E>  
M.S. 103F <https://www.revisor.mn.gov/statutes/?id=103F>  
M.S. 103G <https://www.revisor.mn.gov/statutes/?id=103G>

# Water and Soil Resources, Board of

# Agency Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b><u>Expenditures by Fund</u></b>								
1000 - General	22,276	11,008	48,414	75,197	15,792	15,792	15,945	16,102
2000 - Restrict Misc Special Revenue	1,339	971	1,162	4,756	1,927	932	1,927	932
2001 - Other Misc Special Revenue	7,874	9,875	10,934	13,225	11,045	11,067	11,045	11,067
2050 - Environment & Natural Resources	4,322	3,285	952	1,708				
2300 - Outdoor Heritage	10,609	8,669	26,162	53,081				
2302 - Clean Water	57,898	70,578	75,614	151,648			71,801	71,801
2403 - Gift			6					
3000 - Federal	3,869	1,819	3,709	3,599	3,253	3,143	3,253	3,143
<b>Total</b>	<b>108,186</b>	<b>106,205</b>	<b>166,953</b>	<b>303,214</b>	<b>32,017</b>	<b>30,934</b>	<b>103,971</b>	<b>103,045</b>
Biennial Change			255,776		(407,216)		(263,151)	
Biennial % Change			119		(87)		(56)	
Governor's Change from Base							144,065	
Governor's % Change from Base							229	

## **Expenditures by Program**

Local Conservation Delivery	58,460	74,735	102,927	124,773	6,979	6,874	71,030	70,925
Resource Protection Rules and Law	17,566	8,080	19,452	17,139	15,210	15,232	15,210	15,232
Board Administration and Agency Operations	5,443	6,582	7,257	8,431	6,944	6,944	8,347	8,504
Long-term Resource Protection	26,718	16,808	37,316	152,871	2,884	1,884	9,384	8,384
<b>Total</b>	<b>108,186</b>	<b>106,205</b>	<b>166,953</b>	<b>303,214</b>	<b>32,017</b>	<b>30,934</b>	<b>103,971</b>	<b>103,045</b>

## **Expenditures by Category**

Compensation	12,693	13,594	15,094	18,173	6,419	6,049	13,447	13,234
Operating Expenses	6,804	8,280	9,315	21,453	5,396	5,378	7,572	7,554
Grants, Aids and Subsidies	67,752	69,006	106,431	129,106	14,604	14,603	72,104	72,103
Capital Outlay-Real Property	19,100	15,000	35,070	130,101	5,324	4,629	10,574	9,879
Other Financial Transaction	1,836	326	1,043	4,381	274	275	274	275
<b>Total</b>	<b>108,186</b>	<b>106,205</b>	<b>166,953</b>	<b>303,214</b>	<b>32,017</b>	<b>30,934</b>	<b>103,971</b>	<b>103,045</b>

Total Agency Expenditures	108,186	106,205	166,953	303,214	32,017	30,934	103,971	103,045
Internal Billing Expenditures			193	33	10	10	10	10

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Expenditures Less Internal Billing	108,186	106,205	166,759	303,181	32,007	30,924	103,961	103,035
<b><u>Full-Time Equivalents</u></b>	108.22	114.92	117.07	136.00	43.56	41.30	92.96	91.70

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b>1000 - General</b>								
Balance Forward In	286	3,968	1,335	37,312				
Direct Appropriation	25,884	8,901	84,139	37,885	15,792	15,792	15,945	16,102
Transfers In			250					
Cancellations		530						
Balance Forward Out	3,894	1,331	37,310					
<b>Expenditures</b>	<b>22,276</b>	<b>11,008</b>	<b>48,414</b>	<b>75,197</b>	<b>15,792</b>	<b>15,792</b>	<b>15,945</b>	<b>16,102</b>
Biennial Change in Expenditures				90,327		(92,027)		(91,564)
Biennial % Change in Expenditures				271		(74)		(74)
Governor's Change from Base								463
Governor's % Change from Base								1
Full-Time Equivalents	37.16	38.90	40.92	35.39	20.73	20.73	21.73	22.73

**2000 - Restrict Misc Special Revenue**

Balance Forward In	3,835	2,463	2,388	2,182				
Receipts	1,408	840	1,156	2,805	2,060	1,065	2,060	1,065
Transfers Out	1,644		200	231	133	133	133	133
Balance Forward Out	2,260	2,331	2,182					
<b>Expenditures</b>	<b>1,339</b>	<b>971</b>	<b>1,162</b>	<b>4,756</b>	<b>1,927</b>	<b>932</b>	<b>1,927</b>	<b>932</b>
Biennial Change in Expenditures				3,608		(3,059)		(3,059)
Biennial % Change in Expenditures				156		(52)		(52)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.67	4.43	5.57	9.81	8.99	6.98	8.99	6.98

**2001 - Other Misc Special Revenue**

Balance Forward In	1,046	5,839	5,062	2,430				
Receipts	10,410	6,359	7,441	10,249	10,300	10,322	10,300	10,322
Internal Billing Receipts			193	50	100	100	100	100
Transfers In	4,011	809	1,867	744	745	745	745	745
Transfers Out	1,832		1,006	198				
Balance Forward Out	5,762	3,133	2,430					
<b>Expenditures</b>	<b>7,874</b>	<b>9,875</b>	<b>10,934</b>	<b>13,225</b>	<b>11,045</b>	<b>11,067</b>	<b>11,045</b>	<b>11,067</b>
Biennial Change in Expenditures				6,411		(2,047)		(2,047)

# Water and Soil Resources, Board of

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Biennial % Change in Expenditures				36		(8)		(8)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	11.44	11.66	9.32	12.95	7.88	7.88	7.88	7.88

## 2050 - Environment & Natural Resources

Balance Forward In	4,593	2,169	2,817	1,708				
Direct Appropriation	993	4,268						
Transfers Out	189	13						
Cancellations	2	424	157					
Balance Forward Out	1,074	2,715	1,708					
<b>Expenditures</b>	<b>4,322</b>	<b>3,285</b>	<b>952</b>	<b>1,708</b>				
Biennial Change in Expenditures				(4,947)		(2,660)		(2,660)
Biennial % Change in Expenditures				(65)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	1.39	2.80	1.64	1.08				

## 2300 - Outdoor Heritage

Balance Forward In	23,528	32,701	47,004	33,693				
Direct Appropriation	19,604	21,589	16,478	19,388	0	0	0	0
Transfers Out	530	33	593					
Cancellations	1,405	1,486	3,034					
Balance Forward Out	30,588	44,103	33,693					
<b>Expenditures</b>	<b>10,609</b>	<b>8,669</b>	<b>26,162</b>	<b>53,081</b>				
Biennial Change in Expenditures				59,965		(79,243)		(79,243)
Biennial % Change in Expenditures				311		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	6.48	7.96	8.82	8.17				

## 2302 - Clean Water

Balance Forward In	38,134	50,800	61,852	62,151				
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# Water and Soil Resources, Board of

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Direct Appropriation	68,584	73,216	78,064	89,497	0	0	71,801	71,801
Transfers In	3,168	3,491	2,290	134				
Transfers Out	4,280	3,510	2,813	134				
Cancellations	1,024	507	1,628					
Balance Forward Out	46,683	52,912	62,150					
<b>Expenditures</b>	<b>57,898</b>	<b>70,578</b>	<b>75,614</b>	<b>151,648</b>			<b>71,801</b>	<b>71,801</b>
Biennial Change in Expenditures				98,786		(227,262)		(83,660)
Biennial % Change in Expenditures				77		(100)		(37)
Governor's Change from Base								143,602
Governor's % Change from Base								
Full-Time Equivalents	40.87	42.95	45.55	63.52			48.40	48.40

## 2403 - Gift

Receipts			6					
<b>Expenditures</b>			<b>6</b>					
Biennial Change in Expenditures				6		(6)		(6)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

## 3000 - Federal

Balance Forward In	547	165	154	217	1,764	1,764	1,764	1,764
Receipts	3,794	1,766	3,771	5,146	3,253	3,143	3,253	3,143
Internal Billing Receipts			9					
Balance Forward Out	473	112	217	1,764	1,764	1,764	1,764	1,764
<b>Expenditures</b>	<b>3,869</b>	<b>1,819</b>	<b>3,709</b>	<b>3,599</b>	<b>3,253</b>	<b>3,143</b>	<b>3,253</b>	<b>3,143</b>
Biennial Change in Expenditures				1,620		(912)		(912)
Biennial % Change in Expenditures				28		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.21	6.22	5.25	5.08	5.96	5.71	5.96	5.71

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
<b>FY2025 Appropriations</b>	<b>37,885</b>	<b>37,885</b>	<b>37,885</b>	<b>75,770</b>
<b>Base Adjustments</b>				
All Other One-Time Appropriations		(30,450)	(30,450)	(60,900)
Biennial Appropriations		8,339	8,339	16,678
Current Law Base Change		8	8	16
Approved Transfer Between Appropriation				
Minnesota Paid Leave Allocation		10	10	20
<b>Forecast Base</b>	<b>37,885</b>	<b>15,792</b>	<b>15,792</b>	<b>31,584</b>
<b>Change Items</b>				
Operating Adjustment		153	310	463
<b>Total Governor's Recommendations</b>	<b>37,885</b>	<b>15,945</b>	<b>16,102</b>	<b>32,047</b>
<b>Fund: 2300 - Outdoor Heritage</b>				
<b>FY2025 Appropriations</b>	<b>19,388</b>	<b>19,388</b>	<b>19,388</b>	<b>38,776</b>
<b>Base Adjustments</b>				
One-Time Legacy Fund Appropriations		(19,388)	(19,388)	(38,776)
<b>Forecast Base</b>	<b>19,388</b>			
<b>Total Governor's Recommendations</b>	<b>19,388</b>			
<b>Fund: 2302 - Clean Water</b>				
<b>FY2025 Appropriations</b>	<b>89,497</b>	<b>89,497</b>	<b>89,497</b>	<b>178,994</b>
<b>Base Adjustments</b>				
One-Time Legacy Fund Appropriations		(89,497)	(89,497)	(178,994)
<b>Forecast Base</b>	<b>89,497</b>			
<b>Change Items</b>				
Clean Water Legacy - Accelerated Implementation		4,350	4,350	8,700
Clean Water Legacy - Buffer Law Compliance		2,000	2,000	4,000
Clean Water Legacy - Conservation Corps of Minnesota and Iowa		750	750	1,500
Clean Water Legacy - Conservation Drainage Management		1,000	1,000	2,000
Clean Water Legacy - Critical Shoreland Protection		500	500	1,000
Clean Water Legacy - Wetland Restoration Easements		2,500	2,500	5,000
Clean Water Legacy - Great Lakes Restoration		500	500	1,000
Clean Water Legacy - Measures, Results, and Accountability		1,250	1,250	2,500
Clean Water Legacy - Soil Health Enhancement		5,926	5,926	11,852
Clean Water Legacy - Surface and Drinking Water Protection (Projects and Practices)		3,000	3,000	6,000
Clean Water Legacy - Targeted Wellhead and Drinking Water Protection		2,500	2,500	5,000
Clean Water Legacy - Technical Evaluation		100	100	200
Clean Water Legacy - Tillage and Erosion Evaluation		425	425	850

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Clean Water Legacy - Water Management Transition		500	500	1,000
Clean Water Legacy - Watershed Based Implementation Funding		45,000	45,000	90,000
Clean Water Legacy - Watershed Partners Legacy		500	500	1,000
Clean Water Legacy - Working Lands Floodplain Easements		1,000	1,000	2,000
<b>Total Governor's Recommendations</b>	<b>89,497</b>	<b>71,801</b>	<b>71,801</b>	<b>143,602</b>
<b><i>Dedicated</i></b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Planned Spending	4,756	1,927	932	2,859
Forecast Base	4,756	1,927	932	2,859
<b>Total Governor's Recommendations</b>	<b>4,756</b>	<b>1,927</b>	<b>932</b>	<b>2,859</b>
<b>Fund: 2001 - Other Misc Special Revenue</b>				
Planned Spending	13,225	11,045	11,067	22,112
Forecast Base	13,225	11,045	11,067	22,112
<b>Total Governor's Recommendations</b>	<b>13,225</b>	<b>11,045</b>	<b>11,067</b>	<b>22,112</b>
<b>Fund: 3000 - Federal</b>				
Planned Spending	3,599	3,253	3,143	6,396
Forecast Base	3,599	3,253	3,143	6,396
<b>Total Governor's Recommendations</b>	<b>3,599</b>	<b>3,253</b>	<b>3,143</b>	<b>6,396</b>
<b><i>Revenue Change Summary</i></b>				
<b><i>Dedicated</i></b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Forecast Revenues	2,805	2,060	1,065	3,125
<b>Total Governor's Recommendations</b>	<b>2,805</b>	<b>2,060</b>	<b>1,065</b>	<b>3,125</b>
<b>Fund: 2001 - Other Misc Special Revenue</b>				
Forecast Revenues	10,249	10,300	10,322	20,622
<b>Total Governor's Recommendations</b>	<b>10,249</b>	<b>10,300</b>	<b>10,322</b>	<b>20,622</b>
<b>Fund: 3000 - Federal</b>				
Forecast Revenues	5,146	3,253	3,143	6,396
<b>Total Governor's Recommendations</b>	<b>5,146</b>	<b>3,253</b>	<b>3,143</b>	<b>6,396</b>

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	153	310	310	310
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	153	310	310	310
FTEs	1	2	2	2

#### Recommendation:

The Governor recommends additional funding of \$153,000 in FY 2026 and \$310,000 in each subsequent year from the general fund to help address operating cost increases at the Board of Water and Soil Resources (BWSR).

#### Rationale/Background:

The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat year to year.

Agencies face challenging decisions to manage these rising costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For the BWSR, the following efficiencies have been implemented to help offset rising operating costs:

- Invested in technology-based training
- Increased use of interagency agreements and contracting
- Accomplished several program assessments and adjustments for efficiency
- Reassessing contractual obligations and needs to reduce overhead costs
- Limiting travel when virtual meeting arrangements can be made
- Minimizing staffing needs for new programs

For FY 2026-27, agencies will need to continue to find additional efficiencies and leverage management tools to help address budget pressures. Holding open vacancies in certain programs or delaying hiring in other programs are examples of ways agencies manage through constrained operating budgets. Such decisions are difficult and must be weighed against a program's ability to conduct business with less staffing and its impact to service delivery. Agencies will need additional tools and flexibility, similar to those available in the private sector and other government entities, to help address operating pressures in upcoming biennium.

Without additional resources to address these cost pressures, both in funding and in flexibility to manage internal budgets, services delivered to Minnesotans will be impacted.

**Proposal:**

The Governor recommends increasing agency operating budgets to support current services. For BWSR, this funding will help cover expected growth in employee compensation and insurance.

Additionally, the Governor recommends providing BWSR with additional management tools to address upcoming operating pressures. This includes:

- the ability to retain up to 10 percent of competitively awarded grants if administrative funding is not already appropriated, and
- the ability for executive branch agencies to carryforward unexpended non-grant operating appropriations for the second year of a biennium into the next beginning in FY 2025 (costs carried in standalone change item in MMB Non-Operating Budget Book).

These new authorities will provide agencies with additional flexibility to manage through cost pressures within agency divisions and prioritize needs to help minimize impacts on services to Minnesotans.

**Dollars in Thousands**

<b>Net Impact by Fund</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 25-27</b>	<b>FY 28</b>	<b>FY 29</b>	<b>FY 28-29</b>
General Fund	153	310	463	310	310	620
<b>Total All Funds</b>	<b>153</b>	<b>310</b>	<b>463</b>	<b>310</b>	<b>310</b>	<b>620</b>

**Results:**

This recommendation is intended to help BWSR address rising cost pressures and mitigate impacts to current levels of service and information to the public.

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Accelerated Implementation

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	4,350	4,350	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4,350	4,350	0	0
FTEs	8.5	8.5	0	0

#### Recommendation:

The Governor recommends \$8,700,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium to enhance the capacity of local governments to accelerate implementation of water quality projects and activities. The recommendation includes 8.5 FTE for this program.

In FY24-25, \$11,000,000 was approved for this program.

#### Rationale/Background:

Most of the water management implementation activity is conducted by local governments. It is in the state's interest for local governments to have the technical skill and capacity to develop and implement priority water management projects. This program addresses this interest through providing technical assistance and a training delivery program to ensure the local government staff have these necessary skills. Increasing capacity to deliver meaningful and measurable projects implemented by local governments in partnership with private landowners will support achieving ambitious Clean Water goals.

Ensuring the work of local government has the on-the-ground impact and resulting environmental outputs desired from implementation funds granted to local governments, there is a need for advanced inventories, diagnostic and feasibility studies, and targeting tools to assist in building prioritized, targeted, and measurable strategies into water management or comprehensive plan amendment/revisions or otherwise be incorporated into routine implementation activities to increase the effectiveness of water quality protection or accelerated water quality restoration.

To meet Minnesota's climate resilience goals, we need adequate local capacity to design and construct on-the-ground projects to mitigate the risks of flooding, decreased water quality and drought due to climate change. We also need to measure the progress and evaluate the strategies.

#### Proposal:

This program is a continuation and expansion of a highly successful Clean Water program. Under the continuation component of this program, funds are used to 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) increasing 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. The proposed appropriation will support critical infrastructure of the

agency such the targeting tool Prioritize, Target, and Measure Application (PTMApp) and eLINK as well as funding to local governments to support staff participation in training and increased capacity to deliver priority water quality projects.

This proposal will provide local technical capacity, training, and implementation support. Additionally, each of the eight Technical Service Area (TSAs) receives approximately \$242,000 per year in technical service grants to increase the capacity of soil and water conservation districts to provide technical and engineering assistance to landowners. See BWSR grant profile: [Grant Profile: TSA Enhanced Shared Technical Services | MN Board of Water, Soil Resources \(state.mn.us\)](#)

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. This funding will continue to improve water quality by providing grants to local governments that will increase the implementation of water quality improvement practices. We also will measure progress against the long-term goals outlined in the Clean Water Roadmap.

**Goal 3, Strategy 2:** Fund the completion of comprehensive watershed management plans for all 80 major watersheds, including those under One Watershed One Plan, by 2025.

#### **Impact on Children and Families:**

The multiple benefits (water quality, climate change mitigation, landscape resiliency, and soil health) of targeted conservation practice implementation are long-lasting and thus accrue to multiple generations of Minnesota children and families. The scale and scope of this initiative's is statewide, and the impact will be dependent on voluntary landowner participation.

#### **Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

#### **Tribal Consultation:**

This proposal would not have a significant direct effect on Tribal Nations that share geography with Minnesota.

#### **IT Costs:**

<i>Category</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>	<i>FY 2030</i>	<i>FY 2031</i>
Payroll						
Professional/Technical Contracts	530	530	580	580	580	
Infrastructure						
Hardware	10	10				
Software	10	10				
Training						
Enterprise Services						
Staff costs (MNIT or other agency)	217	215	207	200	202	
<b>Total</b>						
MNIT FTEs	1.2	1.2	1.2	1.2	1.2	

<b>Category</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>
Agency FTEs	0.25	0.25	0.25	0.25	0.25	

**Results:**

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. This funding will continue to improve water quality by providing grants to local governments that will increase the implementation of water quality improvement practices. We also will measure progress against the long-term goals outlined in the Clean Water Roadmap.

<b>Measure</b>	<b>Measure type</b>	<b>Measure data source</b>	<b>Most recent data</b>	<b>Projected change</b>
Percentage of lakes with good water quality	Results	Trophic State Index	62%.	70% by 2034
Percentage of rivers and streams with healthy fish communities	Results	Index of Biotic Integrity	60%	67% by 2034

**Statutory Change(s):**

Not applicable.



## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Buffer Law Compliance

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	2,000	2,000	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,000	2,000	0	0
<b>FTEs</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends \$4,000,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium to support local government work to implement compliance with the riparian buffer or alternative best manage practice requirements for state required buffers and soil erosion enacted into law in 2015. The recommendation includes 3 FTE for this program.

In FY24-25, \$4,000,000 was approved for this program.

#### 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.

Too often our lakes, streams and ditches do not have sufficient riparian buffers. Minnesota's buffer initiative, which was signed into law in 2015, will help protect the state's water resources from erosion and runoff pollution by establishing roughly 110,000 acres of buffer along waterways. The law established a November 1, 2017, timeline for establishing buffers on public waters and a November 1, 2018, timeline for establishing buffers on public drainage systems. As of January 2022, approximately 99% of all parcels adjacent to Minnesota waters are compliant with the Buffer Law.

#### Proposal:

This existing program is part of a comprehensive clean water strategy to prevent sediment and nutrients from entering Minnesota's lakes, rivers, streams, and ditches. Funding supports soil and water conservation districts' technical assistance to landowners, on-going monitoring and tracking of compliance, and assistance in local enforcement of the buffer law. BWSR reports on outcomes and performance annually to the Legislative Coordinating Commission and biennially to the Legislature. Overall, these are high compliance numbers. However, there remain thousands of parcels that are listed as not compliant and enforcement work is ongoing.

The CWF Shoreland Buffer Compliance funding is used for grantmaking to SWCDs and to support SWCD implementation. BWSR works to develop and maintain various aspects of program implementation guidance and support documents. BWSR also plays a role in assisting facilitation between local governments at the request of those looking for agency or state perspective. One key aspect of this role is acting as a repository for what local governments are doing that is working so they can be used as resources by others in similar situations or with similar programmatic hurdles. BWSR maintains and hosts a statewide implementation

tracking system used by SWCDs to monitor landowner progress toward compliance with the law and to meet their statutory obligation to track progress.

**Impact on Children and Families:**

The multiple benefits (water quality, climate change mitigation, landscape resiliency, and soil health) of buffers are long-lasting and accrue to multiple generations of Minnesota children and families.

**Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

**Tribal Consultation:**

This proposal would not have a significant direct effect on Tribal Nations that share geography with Minnesota.

**IT Costs:**

Not applicable.

**Results:**

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. This funding will continue to improve water quality by providing grants to local governments that will increase the implementation of water quality improvement practices. Short term success will be measured by the number of projects and activities that are completed with appropriated funds. We also will measure progress against the long-term goals outlined in the Clean Water Roadmap.

Measure	Measure type	Measure data source	Most recent data	Projected change
Percentage of lakes with good water quality	Result	Trophic State Index	62%	70% by 2034
Percentage of rivers and streams with healthy fish communities	Result	Index of Biotic Integrity	60%	67% by 2034

**Statutory Change(s):**

Not applicable.

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Conservation Corps of Minnesota and Iowa

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	750	750	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	750	750	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends \$1,500,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium for to contract with to contract with the Conservation Corps of Minnesota and Iowa to conduct restoration and maintenance on projects and to train staff.

#### Rationale/Background:

Since 2018, BWSR has been contracting with Conservation Corps of Minnesota & Iowa for delivery of services (restoration, maintenance, training, and other activities) to provide additional capacity to Minnesota's local governments. The funding was previously used from Surface and Drinking Water Protection/Restoration Grants or Accelerated Implementation funding.

#### Proposal:

This proposal funds a contractual relationship with the Conservation Corps of Minnesota and Iowa that was previously funded under Surface and Drinking Water Protection/Restoration Grants or Accelerated Implementation recommendations. A separate and specific designated purpose with this funding is proposed, as the contractual relationship doesn't match the needs of the other funding.

#### Impact on Children and Families:

This proposal does not directly impact children and families.

#### Equity and Inclusion:

This proposal does not directly impact any racial, ethnic, or other minority in Minnesota.

#### Tribal Consultation:

This proposal would not have a significant direct effect on Tribal Nations that share geography with Minnesota.

#### IT Costs:

N/A

#### Results:

N/A

#### Statutory Change(s): N/A

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Conservation Drainage Management and Assistance

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	1,000	1,000	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,000	1,000	0	0
FTEs	0.7	0.7	0	0

#### Recommendation:

The Governor recommends \$2,000,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium to provide funding for Minnesota drainage authorities under M.S. 103E to plan and construct drainage water quality management practices into drainage system projects. The recommendation includes 0.7 FTE for this program. In FY24-25, \$2 million was approved for this program.

#### Rationale/Background:

Studies indicate that the observed increase in stream flows in Minnesota can be attributed to post-European settlement changes in land use, particularly in association with agricultural practices. Some of these influential changes include wetland drainage and expansion of artificial drainage networks. These land use changes have drastically altered natural hydrological processes leading to decreased surface water storage and decreased total annual evapotranspiration from fields through crop conversion. (Schilling and Helmers 2008; Schilling 2008; Tomer and Schilling 2009; Lenhart et al. 2011a; Wang and Hejazi 2011; Schottler et al. 2013).

Together those changes have resulted in increased river flows and increased erosion, sedimentation, and delivery of nutrients to downstream waters. Regardless of the exact cause of increased river flow, strategies that increase water residence time on the landscape will have a positive impact on controlling stream flows. Similarly, widespread expansion of water storage mechanisms will be particularly important in the future if increasing precipitation patterns continue with ongoing climate change.

Studies, such as the MPCA Sediment Reduction Strategy for the Minnesota River Basin, identify that public and private drainage infrastructure can affect peak channel flows, soil erosion, and water quality, including both surface ditches and subsurface tile. In recent years, several new best management practices (BMPs) have been identified and developed under the umbrella of “conservation drainage” to better enable multipurpose drainage management. Providing technical and financial assistance to local drainage authorities will help achieve the public benefit of clean water alongside the private and public benefit of maintaining these public drainage systems/infrastructures. These BMPs are based on research and demonstration projects in Minnesota and other states having extensive drainage infrastructure.

#### Proposal:

This program is a continuation from FY2022-2023 and provides for financial and technical assistance to Minnesota’s Public Drainage Authorities and Soil and Water Conservation Districts to facilitate planning, design, and installation of conservation practices on drainage systems that will result in water quality improvements. These practices promote retention of rainfall and runoff on the land, soil erosion reduction,

and water quality improvement in drainage systems and receiving waters while maintaining agricultural production. The program is implemented through partnering with the state's public drainage system authorities, principally counties and watershed districts. The state's investment leverages local investment as the grants require a 25% local match.

This program is part of a comprehensive clean water strategy to reduce pollutants that enter Minnesota waters. To measure the success of this program, we will look at the amount of sediment and nutrients reduced over the biennium. The Conservation Drainage Management and Assistance program works to achieve the following Clean Water Council Strategic Plan vision statements:

- **Vision 2:** Drinking water is safe for everyone, everywhere in Minnesota
- **Vision 3:** Minnesotans will have fishable and swimmable waters throughout the state

### **Impact on Children and Families:**

The multiple benefits (water quality, climate change mitigation, landscape resiliency, and soil health) of targeted conservation practice implementation are long-lasting and thus accrue to multiple generations of Minnesota children and families. The scale and scope of this initiative's is statewide and the impact will be dependent on voluntary landowner participation.

### **Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

### **Tribal Consultation:**

This proposal would not have a significant direct effect on Tribal Nations that share geography with Minnesota.

### **IT Costs:**

Not applicable.

### **Results:**

<b>Measure</b>	<b>Measure type</b>	<b>Measure data source</b>	<b>Most recent data</b>	<b>Projected change</b>
Number of drainage systems with drainage water quality practices implemented	Quantity	eLINK tracking system	27	More than 35 by 2026
Percentage of lakes with good water quality	Results	Trophic State Index	62%	70% by 2034
Percentage of rivers and streams with healthy fish communities	Results	Index of Biotic Integrity	60%	67% by 2034

### **Statutory Change(s):**

Not applicable.

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Critical Shoreland Protection

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	500	500	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	500	0	0
FTEs	.5	.5	0	0

#### Recommendation:

The Governor recommends \$1,000,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium to purchase permanent conservation easements on lands adjacent to public waters with good water quality but threatened with degradation. The recommendation includes 0.5 FTE for this program.

In FY24-25, \$3 million was approved for this program, and an additional \$4 million approved during supplemental budgeting for FY25.

#### 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. Lakes and rivers in the forested region of the state are susceptible to the impacts of shoreline development. The alteration of shoreline vegetation, construction of impervious surfaces, placement of in-lake structures, and increased boat and water-based recreation can result in a reduction in emergent and floating plant abundance; mixing of bottom sediments, increased nutrient loading (including substantial changes in phosphorous) and shoreline erosion. The impact of development is cumulative, and over time, such changes can severely reduce water quality of these important water bodies.

This program funds permanent conservation easements that protect existing natural shorelines. This proposal has a direct impact on the One Minnesota Goal: *Minnesota communities and lands are climate resilient* by protecting lands critical for climate resiliency.

#### Proposal:

This is a continuation of an easement program that provides voluntary shoreland protection on water bodies, with an emphasis on shoreland in watersheds that are critical in protecting the Mississippi River as a drinking water source.

Using the Reinvent in Minnesota (RIM) program, conservation easements are acquired on critical shoreland areas, targeting 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 necessary administrative, legal, and engineering expertise to secure perpetual conservation easements with private landowners through local soil and water conservation districts (SWCDs). Dollars are primarily used for easement payments to landowners and program implementation.

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 Soil and Water Conservation Districts (SWCDs) perform regular monitoring of all conservation easements. Baseline, monitoring, and geospatial data is maintained.

This program is part of a comprehensive clean water strategy to reduce pollutants that enter Minnesota waters. To measure the success of this program, we will look at the number of acres protected, with the goal being 350 acres over the biennium. The Critical Shorelands Protection program works to achieve the following Clean Water Council Strategic Plan vision statements:

- Vision 2: Drinking water is safe for everyone, everywhere in Minnesota
- Vision 4, Goal 1, Action 4, Measure 4: Protection of 100,000 acres and restoration of 100,000 acres in the Upper Mississippi River headwaters basin by 2034.

### **Impact on Children and Families:**

The benefits of permanent land protection (climate change mitigation, landscape resiliency, water quality, and soil health) are long-lasting and accrue to multiple generations of Minnesota children and families. The scale and scope of this initiative's impact will be dependent on voluntary landowner participation.

### **Equity and Inclusion:**

This proposal would not disproportionately impact people of color, Native Americans, people with disabilities, people in the LGBTQ community, other protected classes, or Veterans in either a negative or positive way, nor would it eliminate or reduce any disparities.

### **Tribal Consultation:**

This proposal would not have a significant direct effect on Tribal Nations that share geography with Minnesota.

### **IT Costs:**

Not applicable.

### **Results:**

Measure	Measure type	Measure data source	Most recent data	Projected change
Acres protected by easement.	Quantity	Actual data on easement purchases.	N/A	This proposal is estimated to protect approximately 360 acres on 6 easements.

### **Statutory Change(s):**

Not applicable.

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Wetland Restoration Easements

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	2,500	2,500	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,500	2,500	0	0
FTEs	0.5	0.5	0	0

#### Recommendation:

The Governor recommends \$5,000,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium to purchase permanent conservation easements to protect and restore wetlands and associated uplands. The recommendation includes 0.5 FTE for this program.

In FY24-25, \$10 million was appropriated to this program.

#### Rationale/Background:

Minnesota has lost an estimated 42% of its original 16 million acres of wetlands to drainage or fill activities. The loss of wetlands is most severe in the prairie regions of the state (approximately 90% loss).

Prairies once comprised nearly 20 million acres in Minnesota. Less than 1% of this native prairie remains.

The Reinvest in Minnesota (RIM) program enrolls drained and farmed wetlands and associated uplands that offer no water quality benefits, and little or no habitat and ecological benefits in their current state. Through a combination of eligibility screening and a scoring and ranking process, the program evaluates applications and selects the applications that provide the greatest environmental and habitat benefits after enrollment in a BWSR RIM Reserve easement. The RIM Reserve wetlands program protects and restores wetlands and adjacent upland areas. These restored wetlands and grassland complexes will provide water quality improvements, and habitat for wetland-dependent wildlife species. RIM is a local-state partnership delivered by SWCDs and BWSR. BWSR staff provide program oversight and manage the easement acquisition process and restoration design. Local staff promote RIM Reserve easements, assist with easement processing, and provide technical assistance and project management services.

#### Proposal:

RIM Reserve has been successfully protecting and restoring degraded wetlands for almost 30 years. This is the second biennium of funding from the Clean Water Fund for this important work of the RIM Reserve program.

The program funding will be used to purchase permanent conservation easements to restore wetlands. This program is part of a comprehensive habitat and clean water strategy to prevent sediment and nutrients from entering Minnesota's lakes, rivers, and streams; enhance fish and wildlife habitat; and protect wetlands.

While other agencies (DNR, MDA, and federal NRCS and USFWS) and NGOs are working toward similar goals of water quality protection using easements, BWSR's niche is conservation easements on private lands.



**Impact on Children and Families:**

This proposal does not significantly impact children, youth, and families.

**Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

**Tribal Consultation:**

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐ Yes  
☒ No

**IT Costs:**

Not applicable.

**Results:**

Acres protected as well as progress toward the long-term water quality goals for surface water will be tracked.

Program enrollment will continue as funding is available (program is currently established but accepting new applications is dependent on having funds available), with easements secured by summer 2026.

Restoration/implementation of conservation plans will be implemented after easements are secured. Restoration will be completed by 2030. As easements will be permanent, the benefits will be retained in perpetuity. We anticipate enrolling approximately 630 acres with 9 easements.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of acres protected under easements	Quantity	Agency internal easement acquisition data	N/A	Anticipated enrollment of 630 acres (9 easements) by summer 2026

**Statutory Change(s):**

Not applicable.

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Great Lakes Restoration

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	500	500	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	500	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends \$1,000,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium to support soil and water conservation district capacity to leverage federal funds from the Great Lakes Restoration Initiative (GLRI). Funding would only apply to the five soil and water conservation districts (SWCDs) along in the Lake Superior Basin for protection and restoration activities affecting lake water quality.

This program was approved for \$1 million in funding through a supplemental budgeting process for FY25.

#### Rationale/Background:

Minnesota is home to Lake Superior, the largest freshwater lake in the United States. The Great Lakes Restoration Initiative (GLRI) is a federal non-regulatory program that accelerates efforts to protect and restore Lake Superior and the other Great Lakes. GLRI Funds are anticipated to dramatically increase over the next few years as a result of the federal bipartisan infrastructure law (BIL). In order to maximize the potential to use this additional federal money, resources are needed for Soil and Water Conservation Districts within the Lake Superior Basin to build capacity to apply for funds as opportunities arise, and leverage federal dollars to implement projects consistent with the Great Lakes Restoration Initiative's Action Plan already identified through Watershed Restoration and Protection Strategies and Comprehensive Watershed Management Plans developed through the One Watershed, One Plan program.

#### Proposal:

This proposal is for a Clean Water grant program for SWCDs located in the Lake Superior Basin to leverage federal implementation dollars to protect, enhance and restore water quality in the Lake Superior Basin. Eligibility for these funds is contingent on a state approved and locally adopted water management plan.

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters and addresses the following Clean Water Council's Strategic Plan Goals:

**Vision 4, Goal 1.** Build capacity of local communities to protect and sustain water resources

#### Impact on Children and Families:

This program does not significantly impact children, youth, and families.

**Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

**Tribal Consultation:**

This proposal would not have a significant direct effect on Tribal Nations that share geography with Minnesota.

**IT Costs:**

Not applicable

**Results:**

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. This funding will continue to improve water quality by providing grants to soil and water conservation districts located in the Lake Superior basin to leverage federal funding to increase the implementation of water quality improvement practices. Short term success will be measured by the number of projects and activities that are completed with leveraged funds. Statewide progress is also measured against the long-term goals outlined in the Clean Water Roadmap.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current</i>	<i>Future</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

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Measures, Results, and Accountability

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	1,250	1,250	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,250	1,250	0	0
<b>FTEs</b>	<b>8.2</b>	<b>8.2</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends \$2,500,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium to implement a comprehensive program of conservation quality control and assurance through oversight, assessment, assistance, and reporting and communication of local government performance and results.

In FY24-25, \$2,500,000 was approved for this program.

#### Rationale/Background:

BWSR is required to provide oversight and accountability for the Clean Water Funds obtained via the Clean Water, Land, and Legacy Amendment. BWSR needs to track and manage grants funded via the Clean Water Fund. This proposal is a continuation of BWSR's previous efforts to provide oversight and accountability for grants to local governments and to measure, track, and communicate results of projects funded with Clean Water Funds. Central to BWSR's effort is the agency's eLINK, an online conservation tracking system, which features grants tracking from application to reporting, contract management, tracking of water plans goals and outcomes, including estimates of pollution reductions.

Another component of this proposal is BWSR's grant reconciliation process, through which BWSR staff conducts field visits with local governments to ensure compliance with state policies, guidance, and fiscal best management practices.

#### Proposal:

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.

This program tracks and evaluates grants to local governments funded through the Clean Water Fund, thereby helping to measure the performance of projects in meeting water quality goals. Funding availability is dependent on the existence of the Clean Water Fund and Legacy Amendment.

The recommendation includes 8.2 FTE to implement this component of the Clean Water Fund. On average, BWSR processes approximately 245 Clean Water Fund grants annually across the state. As part of this grant oversight, BWSR must report all proposed and final outcomes along with other reporting requirements to the Legacy

Website (<https://www.legacy.mn.gov/clean-water-fund>). Grant reporting is conducted through BWSR's grant management system, eLINK: <https://bwsr.state.mn.us/elink>.

**Impact on Children and Families:**

This program does not significantly impact children, youth, and families.

**Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

**Tribal Consultation:**

This proposal would not have a significant direct effect on Tribal Nations that share geography with Minnesota.

**IT Costs:**

Not applicable.

**Results:**

Local governments are foundational to delivering the results of the state's conservation programs that implement water quality solutions. BWSR provides accountability to the state while supporting and providing assistance to local governments implementing Clean Water projects by:

1. Building strong technical skills within the local government delivery system
2. Providing assistance to local governments for improved program implementation, streamlining reporting requirements, and providing transparency regarding local government performance in meeting clean water program goals
3. Evaluating the success and value of on-the-ground restoration and protection activities in order to better target implementation funds
4. Communicating information about its grants to local governments and the environmental outcomes achieved through multiple media venues

BWSR reports on outcomes and performance annually to the Legislative Coordinating Commission and biennially to the Legislature.

**Statutory Change(s):**

Not applicable.

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Soil Health Enhancement

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	5,926	5,926	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,926	5,926	0	0
<b>FTEs</b>	<b>3.5</b>	<b>3.5</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends \$11,852,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium for grants to enhance landowner adoption of soil health management practices as prioritized in comprehensive watershed management plans. The recommendation includes 3.5 FTE for this effort.

In FY24-25, \$12,077,000 was approved for this program.

#### Rationale/Background:

This program contributes to part of a comprehensive clean water strategy to reduce nutrients and sediment from entering drinking water supplies. Incorporating soil health management practices such as cover crops into row crop rotations can improve water quality by decreasing nitrogen losses, reducing runoff, and improving soil health.

Vulnerabilities of drinking water systems have come into the spotlight over the last several years. While Minnesota has not experienced a large-scale drinking water crisis, the risk of drinking water contamination is of particular concern in some areas of Minnesota. Several Minnesota communities have seen increased water treatment rates due to contamination of ground water from excess nitrate coming from agricultural areas. These incidents are indicative of the widespread vulnerability of many rural communities because much of Minnesota's rural landscape is heavily dominated by intensive row-crop agriculture.

Reports, such as the MPCA Nutrient Reduction Strategy, indicate that despite widespread best management practice (BMP) adoption, nitrate levels in Minnesota are not decreasing. Even perfect timing, rate, and placement of nitrogen fertilizer won't stop all the leaks in the current cropping systems. For a good portion of each spring and fall, large portions of our landscape are bare. Given the significant influence of land uses on water quality, this study and several other reports, such as the EQB Water Policy Report and the Clean Water Council's Living Cover for Drinking Water Protection policy, indicate that to reduce nitrate from leaching into our groundwater and running off into our surface waters, a shift in the cropping systems will be required. One component of this shift is the recommended use of cover crops to scavenge excess nitrogen from the soil.

Cover crops are known to be an effective means to reduce nitrogen loss. A recent report from the Freshwater Society, *The Water Underground*, cites that cover crops have been shown to reduce nitrogen loads by 30% compared to 15% for nitrogen fertilizer management alone.

**Proposal:**

This program provides both applied research by the Minnesota Office for Soil Health (MOSH) and implementation of soil health practices to improve groundwater and surface water quality. The MOSH is a collaboration between BWSR and the University of Minnesota Water Resources Center and works towards healthy farms and ecosystems by delivering soil education, promoting grower networks, and researching best practices. MOSH's role in applied research and education on Minnesota's agroecosystems and soil health management systems is critical to demonstrating the water quality benefits of soil health practices and helping producers adopt soil health practices.

This program is a continuation of a targeted effort to increase cover crop adoption and related soil health practices on highly erodible lands or in drinking water management areas. This program provides an opportunity for a large acre and participant increase in cover crop and soil health practice adoption. Cover crop adoption improves groundwater and surface water quality and benefits drinking water supply areas. Clean Water Funds will be made to eligible landowners and retailers to plant cover crops, provide payments to reduce risk, and purchase specialized inter-seeding equipment in one or two targeted areas within the state.

This initiative can leverage existing NRCS financial assistance programs and will be implemented by soil and water conservation districts (SWCDs). Short term success will be measured by the number of acres of cover crops and other soil health management practices installed with appropriated funds.

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters and addresses the following Clean Water Council's Strategic Plan Goals:

- **Goal 3, Strategy 10:** Enroll 6,500,000 acres and 5,100 Minnesota farms in the Minnesota Agricultural Water Quality Certification Program (MAWQCP) by 2030.
- **Goal 3, Strategy 11:** Fund technical assistance and local demonstration sites to assure that application of crop fertilizer uses the best available science
- **Goal 3, Strategy 12:** Support in-lake treatment and restoration activities that only address water quality impairments and are supported by comprehensive plans, including One Watershed One Plan.
- **Goal 3, Strategy 13:** Support state-federal cooperative programs, actions, and priorities outlined in the Great Lakes Restoration Initiative's Action Plan.

**Impact on Children and Families:**

This program protects drinking water supplies by reducing nutrients and sediment entering groundwater and surface water. Widespread soil health management adoption can improve both groundwater and surface water quality and benefits Minnesota children and families who rely on those water resources for their drinking water. The scale and scope of this initiative's impact will be dependent on voluntary landowner participation.

**Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

**Tribal Consultation:**

This proposal does not have a significant direct impact on Tribal Nations that share geography with Minnesota.

**IT Costs:**

Not applicable.

**Results:**

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. We will track the acres of wellhead and source water protection areas protected as well as track progress toward the long-term goals for groundwater set forth in the Clean Water Roadmap.

<b>Measure</b>	<b>Measure type</b>	<b>Measure data source</b>	<b>Most recent data</b>	<b>Projected change</b>
Nitrate levels in groundwater; wells meeting standards in SE Minnesota	Result	State data	89%	95% by 2034
Nitrate levels in groundwater; wells meeting standards in Central Sands MN	Result	State data	96%	98% by 2034
Percentage of rivers and streams with healthy fish communities	Result	Index of Biotic Integrity	60%	67% by 2034

**Statutory Change(s):**

Not applicable.



## Board of Water and Sources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Surface and Drinking Water Protection (Projects and Practices)

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	3,000	3,000	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,000	3,000	0	0
FTEs	6	6	0	0

#### Recommendation:

The Governor recommends \$6,000,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium for Surface and Drinking Water Protection and Restoration Grants (Projects and Practices). The recommendation includes 6.0 FTE for this effort.

In FY24-25, \$17,000,000 was approved for this program.

#### 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. The goal for this proposal is to accelerate the state's objectives for clean water through partnerships with local government, which in turn enter into agreements with private landowners to implement conservation practices and projects to make progress towards state goals and address high priority local resource concerns.

This program provides Clean Water Funds to local governments to support the implementation of high priority projects derived from state approved, locally adopted water management plans. Local governments use these funds to plan, design and install conservation practices targeted to protect and restore water quality. Practices installed are designed to address water quality problems specific to the targeted water body, but generally retain rainfall and runoff on the land, and reduce the transport of sediment and nutrients to surface and ground waters.

#### Proposal:

This continues the highly successful Clean Water competitive grant program, where demand for dollars far exceeds the dollars available. Funds are used to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater and drinking water. Activities include structural and vegetative practices to reduce runoff and retain water on the land, feedlot water quality projects, SSTS abatement grants, and stream bank, stream channel and shoreline protection projects.

Eligibility for these funds is contingent on a state approved and locally adopted water management plan. The plans that link scientific information and citizen priorities include county comprehensive local water management plans, watershed district or watershed management organization watershed management plans, soil and water

conservation district comprehensive plan and city surface water management plans. The planning requirement ensures that state funded projects are targeted to address water quality restoration or protection needs most effectively. The state's investment leverages local and federal funds as the grants require a 25% match. The program will be administered the same which is a once-a-year competitive application process that is open to soil and water conservation districts, counties, watershed districts, cities, and joint powers boards.

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. This funding will continue to improve water quality by providing grants to local governments that will increase the implementation of water quality improvement practices. Short term success will be measured by the number of projects and activities that are completed with appropriated funds.

The FTEs requested for this program cover not only the grants awarded this biennium, but also provides accountability for grants awarded in past biennia that are still active.

This program addresses the Clean Water Council's strategic plan, Vision 3, Goal 3, Strategy 2 Action: Support competitive grants for protection and restoration activities.

Local governments have been aggressive in identifying projects to address water quality needs. For FY2022, local governments proposed more than \$25.8 million in projects under this program, while \$9.5 million of State Clean Water Funds were available, resulting in funding only 36% of project requests.

In FY24, local governments submitted 64 applications statewide requesting \$23,516,843 in Clean Water Funds. Each year BWSR awards approximately 30 applications, ranging from \$950,000 to \$30,000 in requests. 10% of the funding is used for program administration.

Short term success will be measured by the number of projects and activities that are completed with appropriated funds. Long term success will be measured by how many lakes and stream are meeting water quality standards and drinking water supplies protected.

On a statewide level, the Clean Water Road Map has set long term goals for lakes, rivers, streams, and groundwater. BWSR will be using this as one milepost measure for the expected outcome of accelerated water management activities.

### **Impact on Children and Families:**

The benefits (water quality, climate change mitigation, landscape resiliency, and soil health) of targeted conservation practice implementation are long-lasting and thus accrue to multiple generations of Minnesota children and families. The scale and scope of this initiative's impact will be dependent on voluntary landowner participation. Grant funds can be used to address water resource concerns within communities.

### **Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

### **Tribal Consultation:**

This proposal does not have a significant direct impact on Tribal Nations that share geography with Minnesota.

### **IT Costs:**

Not applicable.

**Results:**

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. This funding will continue to improve water quality by providing grants to local governments that will increase the implementation of water quality improvement practices. Short term success will be measured by the number of projects and activities that are completed with appropriated funds. The agency will also will measure statewide progress against the long-term goals outlined in the Clean Water Roadmap.

<b>Measure</b>	<b>Measure type</b>	<b>Measure data source</b>	<b>Most recent data</b>	<b>Projected change</b>
Number of conservation practices installed	Quantity	Internal source data	17,500	22,000 by 2025
Amount of nutrients removed compared to state goals – phosphorous	Quantity	Pollution reduction calculators	271,200 lbs.	Additional 15% by 2025
Amount of nutrients removed compared to state goals – nitrogen	Quantity	Pollution reduction calculators	689,400 lbs.	Additional 2% by 2025
Percentage of lakes with good water quality	Results	Trophic State Index	62%	70% by 2034
Percentage of rivers and streams with healthy fish communities	Results	Index of Biotic Integrity	60%	67% by 2034

**Statutory Change(s):**

Not applicable.

## Board of Water and Sources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Targeted Wellhead Drinking Water Protection

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	2,500	2,500	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,500	2,500	0	0
FTEs	0.5	0.5	0	0

#### Recommendation:

The Governor recommends \$5,000,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium for permanent conservation easements or grants to local government to protect land in vulnerable wellhead or source water protection areas to protect drinking water supplies. The recommendation includes 0.5 FTE per year to implement the program.

In FY24-25, \$5 million was approved for this program, with an additional \$1 million in funding granted during supplemental budget processing for FY25.

#### 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.

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota's drinking water. This effort addresses the Clean Water Council's Strategic Plan Goal 1, Strategy 5 - *Protect the approximately 400,000 acres of vulnerable land surrounding drinking water wellhead areas statewide by 2034.*

#### Proposal:

This proposal is a continuation of a successful Clean Water Fund easement and grant program. The purpose of this targeted program is to ensure that the land use within a drinking water supply management area is conducive to protecting or improving the drinking water that is impacted by the land use in areas that are vulnerable to surface contamination and protect the land via Reinvest in Minnesota (RIM) easements or grants to local governments.

Priority is placed on land located where the vulnerability of the drinking water supply is designated as high or very high by the Commissioner of Health; where the drinking water supply is identified as Mitigation Level 1 or 2 by the Minnesota Groundwater Rule; where monitoring has shown elevated nitrate levels; where drinking water protection plans have identified specific activities that will achieve long-term protection; and/or on lands with expiring Conservation Reserve Program contracts.

BWSR will continue to work with Minnesota Department of Health, Minnesota Department of Agriculture, and the Minnesota Rural Water Association to determine projects within targeted areas. BWSR also works with soil and water conservation districts (SWCDs), LGUs and/or other community partners in those areas to secure

long-term protection on lands and reduce nitrates entering drinking water supplies. This work may include conservation easements, as well as grants for land acquisition via purchase, easement or contract completed locally.

**Impact on Children and Families:**

The benefits of this land protection program are long-lasting. The scale and scope of this initiative's impact will be dependent on voluntary landowner participation.

**Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

**Tribal Consultation:**

This proposal would not have a significant direct impact on Tribal Nations that share geography with Minnesota.

**IT Costs:**

Not applicable.

**Results:**

The program will help ensure land use within a drinking water supply management area is conducive to protecting, or improving the drinking water that is impacted by the land use in areas that are vulnerable to surface contamination and protect the land through RIM easement or grants to local governments.

Measure	Measure type	Measure data source	Most recent data	Projected change
Easement acreage protecting drinking water supply	Quantity	Agency internal data on easement acquisitions	N/A	12 easements protecting 480 acres

**Statutory Change(s):**

Not applicable.

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Technical Evaluation

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	100	100	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	100	100	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends \$200,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium for the evaluation of a sample of habitat restoration projects completed with Clean Water Funding, as required by M.S. 114D.50, Subd.6.

In FY24-25, \$200,000 was approved for this program.

#### Rationale/Background:

State law requires restoration evaluations be conducted on habitat restoration projects completed with funds from the Clean Water Fund (M.S. 114D.50), Outdoor Heritage Fund (M.S. 97A.056), and Parks and Trails Fund (M.S. 85.53). As provided by law, BWSR is the responsible agency for Clean Water Fund restoration evaluations; DNR is the responsible agency for Parks and Trails Fund restoration evaluations; and DNR and BWSR are jointly responsible for Outdoor Heritage Fund restoration evaluations (M.L. 2010, Ch. 361, Art.1).

This proposal is a continuation of the required restoration evaluations that were initiated in 2012. These evaluations assess project performance to ensure and improve conservation outcomes across the state. DNR and BWSR elected to combine administration and reporting for the three statutory requirements in a single Legacy Fund Restoration Evaluation program. Accordingly, one restoration evaluation panel was created, and one report will be produced on an annual basis.

The evaluation panel is responsible for:

- Evaluating restorations relative to the law, current science, and the stated goals and standards in the restoration plans
- Providing findings on the evaluations, determining whether restorations are meeting planned goals, identifying problems with implementation of restorations, and, if necessary, providing recommendations on improving restorations.

#### Proposal:

State law requires restoration evaluations be conducted on habitat restoration projects completed with funds from the Clean Water Fund (M.S. 114D.50), Outdoor Heritage Fund (M.S. 97A.056), and Parks and Trails Fund (M.S. 85.53). As provided by law, BWSR is the responsible agency for Clean Water Fund restoration evaluations; DNR is the responsible agency for Parks and Trails Fund restoration evaluations; and DNR and BWSR are jointly responsible for Outdoor Heritage Fund restoration evaluations (M.L. 2010, Ch. 361, Art.1).

This program evaluates the effectiveness of habitat restorations funded through the Clean Water Fund, thereby helping to measure the performance of projects in meeting habitat goals and providing recommendations to improve the effectiveness of future projects. The findings of the evaluation panel are summarized in an annual report to the legislature and governing councils. Initial findings of these evaluations have found that all projects evaluated were determined to have been implemented in compliance with applicable appropriation laws and reporting requirements, including presenting measurable outcomes and planning to evaluate results.

**Impact on Children and Families:**

This proposal does not significantly impact children, youth, and families.

**Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

**Tribal Consultation:**

This proposal would not have a significant direct impact on Tribal Nations that share geography with Minnesota.

**IT Costs:**

Not applicable.

**Results:**

This program evaluates the effectiveness of habitat restorations funded through the Clean Water Fund, thereby helping to measure the performance of projects in meeting habitat goals and providing recommendations to improve the effectiveness of future projects.

Program evaluation: [2023 Annual Report Appendix A \(state.mn.us\)](#)

**Statutory Change(s):**

Not applicable.

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Tillage and Erosion Evaluation

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	425	425	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	425	425	0	0
FTEs	0.5	0.5	0	0

#### Recommendation:

The Governor recommends \$850,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium to continue to systematically collect data and produce statistically valid estimates of the rate of soil erosion state-wide and tracking the adoption of high residue cropping systems in the 67 counties with greater than 30% of land in agricultural row crop production. The recommendation includes 0.5 FTE to accomplish this component of the Clean Water Fund.

In FY24-25, \$850,000 was also approved for this program.

#### Rationale/Background:

Soil erosion, and the nutrients it carries with it, is a significant environmental pollutant in Minnesota. Soil erosion on cropland has on-site impacts to soil quality and crop productivity as well as off-site impacts on water quantity and quality, air quality and infrastructure maintenance. Tillage is the most widespread land use practice that influences erosion and one of the least expensive options to avoid and mitigate the onsite and offsite impacts of erosion.

The Tillage and Soil Erosion Survey is a comprehensive long-term program to systematically collect data and produce county, watershed, and state-wide estimates of soil erosion caused by water and wind along with tracking adoption of high residue cropping systems and implementation of cover crops. Tillage and cover crop trend data and soil erosion data are critical to measuring progress towards goals and recommendations set forth in Minnesota's Statewide Nutrient Reduction Strategy (2013, 2020), Sediment Reduction Strategy for the Minnesota River and 360South Metro Mississippi River (2014), Watershed Restoration and Protection Strategies (WRAPS), and Total Maximum Daily Loads (TMDLs). The data allows tracking of local trends in adoption of conservation practices, effectiveness of local targeting efforts and to help set local and State priorities.

This proposal is intended to address the climate priorities of the One Minnesota plan. This critical data is not collected anywhere else. The current trend in soil erosion statewide has largely gone unchanged; since 1982 and is over twice the amount considered to be tolerable as established by the United States Department of Agriculture.

#### Proposal:

This is a continuation of a program that implements a tillage, cover crop, and soil erosion survey to systematically collect data and produce county, watershed, and state-wide estimates of soil erosion caused by water and wind along with tracking adoption of high residue cropping systems and cover crops. Tillage, cover crop, and soil



erosion data will be collected in the 67 Minnesota counties with greater than 30% of land dedicated to agricultural row crop production.

The principal result of the program is statistically valid numeric estimates, produced on a county-level, for soil loss from both wind and water erosion and the annual adoption rate of high residue tillage management systems and cover crops. Providing county and watershed-level statistically accurate data requires annual and statewide data collection over the long-term.

Tillage and residue data enhance existing watershed water quality models. The improved models are better able to identify critical areas for conservation best management practice (BMP) implementation and better estimate pollutant load reductions for both planned and applied conservation practices. Up to date tillage and erosion data can aid local government staff in reaching WRAPS/TMDL (water quality) goals by comparing current conditions with potential management scenarios designed to reach sediment and nutrient reduction goals. These efforts will help address the following statewide goals:

- *Minnesota Nutrient Reduction Strategy* - Achieving phosphorus phase 1 milestones:
  - Field Erosion Control – conservation tillage adoption rate of 85% in available area.
  - Increase and Target Living Cover – cover crop adoption rate of 10%.
- *Minnesota Nutrient Reduction Strategy* – Achieving nitrogen phase 1 milestones:
  - Increase and Target Living Cover – cover crop adoption rate of 10%.
- *Minnesota Statewide Conservation and Preservation Plan* – Land Use Recommendation 7: Enable improved design and targeting of conservation through improved and timely data collection and distribution
  - A periodic detailed survey of benchmark sampling sites to determine trends in soil erosion, as was carried out by the NRCS for the Natural Resources Inventory.
- *Minnesota Sediment Reduction Strategy for the Minnesota River and South Metro Mississippi River* – Priority Initiatives, Flow Duration and Magnitude Goals:
  - Increase Living Cover.
- *Minnesota Sediment Reduction Strategy for the Minnesota River and South Metro Mississippi River* – Example Tools for Prioritizing and Targeting Watershed Restoration Efforts:
  - Tracking Systems – Tools such as eLINK and the Tillage Transect Survey for use in tracking upland implementation practices.

This effort addresses the Clean Water Council's strategic plan:

- **Goal 3, Strategy 5:** Include climate impacts as one of multiple benefits of protection and restoration and incorporate climate resilience into comprehensive watershed management plans.
- **Goal 3, Strategy 6:** Support effective science-based responses to emerging threats or contaminants of emerging concern.
- **Goal 3, Strategy 10:** Enroll 6,500,000 acres and 5,100 Minnesota farms in the Minnesota Agricultural Water Quality Certification Program (MAWQCP) by 2030.

### **Impact on Children and Families:**

This program does not significantly impact children, youth, and families.

### **Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

### **Tribal Consultation:**

This proposal would not have a significant direct impact on Tribal Nations that share geography with Minnesota.

**IT Costs:**

Not applicable.

**Results:**

*This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. To measure the success of this program, we will look at soil erosion rates by county and by watershed. We also will measure progress against the long-term goals outlined in the Clean Water Roadmap.*

Measure	Measure type	Measure data source	Most recent data	Projected change
Soil erosion rates by county/watershed	Quantity	Survey data	7.28 tons/acre/yr	3-5 tons/acre/yr by 2034
Percentage of lakes with good water quality, as measured by acceptable Trophic State Index	Results	Survey data	62%	70% of 2034

**Statutory Change(s):**

Not applicable.

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Water Management Transition

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	500	500	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	500	0	0
FTEs	2.5	2.5	0	0

#### Recommendation:

The Governor recommends \$1,000,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium to implement the permanent One Watershed, One Plan program. The recommendation includes 2.5 FTE for this effort.

In FY24-25, \$3.5 million was approved for this program.

#### Rationale/Background:

To recognize both restoring those waters (both surface water and groundwater) that are impaired and protecting those waters that are threatened but not yet impaired, we need to employ a holistic and comprehensive watershed planning and implementation approach. The One Watershed, One Plan (1W1P) builds off exiting studies and assessments being done by Minnesota Pollution Control Agency, Department of Natural Resources, Minnesota Department of Health, and Minnesota Department of Agriculture and create focused watershed implementation plans that are prioritized, targeted, and capable of achieving measurable results.

In 2012 the Minnesota Legislature enacted one of the most significant overall water policy reforms since the mid-1980s. The watershed approach unites the water planning efforts of counties, soil and water conservation districts, and watershed districts by allowing water management plans to be completed on a watershed scale.

Continued Clean Water Fund investment in One Watershed, One Plan (1W1P) allowed BWSR to move from a pilot program in FY2014-2015 to a permanent program in FY2016-2017. The permanent program will continue work with local units of government on the transition to watershed-based plans, leading to 1) a reduction from 200+ geo-political boundary plan to 60+ comprehensive watershed management plans, 2) future efficiencies that are both scientifically and economically sound, and 3) targeting of private, local, and state investments towards water quality and quantity problems that can demonstrate success.

Local water planning and implementation can play a key role in achieving adaptation and mitigation goals in Minnesota's Climate Action Framework, especially the goals specific to climate-smart natural and working lands and resilient communities. The framework identifies the following measure of progress for Natural and Working Lands: By 2030, all state funded or sponsored land, water, and species management plans identify actions to increase adaptation. In addition, watershed planning provides an opportunity for BWSR and partners to work together to address Minnesota Statutes §103B.101 subd. 16 (a)(5) related to climate adaptation, resiliency, or

mitigation. Counties may also have an All-Hazard Mitigation Plan that could inform watershed planning. Partnerships are encouraged to make linkages between these plan types.

**Proposal:**

One Watershed, One Plan grants are awarded to partnerships of governments which include counties and SWCDs. These partnerships may also include watershed districts, watershed management organizations, municipalities, and/or tribal governments. In 2015, the Legislature modified the state’s water management statutes, specifically creating Minnesota Statutes §103B.801. This statute defines the purposes and further outlines the structure for the 1W1P Program. It also directs BWSR to develop a transition plan with a goal of a statewide transition to comprehensive watershed management by 2025.

Historically, grants averaging \$225,000 have been provided for developing new comprehensive watershed management plans. The final grants for new plans are being awarded in FY25. The program is shifting to grants averaging \$75,000 for assessing progress on implementation of existing plans and potentially amending existing plans.

Focused watershed based implementation plans (One Watershed, One Plan) provide the best mechanism possible to build off current state investments being made in Watershed Restoration and Protection strategies (WRAPS) and Groundwater Restoration and Protection Strategies (GRAPS) as well as other state studies and plans to inform the building of a focused watershed implementation plan that is science based, spatially and numerically explicit, with an implementation plan that is prioritized, targeted and capable of achieving measurable improvement in water quality, flood control, and groundwater protection. The agency has implemented four water management planning and implementation authorities dating back to 1956, as such it is well positioned to undertake this activity.

On a statewide level the Clean Water Road Map has set long term goals for lakes, rivers, streams, and groundwater. BWSR will be using these as milepost measures for the expected outcome with full scale development, adoption, and implementation of One Watershed, One Plans state-wide.

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. This program specifically works to achieve the Clean Water Council Strategic Plan Goal 1 - *Drinking water is safe for everyone, everywhere in Minnesota*; Goal 2 – *Groundwater is clean and available to all* and Goal 3 - *Surface waters are swimmable and fishable throughout the State*.

This funding will continue to improve water quality by providing grants to local governments for mid-point evaluations of plan implementation, including progress towards goals and potential amendments to those plans.

Since 2014, 57 groups of local governments have entered into planning agreements to jointly develop a plan. Forty-five plans have been approved by the BWSR Board as of June 3, 2024 and BWSR anticipates 1) full participation statewide (60 planning boundaries) in 2024; and 2) all plans completed and approved by BWSR by 2027.

**Impact on Children and Families:**

This proposal does not significantly impact children, youth, and families.

**Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

**Tribal Consultation:**

Water quality is a shared priority of all Tribal Nations and the state. The state and Tribes have the opportunity to collaborate and support each other in protecting and restoring Minnesota's water resources. While no formal consultations have occurred to date, the agency plans on communicating and engaging the MN Indian Affairs Council and MN Tribal Environmental Committee and consulting with individual Tribal Nations on matters of importance and specific to that Tribal Nation.

**IT Costs:**

Not applicable.

**Results:**

The One Watershed, One Plan program was initiated in FY 2014 with Clean Water Funds with the development of guiding principles, operating procedures, required plan content and piloting in five major watershed areas. The current proposal is implementation of the permanent program. The proposed funding will be used to develop and approve 6 to 10 plans each year with all greater Minnesota watersheds completed by 2025. Counties, soil and water conservation districts, and watershed districts are the principal partners and will be the main local governments that will organize and collaborate on the development of watershed implementation plans. The DNR, PCA, MDA, and MDH will also be partners and will participate through the establishment of a formal agency team assigned to work with each watershed area. Current progress on goal can be found here:

<https://bwsr.maps.arcgis.com/sharing/rest/content/items/a36863284e95428b87f0c362599da547/data>.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of One Watershed, One Plans in development	Quantity	Internal source data	54	6 by 2025
State approval based on established plan content requirements	Quality	Internal source data	28	32 by 2025
Percentage of lakes with good water quality	Results	Trophic State Index	62%	70% by 2034
Percentage of rivers and streams with healthy fish communities	Results	Index of Biotic Integrity	60%	67% by 2034

**Statutory Change(s):**

Not applicable.

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Watershed Based Implementation Funding

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	45,000	45,000	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	45,000	45,000	0	0
<b>FTEs</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends \$90,000,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium to provide grants to implement watershed-based plans. The recommendation includes 12.0 FTE to implement the program.

Watershed-Based Implementation Funding (WBIF) is a non-competitive, performance-based program to implement projects on a watershed scale that protect, enhance, and restore surface water quality in lakes, rivers, and streams, protect groundwater from degradation, and protect drinking water sources. Projects must be identified in a water or comprehensive watershed plan developed by local governments and approved by the Board of Water and Soil Resources. This may include those under the One Watershed, One Plan Program or under the seven-county metropolitan groundwater or surface water management frameworks as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D.

In FY24-25, \$79 million was approved for this program. The agency had identified a minimum need of \$90 million to maintain this program, and closer to \$107 million for the projected increase in need and demand as new plans are approved.

#### Rationale/Background:

Watershed Based Implementation Funding (WBIF) is an alternative to the current project-by-project competitive grant processes used to fund water quality improvement projects. The watershed-based funding approach depends on comprehensive watershed management plans developed by local partnerships under the One Watershed, One Plan program or the Metropolitan Surface Water or Groundwater Management framework to provide assurance that actions are prioritized, targeted, and measurable.

BWSR is moving toward watershed-based implementation funding to accelerate water management outcomes, enhance accountability, improve consistency and efficiency across the state, and to provide predictable funding for implementation of local priorities. This approach allows more projects to be implemented and helps local governments spend limited resources where they are most needed.

Providing systematic Clean Water funding for the growing number of local water management authorities with developed comprehensive watershed reports identifying prioritized projects will increase achievement of Minnesota's water quality goals in addition to other water management outcomes. The efficiencies created by this change will benefit both organizations and landowners by streamlining processes, which will allow more projects to be implemented in a timely manner and ensure limited resources are spent where they are needed.

most. This funding may also provide greater opportunities for local governments to leverage federal and private funding.

This proposal addresses One Minnesota climate initiatives to address water quality, climate change mitigation, landscape resiliency, and soil health. Comprehensive watershed based implementation plans, developed under the One Watershed, One Plan program provide the best mechanism possible to build off current state investments being made in Watershed Restoration and Protection Strategies (WRAPS) and Groundwater Restoration and Protection Strategies (GRAPS) as well as other state studies and plans to inform the building of a focused watershed implementation plan that is science-based, spatially and numerically explicit, with an implementation plan that is prioritized, targeted and capable of achieving measurable improvement in water quality, flood control, and groundwater protection.

### **Proposal:**

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. This funding will continue to improve water quality by providing grants to local governments that will increase the implementation of water quality improvement practices. Short term success will be measured by the number of projects and activities that are completed with appropriated funds. We also will measure progress against the long-term goals outlined in the Clean Water Roadmap.

This effort is recommended for funding by the Clean Water Council and addresses the following strategies noted in their 2020 strategic plan:

- **Vision 3, Goal 2, Strategy 2, Action:** Use the Watershed-Based Implementation Funding (WBIF) model to fund protection and restoration in watersheds that have an approved comprehensive watershed management plan or other approved plan.

Partnerships with approved plans have received between 1 and 4 WBIF grants, depending on when their watershed plans were approved. Currently, 48 partnerships have approved plans; we anticipate 54 approved plans by March 2025; 6 more plans are in development with anticipated approval in FY26/27.

While this funding will be used for implementation and for water quality benefits (though less than the need would allow). Watershed partnerships need a minimum of \$90 million for scheduled implementation actions for each watershed, including an anticipated increase in the number of completed plans. To continue to make progress on measurable goals in local plans – which align with the Clean Water Council’s Strategic Plan goals for drinking water, groundwater, and surface water – the state must continue to provide consistent, reliable funding for plan implementation.

Local partnerships regularly emphasize that reliable, consistent funding creates a positive feedback loop, allowing them to grow their capacity and accomplish more.

### **Impact on Children and Families:**

The state has a goal that all water that is fishable, swimmable, and drinkable benefits all Minnesotans. Targeted conservation practice implementation is long-lasting and thus accrues to multiple generations of Minnesota children and families. The scale and scope of this initiative is statewide and the impact will be dependent on voluntary landowner participation.

### **Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

**Tribal Consultation:**

Water quality is a shared priority of all Tribal Nations and the state. The state and Tribes have the opportunity to collaborate and support each other in protecting and restoring Minnesota’s water resources. While no formal consultations have occurred to date, the agency plans on communicating and engaging the MN Indian Affairs Council and MN Tribal Environmental Committee and consulting with individual Tribal Nations on matters of importance and specific to that Tribal Nation.

**IT Costs:**

Not applicable.

**Results:**

The goal of WBIF is to accelerate clean water outcomes. This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. This funding will continue to improve water quality by providing grants to local governments that will increase the implementation of water quality improvement practices. Short term success will be measured by the number of projects and activities that are completed with appropriated funds. We also will measure progress against the long-term goals outlined in the Clean Water Performance Report: [2024 Clean Water Fund Performance Report \(mn.gov\)](#).

Measure	Measure type	Measure data source	Most recent data	Projected change
Percentage of lakes with good water quality	Result	Measured by acceptable Trophic State Index	62%	70% by 2034
Percentage of rivers and streams with healthy fish communities	Result	Index of Biotic Integrity	60%	67% by 2034

**Statutory Change(s):**

Not applicable.



## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Watershed Partners Legacy

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	500	500	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	500	0	0
<b>FTEs</b>	<b>1.5</b>	<b>1.5</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends \$1,000,000 from the Clean Water Fund (as recommended by the Clean Water Council) for the FY2026-2027 biennium for a small grants program that is expanding partnerships for clean water.

In FY24-25, \$1 million was approved for this program.

#### 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.

Achieving the long-term goals of clean lakes, rivers and drinking water is not attainable without active and engaged citizens and communities. This proposal will use existing program delivery mechanisms to address a current funding gap and allow citizens to act in managing and protecting their local water resources.

This proposal is a Clean Water Council priority for a program based on an existing Clean Water Fund grant program for small projects (Community Partners Program). This program will broaden the scope to ensure that tribal governments and community groups such as non-governmental organizations wishing to implement projects, programs, community service and education can be direct recipients of the funds.

The multiple benefits (water quality, climate change mitigation, landscape resiliency, and soil health) of targeted conservation practice implementation are long-lasting and accrue to multiple generations of Minnesota children and families. The scale and scope of this initiative is statewide and the impact will be dependent on voluntary participation.

#### Proposal:

This program provides competitive grants or contracts to non-governmental and tribal governments for implementation projects that protect, enhance, and restore water quality or protect groundwater and drinking water sources from degradation. The State's investment leverages local and federal funds as the grants requires a match. The program will be administered as the agency does with its other Clean Water Funds Programs through a competitive application process.

The recommendation includes 1.5 FTE staff time to administer the program and provide oversight of grants with the expansion of the program to include granting of funds directly to non-governmental organizations and tribal nations.

The Water Legacy Grants Program increases 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, conservation groups and tribal government, will be supported through this program. This effort will be delivered through local collaboration using a “small grants partners” program.

**Impact on Children and Families:**

The multiple benefits (water quality, climate change mitigation, landscape resiliency, and soil health) of targeted conservation practice implementation are long-lasting and accrue to multiple generations of Minnesota children and families. The scale and scope of this initiative’s is statewide and the impact will be dependent on voluntary participation.

**Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparities.

**Tribal Consultation:**

Water quality is a shared priority of all Tribal Nations and the state. The state and Tribes have the opportunity to collaborate and support each other in protecting and restoring Minnesota’s water resources. While no formal consultations have occurred to date, the agency plans on communicating and engaging the MN Indian Affairs Council and MN Tribal Environmental Committee and consulting with individual Tribal Nations on matters of importance and specific to that Tribal Nation.

**IT Costs:**

Not applicable.

**Results:**

This program is intended to expand partnerships to protect and restore Minnesota’s water resources.

This program is part of a comprehensive clean water strategy to reduce the amount of pollutants that enter Minnesota waters. This funding will continue to improve water quality by providing grants to local governments that will increase the implementation of water quality improvement practices. Short term success will be measured by the number of projects and activities that are completed with appropriated funds. We also will measure progress against the long-term goals outlined in the Clean Water Roadmap.

Measure	Measure type	Measure data source	Most recent data	Projected change
Percentage of lakes with good water quality	Result	Trophic State Index	62%	70% by 2034
Percentage of rivers and streams with healthy fish communities	Result	Index of Biotic Integrity	60%	67% by 2034

**Statutory Change(s):**

Not applicable.

## Board of Water and Soil Resources

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Clean Water Legacy – Working Lands Floodplain Easements

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	1,000	1,000	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,000	1,000	0	0
FTEs	0.5	0.5	0	0

#### Recommendation:

The Governor recommends \$2,000,000 from the Clean Water Fund (as recommended by the Clean Water Council) for FY2026-2027 for a Floodplain Easement program. The recommendation includes 0.5 FTE to implement this program.

In FY24-25, \$5 million was approved for this program.

#### Rationale/Background:

With more than 10,000 lakes and 100,000 river and stream miles, water is a major part of Minnesota's culture, economy, and ecosystems. Protecting and restoring riparian areas are one of the most effective and proven methods to address surface water quality degradation by establishing perennial cover on these environmentally sensitive and/or highly erodible soils along rivers and streams.

In addition, major riparian river corridors tend to have wide swaths of flat farmable ground that has the potential to be both productive and frequently flooded. When flood waters deposit debris into farm fields it can make for a difficult harvest if crops aren't flooded out. The fertile ground can be highly productive in years when it doesn't flood and provides a critical source of income for many farmers. Finding ways to offer continued economic activities in these lands is a key component to incentivizing landowner interest when looking at setting aside land that can be productive under certain circumstances.

The purpose of this program is to remove riparian and frequently flooded lands from row crop production. These areas will either be placed into perpetual or long-term RIM Reserve conservation easements that will allow farmers to utilize these landscapes to provide a reasonable source of income while at the same time preventing additional water quality impacts which can occur in frequently flooded row crops.

#### Proposal:

The Floodplain Easement program is an expansion of the previous Buffer Easement program funded by the Clean Water Fund. This expanded program will continue to allow for enrollment of traditional lands that meet the riparian buffer criteria but will also allow for larger whole field enrollment. The whole field enrollment option allows landowners to continue income-producing conservation practices (e.g. silviculture, grazing, and/or haying) under a reduced easement payment rate or a traditional conservation easement. It also allows for a landowner to select a limited term easement option.

This program is part of a comprehensive clean water strategy to prevent sediment and nutrients from entering Minnesota’s lakes, rivers, and streams; reduce aquatic impairments; and protect wetlands. Studies show that perennial vegetation in riparian areas reduces sediment and nutrients entering waterways, stabilizes streambanks, and provides food and habitat for many species of wildlife. Through the Reinvest in Minnesota (RIM) Reserve Program and in partnership with soil and water conservation districts and private landowners, conversation easements are purchased, and vegetated riparian corridors are established replacing row crop agriculture with perennial, managed vegetation (trees, shrubs, native grasses).

The program addresses the Clean Water Council’s Strategic Plan Goal 3, Strategy 6 - Support effective science-based responses to emerging threats or contaminants of emerging concern.

**Impact on Children and Families:**

This program does not significantly impact children, youth, and families.

**Equity and Inclusion:**

This proposal would not disproportionately impact any ethnic, racial, or other minority group in either a negative or positive way, nor would it eliminate or reduce any disparity.

**Tribal Consultation:**

This proposal would not have a significant direct effect on Tribal Nations that share geography with Minnesota.

**IT Costs:**

Not applicable.

**Results:**

Land is placed in perpetual or long-term RIM Reserve conservation easements that will allow landowners to utilize these landscapes to provide a reasonable source of income while at the same time preventing additional water quality impacts which can occur in frequently flooded row crops.

Measure	Measure type	Measure data source	Most recent data	Projected change
Acres protected by easement	Quantity	Agency internal data on easement acquisition	N/A	200 acres (4 easements)

**Statutory Change(s):**

N/A

**Program: Local Conservation Delivery**<https://www.bwsr.state.mn.us/>**AT A GLANCE**

- 46 approved *One Watershed, One Plan* plans, 11 plans in process
- 90 Conservation Delivery grants issued in FY24, totaling \$1.7 million
- 32 Clean Water Fund (CWF) Projects and Practices grants, totaling \$10.7 million, issued in FY24
  - \$79 million in grants for watershed-based implementation funding in FY24-25
- Delivered conservation programs through local governments, in cooperation with private landowners
- Implemented high priority erosion control, native buffers, feedlot, and weed management projects

**PURPOSE AND CONTEXT**

The goal of this program is to meet state objectives for clean water, productive soil, abundant fish and wildlife habitat, and to maintain local capacity to protect and enhance Minnesota's water and soil resources via state partnerships with local governments. The Board of Water and Soil Resources (BWSR) works to achieve this goal by implementing targeted projects and practices on private lands to prevent soil erosion and to prevent pollution from entering surface and ground water. BWSR ensures adequate technical resources and capacity are in place at the local level by providing training, oversight, and accountability.

BWSR has oversight responsibilities to ensure that local water plans are prepared and coordinated with existing local and state efforts and that plans are implemented effectively with a focus on priority concerns, targeted response, and measurable outcomes. Projects are implemented through grants to local governments, including soil and water conservation districts, counties, cities, watershed districts, and watershed management organizations.

**SERVICES PROVIDED****Conservation Projects Program**

This program "shares" the cost of implementation between the state, local governments, and landowners. Grants to local governments provide funding for a variety of on-the-ground projects that address state conservation objectives. Specifically, these projects:

- *Keep water on the land:* natural hydrology restoration and runoff reduction is achieved by restoring wetlands, installing raingardens, constructing stormwater treatment ponds, and implementing conservation drainage practices
- *Maintain healthy soils:* healthy soils are supported through conservation tillage, cover cropping, and erosion control projects
- *Reduce pollutants in surface and ground water:* reducing pollution in sensitive ecological areas is accomplished by upgrading feedlots and subsurface sewage treatment systems
- *Ensure biological diversity:* protection of native plants and animals and their habitats is accomplished through installation of permanent native vegetation buffers and cooperative weed management programs addressing invasive species management
- *Maintain stream integrity:* healthy stream hydrology and abundant fish populations are achieved through streambank and shore stabilization



## **Water Quality Projects Implementation**

Working through the local conservation delivery system, BWSR provides grants for local governments to execute water quality projects that are prioritized and targeted to the most critical source areas. These grants include projects and practices that protect and restore surface and drinking water, water quality-focused easements, conservation drainage, and other work that accelerates implementation. This strategic approach helps to meet locally identified water quality goals within the larger scope of Minnesota's clean water efforts, helping to meet statewide water quality goals through the prevention and reduction of non-point source pollution.

## **Grant Management**

BWSR uses a comprehensive grant management system to track the use of state funds in the most efficient manner possible. It establishes eligibility criteria, determines grant program policies, reviews work plans, issues grant agreements, and conducts 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.

## **Pass-Through Grant Management**

This area includes pass-through funding for two local water entities: Area II Minnesota River Basin Projects 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 southwestern 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.

## **Climate Resiliency and Mitigation**

Beginning with fiscal year 2024, BWSR also oversees programs related to soil health practices and water storage. These programs address Minnesota's needs to accommodate a changing climate while continuing to protect our soil and water resources. These programs help mitigate the effects of extreme weather events by keeping soil on the land in the case of major precipitation events and reducing nutrient runoff and pollution into our waterways. BWSR has been able to utilize state funding to receive additional federal matching funds to further help implement our climate related efforts.

## **Habitat Enhancement and Pollinator Programming**

BWSR oversees three programs that support the establishment of pollinator-friendly native plantings: Lawns to Legumes (which provides individual support grants to residents), Habitat Friendly Utilities (which provides incentives to largescale energy production and distribution systems such as solar and wind farms that host native plant plots), and Pollinator Pathways (which provides grants for larger-scale projects that create large corridors of pollinator-friendly native plantings). Beyond funding, these programs also provide technical assistance and expertise in pollinator-friendly gardening options. These programs resulted from a pilot program and were fully authorized and funded by Minnesota Statutes in 2024.

## **RESULTS**

This program aims to ensure that SWCDs have a base level of capacity to address water and soil resource concerns. Since 2007 BWSR has 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. Level I performance dropped in 2021 to 82 percent compliance due in large part due to a change in SWCD audit requirements.

The measures in the table below represent BWSR's two key goals of this budget program: to reduce water pollutants to improve water quality and to deliver services that build trust in government. Specifically, projects funded under this program contribute toward meeting the state's pollution reduction goals for sediment, phosphorus, and nitrogen. It is important that landowners have access to a trusted local resource that is responsive to conservation needs. Experience and research support 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 local community. For example, data from a 2022 Pew Report shows that trust in local government has largely been stable around 66 percent, while trust in state and federal government has shown considerably more variation, with the most recent level at 54 percent trusting in state government, and 32 percent trusting in the federal government.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Average amount of phosphorus removed <i>compared to state goals*</i>	Quantity	Reported to the Board of Water and Soil Resources (BWSR) via the eLINK grant reporting system from 2003 to present.	497,769 pounds annually in 2010-2019	486,855 pounds annually
Amount of nitrogen removed <i>compared to state goals*</i>	Quantity	Reported to the Board of Water and Soil Resources (BWSR) via the eLINK grant reporting system from 2003 to present.	1,052,606 pounds annually in 2010-2019	1,205,741 pounds annually
SWCDs meeting basic performance and accountability requirement	Quality	2023 Performance Review and Assistance Program (PRAP) Annual Report	94% in 2022	98%
Number of overdue water plans	Quality	2023 Performance Review and Assistance Program (PRAP) Annual Report	4 in 2022	1
Pollinator Habitat created	Result	Processed and tracked by BWSR	New measure	4.3 million square feet

*\*Statewide goals for phosphorus and nitrogen reduction as found in the Nutrient Reduction Strategy*

\* <https://www.pca.state.mn.us/water/nutrient-reduction-strategy> MPCA's Nutrient Reduction Strategy indicates a goal of Phosphorus reduction statewide by 1.4 million pounds, and Nitrogen reduction statewide by 42.5 million pounds.

\*\* <https://bwsr.state.mn.us/sites/default/files/2024-01/2023%20PRAP%20Report%20to%20the%20Legislature.pdf> BWSR 2023 Performance Review and Assistance Program Report to Minnesota Legislature.

The legal authority for Land and Water Conservation projects comes from Minnesota Statutes, chapter 103C.501 (<https://www.revisor.mn.gov/statutes/?id=103C.501>) and Minnesota Administrative Rules, chapter 8400 (<https://www.revisor.mn.gov/rules/?id=8400>).



## Local Conservation Delivery

## Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b><u>Expenditures by Fund</u></b>								
1000 - General	8,358	4,217	32,000	28,617	5,359	5,359	5,359	5,359
2000 - Restrict Misc Special Revenue	22	53	145	305	135	140	135	140
2001 - Other Misc Special Revenue	193	3,476	2,529	59				
2050 - Environment & Natural Resources	2,249	2,243	275	1,635				
2302 - Clean Water	47,193	64,196	65,848	92,326			64,051	64,051
3000 - Federal	445	549	2,130	1,831	1,485	1,375	1,485	1,375
<b>Total</b>	<b>58,460</b>	<b>74,735</b>	<b>102,927</b>	<b>124,773</b>	<b>6,979</b>	<b>6,874</b>	<b>71,030</b>	<b>70,925</b>
Biennial Change				94,505		(213,847)		(85,745)
Biennial % Change				71		(94)		(38)
Governor's Change from Base								128,102
Governor's % Change from Base								925
<b><u>Expenditures by Activity</u></b>								
Local Conservation Delivery	58,460	74,735	102,927	124,773	6,979	6,874	71,030	70,925
<b>Total</b>	<b>58,460</b>	<b>74,735</b>	<b>102,927</b>	<b>124,773</b>	<b>6,979</b>	<b>6,874</b>	<b>71,030</b>	<b>70,925</b>
<b><u>Expenditures by Category</u></b>								
Compensation	3,917	4,487	4,576	4,993	984	920	6,259	6,195
Operating Expenses	3,708	5,142	5,618	9,813	275	235	2,451	2,411
Grants, Aids and Subsidies	50,832	65,106	92,732	108,575	5,532	5,531	62,132	62,131
Capital Outlay-Real Property				954				
Other Financial Transaction	2	1	1	438	188	188	188	188
<b>Total</b>	<b>58,460</b>	<b>74,735</b>	<b>102,927</b>	<b>124,773</b>	<b>6,979</b>	<b>6,874</b>	<b>71,030</b>	<b>70,925</b>
Total Agency Expenditures	58,460	74,735	102,927	124,773	6,979	6,874	71,030	70,925
Internal Billing Expenditures			136	33	10	10	10	10
<b>Expenditures Less Internal Billing</b>	<b>58,460</b>	<b>74,735</b>	<b>102,792</b>	<b>124,740</b>	<b>6,969</b>	<b>6,864</b>	<b>71,020</b>	<b>70,915</b>
<b><u>Full-Time Equivalents</u></b>								
	<b>30.92</b>	<b>37.02</b>	<b>34.47</b>	<b>45.03</b>	<b>6.21</b>	<b>5.96</b>	<b>44.41</b>	<b>44.16</b>

## Local Conservation Delivery

## Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b>1000 - General</b>								
Balance Forward In	286	3,221	1,334	16,074				
Direct Appropriation	11,247	2,415	46,489	12,543	5,359	5,359	5,359	5,359
Transfers In			250					
Cancellations		89						
Balance Forward Out	3,175	1,330	16,074					
<b>Expenditures</b>	<b>8,358</b>	<b>4,217</b>	<b>32,000</b>	<b>28,617</b>	<b>5,359</b>	<b>5,359</b>	<b>5,359</b>	<b>5,359</b>
Biennial Change in Expenditures				48,042		(49,899)		(49,899)
Biennial % Change in Expenditures				382		(82)		(82)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.07	1.13	3.74	1.00	1.00	1.00	1.00

### 2000 - Restrict Misc Special Revenue

Balance Forward In	22	99	179	175				
Receipts	99	132	141	130	135	140	135	140
Balance Forward Out	99	179	175					
<b>Expenditures</b>	<b>22</b>	<b>53</b>	<b>145</b>	<b>305</b>	<b>135</b>	<b>140</b>	<b>135</b>	<b>140</b>
Biennial Change in Expenditures				375		(175)		(175)
Biennial % Change in Expenditures				501		(39)		(39)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.06	0.11	0.33	0.33	0.33	0.33	0.33	0.33

### 2001 - Other Misc Special Revenue

Balance Forward In	183	3,679	2,558	31				
Receipts	3,690	79	18	28				
Transfers Out			16					
Balance Forward Out	3,679	282	31					
<b>Expenditures</b>	<b>193</b>	<b>3,476</b>	<b>2,529</b>	<b>59</b>				
Biennial Change in Expenditures				(1,081)		(2,588)		(2,588)
Biennial % Change in Expenditures				(29)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

## Local Conservation Delivery

## Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Full-Time Equivalents	1.20	0.37	0.11	0.25				

### 2050 - Environment & Natural Resources

Balance Forward In	1,843	640	2,014	1,635				
Direct Appropriation	993	3,518						
Cancellations	2	2	104					
Balance Forward Out	585	1,912	1,634					
<b>Expenditures</b>	<b>2,249</b>	<b>2,243</b>	<b>275</b>	<b>1,635</b>				
Biennial Change in Expenditures				(2,582)		(1,910)		(1,910)
Biennial % Change in Expenditures				(57)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.22	1.24	1.46	0.81				

### 2302 - Clean Water

Balance Forward In	18,873	27,516	25,110	23,879				
Direct Appropriation	57,294	59,406	65,314	68,313	0	0	64,051	64,051
Transfers In	1,910	2,481	1,590	134				
Transfers Out	1,903	2,474	1,340					
Cancellations	957	155	949					
Balance Forward Out	28,024	22,578	23,877					
<b>Expenditures</b>	<b>47,193</b>	<b>64,196</b>	<b>65,848</b>	<b>92,326</b>			<b>64,051</b>	<b>64,051</b>
Biennial Change in Expenditures				46,785		(158,174)		(30,072)
Biennial % Change in Expenditures				42		(100)		(19)
Governor's Change from Base								128,102
Governor's % Change from Base								
Full-Time Equivalents	26.65	32.02	28.51	35.90			38.20	38.20

### 3000 - Federal

Balance Forward In	291	27	29					
Receipts	433	549	2,101	1,831	1,485	1,375	1,485	1,375
Internal Billing Receipts			9					
Balance Forward Out	279	27						

## Local Conservation Delivery

## Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
<b>Expenditures</b>	<b>445</b>	<b>549</b>	<b>2,130</b>	<b>1,831</b>	<b>1,485</b>	<b>1,375</b>	<b>1,485</b>	<b>1,375</b>
Biennial Change in Expenditures				2,966		(1,101)		(1,101)
Biennial % Change in Expenditures				298		(28)		(28)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.79	3.21	2.93	4.00	4.88	4.63	4.88	4.63

**Program: Resource Protection Rules and Law**<https://www.bwsr.state.mn.us/>**AT A GLANCE**

- Assists and oversees with the implementation of state laws by local governments, including rules concerning the Wetland Conservation Act, Shoreland Management, Drainage Law, Subsurface Sewage Treatment Systems, and Riparian Protection

**PURPOSE AND CONTEXT**

The Resource Protection Rules and Laws program supports state and local implementation of and compliance with environmental protection laws, rules, and regulations such as the Wetland Conservation Act, drainage law, and riparian protection.

Local implementation of state laws and resource management programs allows for regulation to occur in close proximity to the program activity and is more efficient and effective than state implementation alone. The Board of Water and Soil Resources (BWSR) provides important coordination, program development, implementation assistance, and oversight to ensure that local governments have current knowledge as well as financial and staff capacity to properly implement state programs.

**SERVICES PROVIDED****Oversight of the Wetland Conservation Act**

The purpose of Minnesota's Wetland Conservation Act (WCA) is to retain the benefits of wetlands and prevent the 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; BWSR administers the act statewide, and it is enforced by the Department of Natural Resources.

BWSR supports local implementation of WCA by providing:

- Technical and administrative assistance
- Oversight through project review and annual reporting
- Administering the state wetland banking system; approving applications and managing credit accounting
- Providing an appeals process when disputes occur regarding local decisions

BWSR also implements the Local Government Roads Wetland Replacement Program, a statutory mandate that requires the state 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. Underfunding has impacted local road authorities' assurance of wetland mitigation for their road projects.

**Riparian Protection**

The purposes of Minnesota Statutes 103F.48, Riparian Protection and Water Quality Practices – commonly referred to as the Buffer Law – is to:

- Protect state water resources from erosion and runoff pollution
- Stabilize soils, shores, and banks
- Protect or provide riparian corridors (the land area adjacent to water)

As of summer 2022, nearly 99 percent of land adjacent to public waters and public ditches was in compliance with the law.

## Drainage Management

BWSR provides 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 public drainage authorities) of miles of buffer strips established in accordance with statute, as well as inspections and enforcement actions
- Facilitation of the Drainage Work Group (agency and stakeholder representatives) to develop recommendations of updates to drainage law and of the Public Drainage Manual, to promote uniformity in interpretation and implementation of drainage law, and facilitation of the Drainage Management Team, which coordinates local government information and technical assistance

## Natural Resources Block Grants

As required by statute, some state resource management programs are implemented by counties. To create efficiency, BWSR coordinates and packages 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
- 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, BWSR aims to:

- Maintain and protect Minnesota's wetlands and the benefits they provide
- 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
  - Strive for agency coordination and efficiency through a composite of grants to local governments that helps reduce the administrative costs of these state natural resource programs

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of wetland appeals made of local unit of government decisions*	Quality	Processed and tracked by BWSR	13 in 2022	12 in 2023
Percent of drainage authorities reporting on ditch buffers	Quantity	Processed and tracked by BWSR	100% of counties and 100% of watershed districts in 2021	100% of counties and 100% of watershed districts in 2023
Number of block grants issued to local governments for state resource management programs	Quantity	Processed and tracked by BWSR	87 in 2022	87 in 2024

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percent of public waters in compliance with riparian buffer requirements statewide	Result	Reporting by Soil Water Conservation Districts on a parcel-by-parcel basis	99.5% in 2022	99.9% in 2023
Percent of public ditches in compliance with riparian buffer requirements statewide	Result	Reporting by Soil Water Conservation Districts on a parcel-by-parcel basis	98.5% in 2022	99.2% in 2023

*\*The number of wetland appeals can be used as one measure of the effectiveness of local Technical Evaluation Panels implementing the Wetland Conservation Act (a low number of appeals is desirable).*

The legal authority for the Resource Protection Rules and Laws program comes from Minnesota Statutes, Chapter 103E <https://www.revisor.mn.gov/statutes/?id=103E> and 103G, <https://www.revisor.mn.gov/statutes/?id=103G> Minnesota Administrative Rules, chapter 8420 <https://www.revisor.mn.gov/rules/?id=8420>

## Resource Protection Rules and Law

## Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26FY27		Governor's Recommendation FY26FY27	
<u>Expenditures by Fund</u>								
1000 - General	9,133	952	10,235	1,816	3,589	3,589	3,589	3,589
2000 - Restrict Misc Special Revenue	562	622	890	2,659	792	792	792	792
2001 - Other Misc Special Revenue	7,467	6,249	8,109	12,411	10,576	10,598	10,576	10,598
3000 - Federal	404	257	218	253	253	253	253	253
Total	17,566	8,080	19,452	17,139	15,210	15,232	15,210	15,232
Biennial Change			10,946		(6,149)		(6,149)	
Biennial % Change			43		(17)		(17)	
Governor's Change from Base							0	
Governor's % Change from Base							0	

### **Expenditures by Activity**

Resource Protection Rules and Law	17,566	8,080	19,452	17,139	15,210	15,232	15,210	15,232
<b>Total</b>	<b>17,566</b>	<b>8,080</b>	<b>19,452</b>	<b>17,139</b>	<b>15,210</b>	<b>15,232</b>	<b>15,210</b>	<b>15,232</b>

### **Expenditures by Category**

Compensation	2,698	2,657	2,613	3,569	2,173	2,173	2,173	2,173
Operating Expenses	603	590	271	3,346	843	865	843	865
Grants, Aids and Subsidies	11,382	2,777	13,049	6,614	9,072	9,072	9,072	9,072
Capital Outlay-Real Property	2,882	2,055	3,519	3,610	3,122	3,122	3,122	3,122
Other Financial Transaction	0	0	0					
<b>Total</b>	<b>17,566</b>	<b>8,080</b>	<b>19,452</b>	<b>17,139</b>	<b>15,210</b>	<b>15,232</b>	<b>15,210</b>	<b>15,232</b>

Total Agency Expenditures	17,566	8,080	19,452	17,139	15,210	15,232	15,210	15,232
Internal Billing Expenditures			28					
<b>Expenditures Less Internal Billing</b>	<b>17,566</b>	<b>8,080</b>	<b>19,424</b>	<b>17,139</b>	<b>15,210</b>	<b>15,232</b>	<b>15,210</b>	<b>15,232</b>

### **Full-Time Equivalents**

<b>21.84</b>	<b>23.05</b>	<b>21.88</b>	<b>26.81</b>	<b>14.74</b>	<b>14.73</b>	<b>14.74</b>	<b>14.73</b>
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# Resource Protection Rules and Law

# Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		47	1	39				
Direct Appropriation	9,173	927	10,273	1,777	3,589	3,589	3,589	3,589
Cancellations		22						
Balance Forward Out	40	1	38					
Expenditures	9,133	952	10,235	1,816	3,589	3,589	3,589	3,589
Biennial Change in Expenditures				1,967		(4,873)		(4,873)
Biennial % Change in Expenditures				20		(40)		(40)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.15	6.66	6.69	7.16	0.73	0.73	0.73	0.73

## 2000 - Restrict Misc Special Revenue

Balance Forward In	2,881	1,924	1,947	1,831				
Receipts	1,249	644	968	1,059	925	925	925	925
Transfers Out	1,644		193	231	133	133	133	133
Balance Forward Out	1,924	1,947	1,831					
<b>Expenditures</b>	<b>562</b>	<b>622</b>	<b>890</b>	<b>2,659</b>	<b>792</b>	<b>792</b>	<b>792</b>	<b>792</b>
Biennial Change in Expenditures				2,366		(1,965)		(1,965)
Biennial % Change in Expenditures				200		(55)		(55)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.37	4.16	5.22	7.48	6.66	6.65	6.66	6.65

## 2001 - Other Misc Special Revenue

Balance Forward In	830	2,100	2,275	1,865				
Receipts	6,480	6,026	6,955	9,802	9,831	9,853	9,831	9,853
Transfers In	2,180	744	745	744	745	745	745	745
Transfers Out			0					
Balance Forward Out	2,023	2,622	1,865					
<b>Expenditures</b>	<b>7,467</b>	<b>6,249</b>	<b>8,109</b>	<b>12,411</b>	<b>10,576</b>	<b>10,598</b>	<b>10,576</b>	<b>10,598</b>
Biennial Change in Expenditures				6,804		654		654
Biennial % Change in Expenditures				50		3		3
Governor's Change from Base								0

# Resource Protection Rules and Law

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Governor's % Change from Base								0
Full-Time Equivalents	8.66	10.17	8.66	11.15	6.33	6.33	6.33	6.33

## 3000 - Federal

Balance Forward In	88	19	39					
Receipts	394	244	178	253	253	253	253	253
Balance Forward Out	78	6						
<b>Expenditures</b>	<b>404</b>	<b>257</b>	<b>218</b>	<b>253</b>	<b>253</b>	<b>253</b>	<b>253</b>	<b>253</b>
Biennial Change in Expenditures				(190)		35		35
Biennial % Change in Expenditures				(29)		7		7
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.66	2.06	1.31	1.02	1.02	1.02	1.02	1.02

**Program: Board Administration and Agency Operations**<https://www.bwsr.state.mn.us/>**AT A GLANCE**

- 20-member governing board includes local officials, citizens, and agency partners
- 152 staff in ten offices
  - 1,808 grants to local governments issued in FY 20-21
  - 221 easements recorded on 14,456 acres in FY 23-24

**PURPOSE AND CONTEXT**

The goal of the Administration and Agency Operations program at the Board of Water and Soil Resources (BWSR) is to provide high-quality, timely, and cost-effective services.

In addition to providing resources to agency staff, it provides 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 PROVIDED****Administrative Services**

Administrative Services provides budgeting, payroll, purchasing, contracting, accounting, facilities management, human resources, labor relations, fleet service, and financial reporting services to the agency.

**Board Operations**

The Board, as appointed by the Governor, provides direction and governance on policy development and grants to implement the BWSR's conservation and regulatory programs. The Board membership comprises of three citizens, representatives from local governments (two city, three county, one township, three watershed district, and three soil and water conservation district), and a state agency representative from the Department of Agriculture, Department of Natural Resources, Pollution Control Agency, Department of Health, and University of Minnesota. Staff provide operational and logistical support to the Board.

**Agency Leadership and External Relations**

BWSR's Executive Team provides leadership and direction for the agency, develops and implements Board policies, manages regulatory and legislative affairs, and represents the agency in interactions with stakeholders and local, state, federal agencies, and Tribal governments. Agency leadership values and therefore prioritizes the Increasing Diversity in Environmental Careers program, tribal relations training, and affirmative action.

**Internal Controls/Evaluation**

Per Minnesota Statute 103B.101, BWSR is required to provide oversight and accountability for agency programs and grants to local governments. Internal Controls provides 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**

Information Technology provides direction to MN.IT@BWSR and the business-side expertise to develop and implement essential programming systems, coordinate geographic information systems, and manage telecommunication and network infrastructure.

## Communications

Communications provides for strategic agency communication and the agency's External Communications Plan. Communications staff tell the story of our work via print and social media to the public and legislators, highlighting the work of locally-led conservation and its outcomes.

## Training

BWSR provides high quality and intentional training for both its staff and local government partners to increase their effectiveness in implementing their work to improve and protect the state's soil and water resources. During the last biennium, BWSR provided over 21,000 hours of technical training to more than 4,000 local government partners through the Technical Training and Certification Program.

## RESULTS

To understand the impact of this budget program, BWSR reviews agency operations for efficiency and adequate internal controls. This includes completing an agency Risk Management Plan and implementing an annual internal control self-assessment certification. BWSR also seeks to understand the public's awareness of the agency's work. BWSR's communications work is directed by an External Communications Plan. Finally, BWSR reviews the efficiency and program effectiveness of its local government grantees. Since 2007, BWSR has been methodically assessing the performance of the local units of government that constitute Minnesota's delivery system for conservation of water and soil resources. BWSR also reviews grants for full compliance with the Office of Grants Management policy and other management best practices.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of overdue local water plans	Quantity	2023 Performance Review and Assistance Program (PRAP) Annual Report	2 in 2021	1 in 2023
Social media coverage	Quantity	Processed and tracked by BWSR	7,536 Facebook, X (formerly Twitter), Instagram, YouTube followers in 2021	9,341 Facebook, X (formerly Twitter), Instagram, YouTube followers in 2023
Social media impressions	Quantity	Processed and tracked by BWSR	28,294 YouTube impressions, 89,989 Facebook Reach in 2021	84,297 YouTube impressions, 532,926 Facebook Reach in 2023
Percent grant funds subject to reconciliation to local governments	Quality	Processed and tracked by BWSR	29% in FY 19-21	21% in FY 21-23

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The legal authority for the Board of Water and Soil Resources comes from Minnesota Statutes Chapter 103B <https://www.revisor.mn.gov/statutes/?id=103B>.

# Board Administration and Agency Operations

# Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26FY27		Governor's Recommendation FY26FY27	
<b><u>Expenditures by Fund</u></b>								
1000 - General	4,662	5,727	5,489	6,203	6,844	6,844	6,997	7,154
2000 - Restrict Misc Special Revenue	50	50	35	24				
2001 - Other Misc Special Revenue				243	100	100	100	100
2302 - Clean Water	731	805	1,727	1,961			1,250	1,250
2403 - Gift			6					
<b>Total</b>	<b>5,443</b>	<b>6,582</b>	<b>7,257</b>	<b>8,431</b>	<b>6,944</b>	<b>6,944</b>	<b>8,347</b>	<b>8,504</b>
Biennial Change				3,663		(1,800)		1,163
Biennial % Change				30		(11)		7
Governor's Change from Base								2,963
Governor's % Change from Base								21

## **Expenditures by Activity**

Board Administration and Agency Operations	5,443	6,582	7,257	8,431	6,944	6,944	8,347	8,504
<b>Total</b>	<b>5,443</b>	<b>6,582</b>	<b>7,257</b>	<b>8,431</b>	<b>6,944</b>	<b>6,944</b>	<b>8,347</b>	<b>8,504</b>

## **Expenditures by Category**

Compensation	3,976	4,604	5,143	4,533	2,893	2,887	4,296	4,447
Operating Expenses	1,462	1,768	2,103	3,813	3,965	3,970	3,965	3,970
Grants, Aids and Subsidies		210						
Capital Outlay-Real Property			6					
Other Financial Transaction	5	0	5	85	86	87	86	87
<b>Total</b>	<b>5,443</b>	<b>6,582</b>	<b>7,257</b>	<b>8,431</b>	<b>6,944</b>	<b>6,944</b>	<b>8,347</b>	<b>8,504</b>

## **Full-Time Equivalents**

	35.23	37.27	38.25	33.93	20.00	20.00	29.20	30.20
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# Board Administration and Agency Operations

# Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b>1000 - General</b>								
Balance Forward In		698		263				
Direct Appropriation	5,339	5,434	5,752	5,940	6,844	6,844	6,997	7,154
Cancellations		405						
Balance Forward Out	677		263					
<b>Expenditures</b>	<b>4,662</b>	<b>5,727</b>	<b>5,489</b>	<b>6,203</b>	<b>6,844</b>	<b>6,844</b>	<b>6,997</b>	<b>7,154</b>
Biennial Change in Expenditures			1,304		1,996		2,459	
Biennial % Change in Expenditures			13		17		21	
Governor's Change from Base							463	
Governor's % Change from Base							3	
Full-Time Equivalents	30.05	32.01	30.56	19.87	19.00	19.00	20.00	21.00

## 2000 - Restrict Misc Special Revenue

Balance Forward In		50	54	19				
Receipts	50	54		5				
Balance Forward Out		54	19					
<b>Expenditures</b>	<b>50</b>	<b>50</b>	<b>35</b>	<b>24</b>				
Biennial Change in Expenditures				(41)		(59)		(59)
Biennial % Change in Expenditures				(41)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

## 2001 - Other Misc Special Revenue

Balance Forward In	0			193				
Receipts			193	50	100	100	100	100
Internal Billing Receipts			193	50	100	100	100	100
Transfers Out	0							
Balance Forward Out			193					
<b>Expenditures</b>				<b>243</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Biennial Change in Expenditures				243		(43)		(43)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents				1.00	1.00	1.00	1.00	1.00

# Board Administration and Agency Operations

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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## 2302 - Clean Water

Balance Forward In	225	743	1,188	711				
Direct Appropriation	1,250	1,250	1,250	1,250	0	0	1,250	1,250
Cancellations	0							
Balance Forward Out	743	1,188	711					
<b>Expenditures</b>	<b>731</b>	<b>805</b>	<b>1,727</b>	<b>1,961</b>			<b>1,250</b>	<b>1,250</b>
Biennial Change in Expenditures				2,152		(3,688)		(1,188)
Biennial % Change in Expenditures				140		(100)		(32)
Governor's Change from Base								2,500
Governor's % Change from Base								
Full-Time Equivalents	5.18	5.26	7.69	13.06			8.20	8.20

## 2403 - Gift

Receipts			6					
<b>Expenditures</b>			<b>6</b>					
Biennial Change in Expenditures				6		(6)		(6)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

**Program: Long-term Resource Protection**<https://www.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 8,240 easements, currently protecting more than 340,300 acres since 1986

**PURPOSE AND CONTEXT**

The Long-term Resource Protection 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, the Board of Water and Soil Resources (BWSR) acquires conservation easements to permanently protect, restore, and manage resources while keeping the land in private ownership. Specifically, RIM Reserve 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

Anchored in the work of local soil and water conservation districts, the RIM Reserve program uses an effective system of local delivery and key federal and non-governmental organization partnerships.

**SERVICES PROVIDED****Conservation Easement Acquisition**

The RIM Reserve program consists of several sub-programs aimed at protecting and restoring wetlands, wild rice lakes, and areas along lakes, rivers, and streams. RIM is the state program that supports the Minnesota Conservation Reserve Enhancement Program (MN CREP), a federal-state partnership launched in 2017 that has permanently protected 35,000 acres of environmentally sensitive land in a 54-county area in western and southern Minnesota. The MN CREP leverages up to \$350 million dollars in federal payments directly to landowners.

BWSR also works 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 Reserve 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 State of Minnesota holds conservation easements on restored wetlands, adjacent native grassland, and buffers while the land remains in private ownership. RIM Reserve 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. BWSR maintains 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 Minnesota Pollution Control Agency study on nitrogen in Minnesota surface waters, the two most significant treatments for reducing nitrogen are putting riparian land that is currently in corn into grass and putting into perennials those areas where corn grows only marginally.

In order to make sure this program is effective into the future, BWSR needs to ensure the long-term integrity of conservation easements. BWSR accomplishes this through regular easement monitoring.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Acres currently protected under RIM Reserve	Quantity	Processed and tracked by BWSR.	325,872 acres in 2022	340,329 acres in 2024
Percent easements monitored on schedule	Quality	Inspections performed by SWCDs. Data processed and tracked by BWSR.	99% in 2021	100% in 2023
Percent of easements with compliance issues (should be <5%)	Results	Inspections performed by SWCDs. Data processed and tracked by BWSR.	1% in 2021	0.5% in 2023

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The legal authority for the Permanent Resource Protection Program is found in Minnesota Statutes, Chapter 103F.501-103F.535 (<https://www.revisor.leg.state.mn.us/statutes/?id=103F>).

## Long-term Resource Protection

## Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26FY27		Governor's Recommendation FY26FY27	
<u>Expenditures by Fund</u>								
1000 - General	123	113	689	38,561				
2000 - Restrict Misc Special Revenue	704	247	92	1,768	1,000		1,000	
2001 - Other Misc Special Revenue	213	150	296	512	369	369	369	369
2050 - Environment & Natural Resources	2,073	1,042	677	73				
2300 - Outdoor Heritage	10,609	8,669	26,162	53,081				
2302 - Clean Water	9,974	5,577	8,039	57,361			6,500	6,500
3000 - Federal	3,020	1,012	1,361	1,515	1,515	1,515	1,515	1,515
Total	26,718	16,808	37,316	152,871	2,884	1,884	9,384	8,384
Biennial Change				146,661	(185,419)		(172,419)	
Biennial % Change				337	(97)		(91)	
Governor's Change from Base							13,000	
Governor's % Change from Base							273	

### **Expenditures by Activity**

Permanent Resource Protection	26,718	16,808	37,316	152,871	2,884	1,884	9,384	8,384
<b>Total</b>	<b>26,718</b>	<b>16,808</b>	<b>37,316</b>	<b>152,871</b>	<b>2,884</b>	<b>1,884</b>	<b>9,384</b>	<b>8,384</b>

### **Expenditures by Category**

Compensation	2,101	1,846	2,761	5,078	369	69	719	419
Operating Expenses	1,031	779	1,323	4,481	313	308	313	308
Grants, Aids and Subsidies	5,538	914	650	13,917			900	900
Capital Outlay-Real Property	16,218	12,944	31,545	125,537	2,202	1,507	7,452	6,757
Other Financial Transaction	1,829	325	1,036	3,858				
<b>Total</b>	<b>26,718</b>	<b>16,808</b>	<b>37,316</b>	<b>152,871</b>	<b>2,884</b>	<b>1,884</b>	<b>9,384</b>	<b>8,384</b>

Total Agency Expenditures	26,718	16,808	37,316	152,871	2,884	1,884	9,384	8,384
Internal Billing Expenditures			30					
<b>Expenditures Less Internal Billing</b>	<b>26,718</b>	<b>16,808</b>	<b>37,286</b>	<b>152,871</b>	<b>2,884</b>	<b>1,884</b>	<b>9,384</b>	<b>8,384</b>

### **Full-Time Equivalents**

<b>20.23</b>	<b>17.58</b>	<b>22.47</b>	<b>30.23</b>	<b>2.61</b>	<b>0.61</b>	<b>4.61</b>	<b>2.61</b>
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## Long-term Resource Protection

## Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b>1000 - General</b>								
Balance Forward In		2		20,936				
Direct Appropriation	125	125	21,625	17,625	0	0	0	0
Cancellations		14						
Balance Forward Out	2		20,936					
<b>Expenditures</b>	<b>123</b>	<b>113</b>	<b>689</b>	<b>38,561</b>				
Biennial Change in Expenditures				39,015		(39,250)		(39,250)
Biennial % Change in Expenditures				16,541		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.96	0.16	2.54	4.62				

### 2000 - Restrict Misc Special Revenue

Balance Forward In	931	389	208	157				
Receipts	10	9	47	1,611	1,000		1,000	
Transfers Out			7					
Balance Forward Out	236	151	157					
<b>Expenditures</b>	<b>704</b>	<b>247</b>	<b>92</b>	<b>1,768</b>	<b>1,000</b>		<b>1,000</b>	
Biennial Change in Expenditures				909		(860)		(860)
Biennial % Change in Expenditures				96		(46)		(46)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.24	0.16	0.02	2.00	2.00		2.00	

### 2001 - Other Misc Special Revenue

Balance Forward In	33	59	229	341				
Receipts	240	254	274	369	369	369	369	369
Transfers In	1,831	65	1,123					
Transfers Out	1,831		990	198				
Balance Forward Out	59	229	341					
<b>Expenditures</b>	<b>213</b>	<b>150</b>	<b>296</b>	<b>512</b>	<b>369</b>	<b>369</b>	<b>369</b>	<b>369</b>
Biennial Change in Expenditures				445		(70)		(70)
Biennial % Change in Expenditures				122		(9)		(9)
Governor's Change from Base								0

## Long-term Resource Protection

## Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Governor's % Change from Base								0
Full-Time Equivalents	1.58	1.12	0.55	0.55	0.55	0.55	0.55	0.55

### 2050 - Environment & Natural Resources

Balance Forward In	2,750	1,529	803	73				
Direct Appropriation		750						
Transfers Out	189	13						
Cancellations		421	53					
Balance Forward Out	489	803	73					
<b>Expenditures</b>	<b>2,073</b>	<b>1,042</b>	<b>677</b>	<b>73</b>				
Biennial Change in Expenditures				(2,365)		(750)		(750)
Biennial % Change in Expenditures				(76)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	1.17	1.56	0.18	0.27				

### 2300 - Outdoor Heritage

Balance Forward In	23,528	32,701	47,004	33,693				
Direct Appropriation	19,604	21,589	16,478	19,388	0	0	0	0
Transfers Out	530	33	593					
Cancellations	1,405	1,486	3,034					
Balance Forward Out	30,588	44,103	33,693					
<b>Expenditures</b>	<b>10,609</b>	<b>8,669</b>	<b>26,162</b>	<b>53,081</b>				
Biennial Change in Expenditures				59,965		(79,243)		(79,243)
Biennial % Change in Expenditures				311		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	6.48	7.96	8.82	8.17				

### 2302 - Clean Water

Balance Forward In	19,036	22,540	35,554	37,561				
Direct Appropriation	10,040	12,560	11,500	19,934	0	0	6,500	6,500
Transfers In	1,258	1,010	700					

## Long-term Resource Protection

## Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Transfers Out	2,377	1,037	1,473	134				
Cancellations	67	352	679					
Balance Forward Out	17,916	29,146	37,563					
<b>Expenditures</b>	<b>9,974</b>	<b>5,577</b>	<b>8,039</b>	<b>57,361</b>			<b>6,500</b>	<b>6,500</b>
Biennial Change in Expenditures				49,850		(65,400)		(52,400)
Biennial % Change in Expenditures				321		(100)		(80)
Governor's Change from Base								13,000
Governor's % Change from Base								
Full-Time Equivalents	9.04	5.67	9.35	14.56			2.00	2.00

### 3000 - Federal

Balance Forward In	169	119	86	217	1,764	1,764	1,764	1,764
Receipts	2,968	973	1,492	3,062	1,515	1,515	1,515	1,515
Balance Forward Out	117	80	217	1,764	1,764	1,764	1,764	1,764
<b>Expenditures</b>	<b>3,020</b>	<b>1,012</b>	<b>1,361</b>	<b>1,515</b>	<b>1,515</b>	<b>1,515</b>	<b>1,515</b>	<b>1,515</b>
Biennial Change in Expenditures				(1,156)		154		154
Biennial % Change in Expenditures				(29)		5		5
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.76	0.95	1.01	0.06	0.06	0.06	0.06	0.06

# Board of Water and Soil Resources (BWSR)

# Federal Funds Summary

(Dollars in Thousands)

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Dept. of Ag/NRCS 10.902	1. Excellence in Technical Training & Coordination - Expand technical training and certification of conservation professionals. (R9PFNRC)	\$ 471	\$ 1,196	\$ 946	\$ 946	50% match/No MOE	2.98
Dept. of Ag/NRCS 10.924	2. Partners in Conservation - Targeted Stories about conservation partnerships between landowners and local, state and federal partners. (R9PNRC7)	\$ 25	\$ 47	\$ 23	\$ -	50% match/No MOE	0.25
Dept. of Ag/NRCS 10.912	3. MN Ag Water Quality program. - To improve the water quality. (R9PMDA5)	\$ 27	\$ -	\$ -	\$ -	match/No MOE	0
Dept of Interior 15.686	4. Linking Forests Water & Fisheries in the Midwest Glacial Lakes Region - Building a Shared Conservation Funding Vision. (R9PMGLP)	\$ -	\$ 30	\$ -	\$ -	53% match/No MOE	0.12
Dept of Ag/NRCS_Virginia Tech 10.937	5. The Virginia Tech Alliance to Advance Climate-Smart Agriculture - Supporting Producers to Promote Productivity, Markets, and Environmental Benefits (Alliance). (R9PVTAL)	\$ 1,608	\$ 558	\$ 516	\$ 429	25% match/No MOE	0.65
	<b>Local Conservation Delivery/Program Total:</b>	<b>\$ 2,130</b>	<b>\$ 1,831</b>	<b>\$ 1,485</b>	<b>\$ 1,375</b>		<b>4.00</b>
US Environmental Protection Agency/EPA 66.461	6. Assessment of Baseline Vegetative Quality on Wetland Compensatory Mitigation Sites - Provide a status on wetland mitigation condition to compare to statewide monitoring results. (R9PFPEA)	\$ 6	\$ -	\$ -	\$ -	25% match/No MOE	0
Dept of Ag/NRCS 10.933	7. Wetland Banking - Develop a wetland mitigation bank with credits acceptable for use in USDA wetland compliance. (R9PNRC3)	\$ 75	\$ -	\$ -	\$ -	9% match/No MOE	0
Dept of Ag/NRCS 10.933	8. Wetland Banking - Deliver wetland mitigation credits for use by agricultural producers through the Ag Bank by building off previous experiences and using new approaches to identify and deliver credits more efficiently. (R9PFNRS)	\$ 138	\$ 253	\$ 253	\$ 253	20% match/No MOE	1.02
	<b>Resource Protection Rules and Law/Program Total:</b>	<b>\$ 218</b>	<b>\$ 253</b>	<b>\$ 253</b>	<b>\$ 253</b>		<b>1.02</b>
U.S. Army_ARNG_ACU B 12.401	9. ACUB - Easement Program in which easements are approved and funded by U.S. Army. (R9PACB0)	\$ 80	\$ -	\$ -	\$ -	No match/No MOE	0
U.S. Army_ARNG_ACU B 12.021	10. ACUB - Easement Program in which easements are approved and funded by U.S. Army. (R9PACB3)	\$ 1,281	\$ 1,515	\$ 1,515	\$ 1,515	No match/No MOE	0.06
	<b>Permanent Resource Protection/Program Total:</b>	<b>\$ 1,361</b>	<b>\$ 1,515</b>	<b>\$ 1,515</b>	<b>\$ 1,515</b>		<b>0.06</b>
	<b>Federal Fund – Agency Total</b>	<b>\$ 3,709</b>	<b>\$ 3,599</b>	<b>\$ 3,253</b>	<b>\$ 3,143</b>		<b>5.08</b>

### Narrative

- Federal funds use is intermittent in the agency.
  - Natural Resource Conservation Service (NRCS).
  - U.S Army Compatible Use Buffer (ACUB)
  - U.S Department of Interior
  - Environmental Protection Agency (EPA)
1. The Technical Training and Certification program agreement with NRCS ended on 09/15/2024 with a new agreement starting on 09/16/2024. It will increase training efforts of local government conservation employees who work in partnership with BWSR in conservation efforts. There is a 50% state match and no MOE. The expenditure estimates are based on the state/federal agreement's budget.
  2. The Targeted Stories NRCS agreement is a program to increase awareness of NRCS programs and promotes conservation practice adoption. Both BWSR and NRCS have a mutual interest in the furtherance of USDA conservation programs administered by the NRCS to assure they are effectively implemented and address federal, state, and local priorities. The agreement for a targeted communication effort funds an information officer to create and share stories on successful partnership and NRCS projects that improve soil and water resources and create wildlife habitat while maintaining farming operations. There is a 50% match that is supported through Clean Water Funds with no MOE.
  3. The Minnesota Ag Water Quality Program ended in FY2017. It was a cooperative agreement with the MN Department of Agriculture and the U.S. Department of Ag. The BWSR contribution was from the Clean Water Fund. This appropriation was reconciled in FY2024.
  4. This is new agreement with the US Department of Interior (specifically the U.S Fish and Wildlife Service) and BWSR. The short and long term goals is to collaborate with other states such as Wisconsin and Michigan. It is essential for states Midwest Glacial Lakes Program (MGLP) to develop a shared vision to secure the available federal and foundation funding necessary to implement conservation on landscape scales.
  5. The Virginia Tech Alliance to Advance Climate-Smart Agriculture. By supporting producers to promote productivity, markets, and environmental benefits.
  6. This EPA agreement is to provide an Assessment of Baseline Vegetative Quality on Wetland Compensatory Mitigation Sites. The project goal is to provide a status of wetland mitigation condition statewide and establish baseline data for trend analysis. The expenditure estimates are based on the state/federal agreement's budget and incorporated into BWSR's annual spending plan. The match requirement is supported by a cooperative agreement with the MN Department of Transportation. This agreement has a 25% match and there is no MOE.
  7. The Wetland Banking Mitigation Program is an agreement with NRCS to help agricultural producers to meet wetland conservation requirements necessary to remain eligible for USDA Programs. The goal of the partnership is to increase quality wetland mitigation opportunities for Minnesota producers through the State Agricultural Wetland Bank administered by BWSR. The funding estimate is based on the state/federal agreement. The state match is an 9.3% requirement and carries no MOE.
  8. NRCS has identified Minnesota as a high workload state for wetland determinations and mitigation plans under the wetland conservation compliance provisions of the 1985 Food Security Act (Farm Program). The relatively high distribution of farmed wetlands coupled with improvements in agricultural crop production and drainage technology has resulted in high demand for agricultural wetland mitigation in Minnesota. BWSR is uniquely qualified to address this need as the state agency responsible for overseeing implementation of the State's Wetland Conservation Act (WCA), including the Minnesota Wetland Bank, and through a longstanding partnership with the NRCS to establish and grow the Minnesota Agricultural Wetland Bank (Ag Bank). This grant continues to deliver wetland mitigation credits for use by agricultural producers through the Ag Bank by building off previous experiences and using new approaches to identify and deliver credits more efficiently. This agreement has 20% match with no MOE requirements. The U.S. Army Compatible Use Buffer (ACUB) Program provides funds for purchases of easements. The program is ongoing and entirely dependent on federal fund availability year to year. This reflects a winddown in the use of funds provided by an earlier agreement. There is no state match requirement and no MOE.
  9. The U.S. Army Compatible Use Buffer (ACUB) Program provides funds for purchases of easements. The program is ongoing and entirely dependent on federal fund availability year to year. This reflects a new round of ACUB funding and amounts for FY2023 and beyond are estimates only. There is no state match requirement and no MOE.

10. The U.S. Army Compatible Use Buffer (ACUB) Program provides funds for purchases of easements. The program is ongoing and entirely dependent on federal fund availability year to year. This reflects a new round of ACUB funding and amounts for FY2023 and beyond are estimates only. There is no state match requirement and no MOE.