

# Adjusted Chair Proposal

**MEMO:** Agenda Item #8  
**To:** LSOHC Members  
**From:** David Hartwell (Chair) and Ron Schara (Vice Chair)  
**Date:** December 9, 2025  
**Re:** Adjusted Chair's Proposal for Allocation of Additional OHF Funds

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## **Chair and Vice Chair's Recommendation for ML2026/FY2027 Funding (In consideration of November 2025 Fiscal Forecast)**

With the publishing of the November budget forecast, the Council is presented with additional funds to recommend for allocation above our September recommendation of \$165,154,000. The Council's September figure of \$165,154,000 was a ballpark figure based upon discussions at that time with MMB.

The November 2025 forecast projects funds available for Council recommendations of \$188,926,000. This includes an obligatory withholding of a 5% reserve. That is \$23,772,000 more than previously recommended in the Council's September 24th funding recommendations. The bulk of the change was from funds whose appropriation expired and additional interest.

After considering the revised forecast figures, the Chair and Vice Chair recommend using the prior council decision to spread additional funds proportionally to all projects/programs with the following financial adjustments:

- 1) That the Council retain the three (3) following stipulations as previously approved:
  - HRE 05, "Little Cannon River Stream Habitat Restoration", to be funded at \$500,000 for Permitting and Engineering.
  - WRE 05, "Talcot Lake", to be funded at \$1,000,000 for Permitting and Engineering.
  - HA 10, "MN Statewide Trout Habitat Enhancement and Protection", to be funded at \$750,000 for Permitting and Engineering.
- 2) That the Council increase funding for O3, "Restoration Evaluations", to \$189,000 to comply with Statutory requirements of funding with at least .1% of receipts;
- 3) That \$140,000 be added to the LSOHC FY2027 budget (appropriated to LCC) to cover costs for the program analyst to be hired this winter;
- 4) That the remaining funds (approximately \$23,607,000) be proportionally applied to all projects previously recommended for funding. The exception to this is that no proposal would receive more than full funding of their original request.

The attached spreadsheet shows how the additional funds would be allocated with the above recommendations, not including the adjustments to be made to shift appropriate amounts to the DNR Core Functions budget.

The Chairs recommend and request 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 recommended projects up to, but not to exceed, full funding.

The Chairs further recommend that should there be a decrease in available funds in the February forecast, that it first come from an adjustment to the restoration evaluation budget to meet the statutory requirement, then to the projects receiving proportional increases, then the CPL budget increase. These changes would essentially reverse the increases due to the November budget forecast.

Lastly, the Chairs recommend allowing staff to make the appropriate adjustments to 02, "DNR Core Functions" with appropriate amounts from the appropriate related proposals planning acquisitions.