

Memo From the Chair & Vice Chair

To: Lessard Sams Outdoor Heritage Council
From: David Hartwell, Chair; Ron Schara, Vice Chair
Date: October 3, 2024
Re: Chair's Proposal for Recommended ML25 / FY26 funding

The Council received 53 requests for funds totaling over \$400 million. At the OHF Proposal Hearings on August 27 & 28, the Council heard from those proposers and subsequently the Council members each made allocation recommendations of the \$160,614,000 that was determined to be available for funding.

Those results form the basis for the chair and vice chair's recommendation to the Council for consideration. For the most part, the Chairs recommend the average amounts allocated by the Council.

There were three projects that do not appear on the Chair and Vice Chair's proposal for the following reasons:

- *FA03 – Protecting Critical Habitat in Northeastern Minnesota while Balancing Sustainable Public Land Use and Permanent Public Access Through a Community Land Trust Model – Land Access Alliance – St. Louis County* - this received allocations from just 3 members with an average allocation of \$176,000 which is under the minimum threshold.
- *FRE02 – Carver County Land Minnewashta Regional Management Unit 1 Old Field Restoration – Carver County* - this received allocations from 7 members, but the average allocation is below the \$500,000 minimum threshold.
- *HRE05 – Lake Nakomis Shoreline Enhancements for Turtles and Pollinators* – This proposal received allocations from 8 members with an average allocation of \$583,000. Their proposal indicated this was not scalable and staff confirmed this in follow up conversations with them.

We then looked at proposals that indicated in their proposal they were not scalable. Our thinking was that if a non-scalable project did not receive full funding it would then not actually happen, making it unnecessary to recommend funding for that project. Three projects fit in that category. We asked Staff to contact the project managers to clarify this and see if they would withdraw their request if not fully funded. Between testimony and direct conversations, the results were as follows:

- *FA02 – Itasca County Memorial Forest – Itasca County* - As we heard in the hearings and in follow-up conversations, the proposers indicated that the project is not scalable and would not proceed without full funding of \$2,910,000. This proposal was recommended by all 12 council members with an average of \$2,360,000 (81% of their ask). Their actual land acquisition cost is \$2,720,000 and in conversations with them, they have indicated they would find funds for the other costs in their proposal if they received enough to purchase the property. We are therefore recommending funding at the \$2,720,000 which would allow the project to proceed.

- *WRE01 – East Park WMA / Nelson Slough – Middle-Snake-Tamarac Rivers Watershed District.* This proposal received recommendation by all 12 council members with an average of \$1,543,000 (72.5% of their \$2,128,000 ask). As we heard in the hearings and in follow-up conversations, the proposers indicated that the project not scalable. However, they have indicated that they could proceed with the recommended funding of \$1,543,000 and would seek the remaining \$585,000 elsewhere. We are recommending the Council’s average allocation funding of \$1,543,000.
- *HA13 - Shakopee Creek: Headwaters Restored; Species and Land Protected –* While the proposal says it is not scalable, during the hearings the proposer indicated that they wanted full funding, but they would be able to scale it if they did not receive full funding. We are therefore recommending the average allocation by 11 members of \$2,359,000 (58% of their ask).

There are three projects for which we are recommending amounts that received consent agreement by the Council at the August 29th meeting.

- *01 – Contract Management.* We are recommending full funding of \$410,000.
- *02 - Restoration Evaluations.* We are required by law to fund this with at least .1% of our expected revenue which would be approximately \$161,000. Per Council agreement at the Aug 29th meeting, we are recommending the statutory required minimum amount of \$161,000.
- *04 – Roving Crews.* We are recommending an additional \$807,000 for a total of \$12,303,000 (this leaves a remaining balance of \$339,000 to fully fund this program). At our August 29th meeting the Council provided a consent agreement to fully funding the roving crew budget, but there are only funds available, after the adjustments above, to fund to the \$12,303,000 level. We recommend if we have additional funds due to the December forecast adjustment, we fully fund this program (see comments below).

We make no recommendation at this time for *03 DNR Core Functions in Partner-led OHF Land Acquisitions*. The funding for this project will be pulled from the final IDP budgets of each funded acquisition proposals.

Additionally, there were comments by members on specific proposals that we feel should be discussed prior to any final recommendation. They include:

Projects with comments that result in recommendations in the funding request in the Chair’s motion:

- *WRE03 Big Swamp North - Peatland Restoration Project –* The Chairs concur with the Council’s average recommendation of \$1,442,000. However, we recommend that the funds be used for restoration of Badger Creek as there appeared to be uncertainty of how to restore the peatland ditches.

- WRE04 Accelerating Shallow Lakes and Wetland Enhancements, Phase 17 – The Chairs concur with the Council’s average recommendation of \$2,508,000. However, regarding scaling, DNR stated that personnel would be fully funded but reduced from 5 years to 3 years. At the average recommendation, the majority of the funding would then be staff and not project related. Consequently, the chairs recommend only funding the two Wetland Program Specialists and Wetland Program Supervisor for 2 years and put all the remaining funds into projects.

Lastly, we have been asked in the past to provide guidance to the legislature if there are additional funds available in the December and February forecasts. The chair and vice chair would recommend to the Council that in the event of additional funds being available, they be first applied, in priority order to:

- Fund the LSOHC biennial budget - \$730,000. The Council was made aware this was not included on the allocation spreadsheet but would have to be added. We knew there were enough turn backs that will be shown on the December forecast to allow us to not include this in the initial allocation.
- Fully fund the *O4 – Roving Crews* with an additional \$339,000.
- Fully fund the CPL program with an additional \$3,613,000.
- Increase all remaining programs proportionally as without additional staff related costs (only increase project costs).
- Should there be significant funds beyond these three recommendations, the council meet to discuss additional guidance to the legislature.

Chair and Vice Chair Recommended Motion:

The Chair and Vice Chair recommend acceptance of the funding levels presented in the Chair’s proposal, subject to discussion and potential allocation adjustments on specified projects or other concerns raised by Council members.