

Adjusted Chair Proposal

MEMO: Agenda Item #7
To: LSOHC members
From: David Hartwell (Chair) and Ron Schara (Vice Chair)
Date: December 10, 2024
Re: Adjusted Chair Proposal for Allocation of Additional OHF Funds

Chair and Vice Chair Recommendation on ML2025/FY2026 Funding (In light of the newly published November 2024 Forecast)

With the publishing of the November budget forecast, the Council is presented with additional funds to recommend for allocation above our October recommendation of \$161,327,000 (this includes \$736,000 for LSOHC's annual budget and website expenses).

The November 2024 forecast projects funds available for Council recommendations of \$168,395,000 (this includes a withholding of a 5% reserve). That is \$7,068,000 more than previously forecast for the Council to include in the funding recommendations.

At its October 3, 2024, meeting, the Council agreed to recommend that additional funds be allocated as follows:

1. Fund the LSOHC biennial budget - \$736,000 for FY26 from this year's forecasted funds and \$775,000 for FY27 from next year's forecasted.
2. Fully fund the 04 – Roving Crews proposal at \$12,642,000 – This utilizes \$339,000.
3. Fully fund the CPL proposal at \$15,000,000 – This utilizes \$3,613,000.
4. Increase all remaining programs proportionately as without additional staff related costs (only increase project costs).
5. Should there be significant funds beyond these recommendations, the council would discuss additional guidance to the legislature.

The Council approved a shift of funds from individual budgets IDP amounts (funding that would go from the proposals to fund necessary Initial Development Plan duties and Land Acquisition Costs that the DNR will incur) in recommended projects to the Core Functions budget. Our staff has now calculated this to be a transfer of \$550,300 (\$297,000 shy of DNR's request) and is reflected in the attached spreadsheet. The amount to be transferred to the Core Functions budget for IDP/LAC will automatically increase if acquisition appropriations are increased with the transferring funds being pulled from the affected appropriations.

With the additional funds available, there is a need to adjust the 02-Restoration Evaluations from the \$161,000 to \$168,000 as that is the statutory requirement.

The attached spreadsheet shows how the additional funds are allocated according to the motion passed at the October meeting (not including the adjustments to be made to shift appropriate amounts to the DNR Core Functions budget) with the statutory adjustment to the restoration evaluation program.

The Chairs recommend and are asking for a motion to send this recommendation to the legislature. The motion would also reaffirm that should there be an increase of available funds in the February forecast that it be proportionally allocated to the 45 projects that are getting about a 2% increase due to additional funds being available.

Lastly, the Chairs recommend that should there be a decrease in available funds, that it first come from an adjustment to the restoration evaluation budget to meet the statutory requirement, then to the projects getting proportional increases, then the CPL budget increase and lastly from the DNR Roving Crews budget increase (essentially reversing the increases due to the December budget forecast).