"a copy of the current strategic plan..."

The following documents include:

- A. Six Year Strategic Plan Adopted December 11, 2024
- B. Request for Proposal (RFP)
 - 1. RFP adopted January 17, 2023 for FY2024 (funding beginning July 1, 2023)
 - 2. RFP adopted November 16, 2023 for FY2025 (funding beginning July 1, 2024)

Six-Year Strategic Plan for Expenditures Recommended by the Legislative-Citizen Commission on Minnesota Resources from Minnesota's Environment and Natural Resources Trust Fund

As Required by M.S. 116P.08, Subd. 3.

Adopted December 11, 2024



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Introduction

The Legislative-Citizen Commission on Minnesota Resources (LCCMR) is required by law to adopt a strategic plan for making expenditures from the Environment and Natural Resources Trust Fund (ENRTF) every 6 years and review the plan every 2 years (M.S. 116P.08, subd. 3). The strategic plan identifies priority areas for funding and is used by the LCCMR as the basis for soliciting proposals through its annual request for proposals (RFP) and its rolling opportunity to fund emerging issues projects with unexpected and urgent needs. The plan only applies to expenditures from the ENRTF overseen by the LCCMR.

This plan builds from efforts started in 2019. At that time, using outside consultants, the LCCMR compiled and reviewed strategic plans from environmental and natural resources agencies and organization across the state and engaged past and current project managers, stakeholders, and members of the public using surveys, listening sessions, and panel discussions. The result of the 2019 efforts was draft strategic goals and strategies for making expenditures from the ENRTF. These draft strategic goals and strategies were the starting point for strategic planning discussions in late 2023 and 2024.

The LCCMR appointed a subcommittee in November 2023 to develop the strategic plan. The subcommittee met 11 times in the next year to discuss and develop recommendations for the full commission. As part of that process, the subcommittee conducted surveys of the public and subject matter experts and held four in-person listening session in different areas of the state and one virtual listening session. Based on recommendations from the subcommittee, the strategic plan and an updated RFP was drafted for consideration by the full commission.

The strategic plan establishes a new vision and mission statement for the ENRTF overseen by the LCCMR. To help achieve this vision and meet the mission, it contains goals and strategies for funding from the ENRTF and for LCCMR funding processes and communications. Evaluation and selection criteria for proposed projects have been revised to better articulate the commission's priorities. Finally, initial metrics have been developed to assess overall progress towards meeting goals and strategies and to provide measurable outcomes for expenditures.

The strategic plan guides future proposal solicitation, funding recommendations, and outreach from the LCCMR. The goals and strategies for funding from the ENRTF are the starting point for funding priorities and areas of emphasis contained in the commission's annual RFP. The goals and strategies for LCCMR processes and communications identify and prioritize internal initiatives to improve communication and outreach efforts and the process for recommending proposals. This plan serves as the foundation for the LCCMR's efforts to solicit and recommend environmental and natural resource projects that best protect, conserve, preserve, and enhance Minnesota's air, water, land, fish, wildlife, and other natural resources.

Background

The Legislative-Citizen Commission on Minnesota Resources is the government entity that has traditionally overseen all funding from the Environmental and Natural Resources Trust Fund, a permanent, constitutionally established fund.

About the Environment and Natural Resources Trust Fund

The Environment and Natural Resources Trust Fund (ENRTF) is a permanent fund in the Minnesota state treasury dedicated to funding activities that protect, conserve, preserve, and enhance the state's air, water, land, fish, wildlife, and other natural resources. The ENRTF was created in 1988 when 77% of Minnesota voters approved an amendment to the Minnesota Constitution (Art. XI, Sec. 14). The ENRTF provides a long-term, consistent, and stable source of funding for Minnesota's environment and natural resources for the benefit of current and future generations.



Money in the ENRTF originates from a combination of contributions and investment income. Forty percent of the net proceeds from the Minnesota State Lottery, or approximately seven cents of every dollar spent on playing the lottery, goes into the ENRTF, which is then managed and invested for continued growth by the State Board of Investment. Traditionally, up to 5.5% of the market value of the ENRTF was available for appropriation each year. Beginning in 2025, up to 7% of the market value of the ENRTF will be available for appropriation. As of June 30, 2024, the market value of the ENRTF was \$1,878,656,316.55, generating more than \$130 million a year for projects.

The Minnesota Legislature appropriates money from the ENRTF to fund efforts that protect, conserve, preserve, and enhance Minnesota's environment and natural resources and users' experience with those resources. Up to 5.5% of the market value, or approximately 80% of the available funds each year, may be appropriated by the legislature for specific projects based on recommendations from the Legislative-Citizen Commission on Minnesota Resources. Beginning in 2025, up to 1.5%, or approximately 20% of the available funds each year, may be appropriated to the Minnesota Department of Natural Resources (DNR) for a community grant program.

Over the past 36 years, the ENRTF has funded key efforts across the state of Minnesota. Since 1991, the ENRTF has provided approximately \$1.1 billion to over 1,700 projects. Every county of the state has been impacted by funding from the ENRTF.

About the Legislative-Citizen Commission on Minnesota Resources

The Legislative-Citizen Commission on Minnesota Resources (LCCMR) is a commission of legislators and citizens whose primary function is to make funding recommendations to the Minnesota Legislature for special environmental and natural resources protection and enhancement projects, primarily from the ENRTF. Additionally, the LCCMR oversees funded projects to ensure funds are spent as approved and outcomes met. Since 1963, approximately \$1.5 billion from multiple funding sources has been awarded to more than 2,600 projects recommended to the legislature by the commission. More than 70% of this funding has come from the ENRTF and nearly 100% for projects funded over the last 20 years.

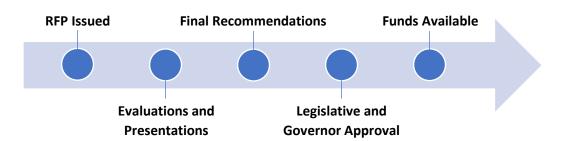
The LCCMR is composed of 17 members: five senators, five representatives, five citizens appointed by the governor, one citizen appointed by the Senate, and one citizen appointed by the House. Legislative members are appointed by legislative leadership and must include representation from both majority and minority parties. The citizen members appointed to the LCCMR must have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's environment and natural resources. At least one of the citizen members appointed by the governor must be a member recommended by the Tribal government representatives of the Minnesota Indian Affairs Council.

The LCCMR developed from a program initiated in 1963 to preserve, develop, and maintain the natural resources of Minnesota. The name and funding sources have changed over the years, with the most recent change in 2006, when the commission was restructured into its current form, with the addition of non-legislative citizen members in order to include citizen input more directly in the decision-making process.

Standard LCCMR Proposal and Funding Process

The LCCMR makes annual project funding recommendations to the Minnesota Legislature based on a competitive, multi-step proposal and selection process. Each year, a request for proposals (RFP) is issued to address LCCMR funding priorities. All proposals received in response to the RFP are reviewed and evaluated by LCCMR members. The commission selects a subset of proposals for further consideration and invites the applicants to present before the commission. After presentations, the commission selects which proposals to recommend to the legislature for funding and a recommended funding amount. Funding recommendations go before the legislature for consideration in the form of an appropriations bill and upon passage must be signed into law by the governor.

Funded projects are required to submit a work plan that must be approved by the LCCMR before a project can begin. Work plans provide a detailed description and budget for work that will be completed and outcomes that will be achieved with the funding. Once the project begins, project managers are required to provide two status update reports per year to the LCCMR until the project is completed.



Anyone may respond to the RFP and apply for funds from the ENRTF providing the proposal is consistent with the constitutional purpose of the fund. Funding recipients have included state agencies, local governments, universities and colleges, non-profit organizations, and private corporations. The LCCMR's process is a competitive one, and more proposals are generally received than can be funded based on the dollars available.

Strategic Planning Process

The Legislative-Citizen Commission on Minnesota Resources (LCCMR) developed the strategic plan over the course of one year from December 2023 to December 2024. The commission decided to start with draft goals and strategies for expenditures from the Environment and Natural Resources Trust Fund (ENRTF) developed during 2019 strategic planning efforts and collect additional public and expert input in 2024. In addition, the commission decided to develop goals and strategies related to LCCMR communications and outreach and the proposal solicitation, review, and recommendation process. The LCCMR appointed a subcommittee to conduct these efforts and develop a recommended strategic plan for presentation to the full commission.

The 2024 process built on efforts started in 2019. At that time, the LCCMR contracted with Minnesota Management and Budget (MMB) Management Analysis and Development (MAD) to support strategic planning efforts. Over six months, MAD:

- Conducted a document scan of strategic plans from environmental and natural resources agencies and organization across the state.
- Gathered input from LCCMR members.
- Engaged past and current project managers, stakeholders, and members of the public using surveys, listening sessions, and panel discussions.

From this input, MAD developed goals and strategies for making expenditures from the ENRTF. These draft strategic goals and strategies were written into a strategic planning process report and served as the starting point for strategic planning discussions in late 2023 and 2024. The <u>2019 strategic planning process</u> report may be accessed from the following link: .

https://www.lccmr.mn.gov/documents/strategic_plan/enrtf_strategic_planning_process_report.pdf

The subcommittee met 11 times from December 2023 to November 2024 to discuss and develop recommendations for the full commission. Initial meetings focused on the vision and mission statement and plans for public engagement. From February to May 2024, the subcommittee gathered input through a public survey, a subject matter expert survey, and five listening sessions (See Appendix C, D, and E).

From June to November 2024, the subcommittee reviewed input from the surveys and listening sessions, revised the 2019 draft goals and strategies, and developed new goals and strategies for expenditures from the ENRTF as well as for LCCMR communications and outreach and the proposal solicitation, review, and recommendation process. The subcommittee reviewed and recommended new language for future requests for proposals (RFP) based on their recommended goals and strategies and developed new evaluation and selection criteria for proposal review. Finally, the subcommittee discussed and made recommendations on measurable outcomes. All recommendations required the support of at least four subcommittee members to be moved forward to the full commission. LCCMR staff drafted a strategic plan based on the subcommittee recommendations.

The full commission reviewed and discussed the draft strategic plan on November 13, 2024. Between meetings in November and December 2024, the commission provided an opportunity for the public to review and comment on the draft plan. The comments were reviewed, and the strategic plan was approved by a supermajority (11) of members and adopted by the commission on December 11, 2024.

Subcommittee and commission meeting agendas, materials, audio and video, and minutes can be found on the <u>LCCMR Meetings</u> page: <u>https://www.lccmr.mn.gov/calendar/calendar-index.html</u>.

Strategic Plan

The following vision, mission statement, goals and strategies, evaluation and selection criteria, and measurable outcomes constitute the Legislative-Citizen Commission on Minnesota Resources' (LCCMR) strategic plan for its role in recommending and overseeing expenditures from the Environment and Natural Resources Trust Fund (ENRTF). The strategic plan does not apply to expenditures from the ENRTF not under the purview of the LCCMR.

Vision

Minnesota's lands, waters, fish, and wildlife are plentiful, healthy, resilient, and appreciated for their intrinsic value as well as the benefits they provide us all.

Mission Statement

The mission of the Environment and Natural Resources Trust Fund is to fund environmental and natural resource projects that best protect, conserve, preserve, and enhance Minnesota's air, water, land, fish, wildlife, and other natural resources.

Goals and Strategies for Expenditures from the Environment and Natural Resources Trust Fund

The following goals and strategies represent priorities for funding from the ENRTF, as overseen by the LCCMR, over the next six years. The seven goals – related to land, water, fish and wildlife, education and outdoor recreation, resiliency, energy, and emerging issues – cover a broad range of natural resources, how Minnesotans interact with those resources, and environmental issues related to them. The strategies prioritize the use of the ENRTF for a wide-range of activities to meet the goals, including research, demonstration, monitoring, environmental education, planning, restoration, land acquisition, evaluation, on-the-ground implementation of management practices, and development of outdoor recreational opportunities. The goals and strategies are not presented in any order of priority.

LAND

Goal 1: Minnesota's public and private lands – including forests, grasslands, wetlands, and agricultural lands – provide long-term benefits to fish, wildlife, and people.

This goal will be achieved by focusing expenditures on projects that:

- 1.1 Develop, demonstrate, and/or evaluate new and innovative practices and processes on public and private lands, including agricultural and forest land, that provide multiple, long-term environmental benefits and economic considerations, including benefits related to habitat, water quality and quantity, soil health, and carbon sequestration.
- 1.2 Enhance education, technical assistance, or public outreach to promote the application of practices beneficial to the environment, natural resources, and all Minnesotans.
- 1.3 Acquire and conserve minimally disturbed lands that provide the greatest capacity for multiple conservation benefits to humans, fish, wildlife, and water resources.

- 1.4 Restore and enhance lands to provide high-quality natural resource, ecological, or recreational value.
- 1.5 Foster collaboration among diverse groups, demonstrate the support of multiple stakeholders, and/or incorporate outreach to local and tribal communities to better protect lands.

WATER

Goal 2: Minnesota's water resources are better managed for both water quantity and quality to support aquatic life, drinking water, recreation, and other uses.

This goal will be achieved by focusing expenditures on projects that:

- 2.1 Research impacts of runoff, stormwater, or contaminants on surface water or groundwater quality and develop practical solutions to prevent or address these impacts.
- 2.2 Research current and future water supply and use to support planning efforts and implementation of best management practices and ensure the state's water resiliency and sustainability.
- 2.3 Increase understanding and awareness of weather and climate patterns and their potential impact on water resources.
- 2.4 Demonstrate innovative practices, strategies, and/or partnerships that prevent or reduce water issues in urban, suburban, or rural regions.
- 2.5 Implement measures to improve water quality and/or restore or enhance habitats, shoreline, or natural hydrology in lakes, rivers, wetlands, and other surface waters, with an emphasis on efforts that incorporate coordination and collaboration among tribal, state, and local agencies and community partners.
- 2.6 Provide educational opportunities or technical assistance programs for teachers, students, state and local decision-makers, landowners, or the public on how to improve and protect water resources, including groundwater, surface water, and stormwater systems.
- 2.7 Monitor and assess the condition of groundwater or surface water, including lakes, rivers, and wetlands, on a regular cycle and provide a long-term data set to support decision-making and evaluate efforts.

FISH AND WILDLIFE

Goal 3: Minnesota has healthy and diverse aquatic and terrestrial wildlife and plant populations that sustain and enhance the state's environment, economy, and quality of life.

This goal will be achieved by focusing expenditures on projects that:

- 3.1 Research species or ecosystems and develop strategies to effectively manage, maintain, protect, and restore healthy habitats and populations.
- 3.2 Monitor the health of natural systems to support and improve species management and conservation strategies.

- 3.3 Support and provide technical assistance and/or planning support to private landowners on cost-effective, proven strategies and technologies to develop and restore diverse, native habitat.
- 3.4 Promote public awareness on the importance of diverse wildlife and plant populations through comprehensive education programs.
- 3.5 Prevent the introduction, reduce the spread, or develop and demonstrate alternative control techniques for invasive species.
- 3.6 Develop plans and/or implement conservation actions to protect, conserve, or restore species, with a priority on efforts that maintain or create connected, continuous habitat or address the needs of vulnerable, declining, poorly understood, or sensitive species.
- 3.7 Evaluate the effectiveness of current management practices and past investments to sustain and enhance wildlife and native plant populations.

RESILIENCY

Goal 4: Minnesota's environment, natural resources, and communities are resilient in the face of climate change, land use changes, and extreme weather events.

This goal will be achieved by focusing expenditures on projects that:

- 4.1 Research, demonstrate, and/or promote comprehensive and viable solutions for reducing the impacts of climate change, land use changes, or extreme weather events on the environment and natural resources, through both engineered and natural solutions targeted at critical areas.
- 4.2 Broaden understanding and implementation of effective climate adaptation management practices for natural resources among landowners through education, outreach, technical assistance, and/or the development of collaborations and networks to share and learn about new and innovative practices.
- 4.3 Support the development of local climate resiliency and adaptation plans for natural resources.
- 4.4 Implement land and water management practices and/or protect and restore wetlands, forests, prairies, and other critical systems to enhance biodiversity and provide multiple community resilience benefits.

EDUCATION AND OUTDOOR RECREATION

Goal 5: All Minnesotans, especially young people, have access to and take advantage of opportunities to connect to the lands and waters of Minnesota, including through culturally relevant and innovative approaches.

This goal will be achieved by focusing expenditures on projects that:

5.1 Address social, economic, or physical barriers to natural resource-based outdoor recreation through programs that encourage inclusivity and address inequities so that public lands and waters are accessible to all.

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- 5.2 Assess programs, activities, or physical spaces for their accessibility and effectiveness and/or implement changes to adapt and retrofit them to welcome more people.
- 5.3 Provide evidence-based, hands-on, and engaging curriculum, programs, or natural resourcebased outdoor events to bring a diversity of students and/or adults to outdoor experiences.
- 5.4 Create mentorship programs, leadership opportunities, and/or learning experiences for a diversity of young people to explore and pursue careers in the environment and natural resources.
- 5.5 Enhance environmental education initiatives by integrating diverse cultural perspectives, experiences, and partnerships that foster environmental stewardship in all communities.
- 5.6 Develop local or regional plans to enhance natural resources-based outdoor recreational opportunities in communities across the state.
- 5.7 Collaborate or partner with indigenous, local, BIPOC, or underserved communities to develop culturally relevant, inclusive, and accessible environmental, natural resource, or natural resource-based outdoor recreation programs, practices, curriculum, or facilities.
- 5.8 Design and/or develop culturally relevant, accessible, resilient, and environmentally friendly outdoor recreation facilities and infrastructure including recreation areas, parks, trails, fishing piers, or shelters that create new natural resources-based experiences.
- 5.9 Expand networks of trails, parks, or natural areas to protect and connect green spaces seamlessly, improve accessibility and safety, and/or encourage all Minnesotans to recreate in and engage with nature.

ENERGY

Goal 6: Minnesota achieves reliance on renewable energy in all sectors, including transportation, building, industry, agriculture, and others.

This goal will be achieved by focusing expenditures on projects that:

6.1 Research and develop new and innovative renewable energy or fuel technologies with environmental considerations, including biofuels, e-fuels, sustainable aviation fuels, and energy storage.

- 6.2 Evaluate, demonstrate, and/or assess renewable energy systems or fuels for economic viability, compatibility with other land uses, and environmental and natural resource impacts over the full lifecycle of the technology.
- 6.3 Develop and/or implement plans that identify, prioritize, and coordinate efforts to reduce energy consumption and to transition to renewable energy through land use planning, infrastructure, education and awareness, and other methods.
- 6.4 Encourage and support the use of renewable energy and energy efficiency in agriculture, mining, industry, utilities, transportation, homes, or businesses.
- 6.5 Ensure equitable access to renewable energy and/or energy efficiency programs in all communities.

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6.6 Provide inclusive education and experiential learning programs to build a skilled and diverse workforce for the renewable energy sector.

EMERGING ISSUES

Goal 7: Minnesota responds quickly and proactively to emerging environmental and natural resources issues.

This goal will be achieved by focusing expenditures on projects that:

- 7.1 Identify, assess, and/or prioritize potential threats to the environment and natural resources.
- 7.2 Research and/or develop technologies and measures to detect or address emerging or emergency threats to the environment and natural resources.
- 7.3 Create collaborations and build partnerships among all parties including academic institutions, government agencies, non-government organizations, communities, and the private sector to foster innovation and leverage resources and expertise to better address emerging threats to the environment and natural resources.
- 7.4 Enhance coordination and interagency collaboration among federal, state, tribal, and local governments to ensure a unified response.
- 7.5 Implement proactive measures to prevent or minimize the impacts from emerging environmental or natural resource issues.
- 7.6 Implement natural resource corrective actions where delay will be detrimental to the environment and natural resources.
- 7.7 Restore impacted ecosystems to minimize the loss of benefits provided by these systems to people, fish, plants, and wildlife.

In addition, the LCCMR will work to:

7.8 Explore revised processes for requesting, evaluating, and awarding funds for emerging issues to ensure funds are available on a timely basis throughout the year.

Goals and Strategies for the Legislative-Citizen Commission on Minnesota Resources

The following goals and strategies represent priorities for LCCMR communications and outreach and the proposal solicitation, review, and recommendation process over the next six years. The commission chose these two priority areas of LCCMR's operations on which to focus during this period. The goals and strategies represent the LCCMR's commitment to public awareness and a fair and open process that leads to benefits across Minnesota.

It is not known at this time how much time and effort will be required to implement all strategies, but the goals and strategies are presented in order of priority to help focus efforts on the most important goals and strategies for the commission. The ability to implement all strategies over the next six years may be limited by commission and staff capacity.

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Goal 1: The LCCMR recommends projects that will provide the most benefit to the environment and natural resources.

The LCCMR will work to:

- 1.1 Develop a process for project managers to provide clear and measurable outputs and outcomes to assess project success.
- 1.2 Apply evaluation criteria consistently and review which priorities from the strategic plan are contained in the request for proposals (RFP) every funding cycle.
- **1.3** Require applicants provide data, citations, and/or letters of recommendation to support problem statements and proposed solutions in their proposal.
- 1.4 Explore options for periodic, rigorous, independent evaluation of the effectiveness and impact of past ENRTF investments.

Goal 2: The public is aware of and understands the purpose of the LCCMR and the ENRTF and their shared mission.

The LCCMR will work to:

- 2.1 Explore ways to maximize and expand the impact of social media and other online content, such as:
 - a) Assessing website and social media analytics and using other appropriate methods to determine what forms of communication are the most effective and reach the most people.
 - b) Ensuring a regular flow of engaging written, audio, video, or other content is produced and communicated throughout the year on a variety of social media and other online platforms.
- 2.2 Engage with the Community Grant Program and other ENRTF-funded grant programs to explore opportunities to collaborate, coordinate, and, if needed, differentiate among programs.
- 2.3 Cultivate and amplify traditional media opportunities.
- 2.4 Establish a presence at events, including:
 - a) Events hosted by ENRTF-funding recipients to highlight and amplify others' communications about the ENRTF and LCCMR.
 - b) Public events like the ag expo or the state fair to directly communicate with the public who may not regularly follow the LCCMR and the ENRTF.

Goal 3: The public is aware of ENRTF funding opportunities and understands the funding application and recommendation process.

The LCCMR will work to:

3.1 Provide direct and regular communication on multiple platforms to the public about the LCCMR process, meetings, and decisions.

- 3.2 Provide direct and regular communication to applicants that keeps them informed about every step of the RFP and recommendation process and the status of their proposal.
- 3.3 Explore ways to maximize and expand the impact of social media and other online content, such as assessing website and social media analytics and using other appropriate methods to determine what forms of communication are the most effective and reach the most people.
- 3.4 Bolster RFP outreach to reach more potential applicants, such as:
 - a) Hosting and attending meetings and events regional, topical, organizational to directly communicate funding opportunities and answer questions about priorities and how to apply.
 - b) Cultivating and amplifying traditional media opportunities, including paid advertising.
- 3.5 Create new materials and opportunities to clearly and simply explain current LCCMR priorities and processes to the public and assist applicants.

Goal 4: The LCCMR process for selecting and recommending proposals is transparent, understandable, fair, and accessible for all Minnesotans.

The LCCMR will work to:

- 4.1 Continue to provide special consideration for small projects or organizations.
- 4.2 Review and update guidance on allowable expenses to make sure they are clear and align with commission expectations.
- 4.3 Evaluate on a regular basis the proposal application process and the LCCMR Proposal and Grants Management System to make it as accessible and simple as possible for users to submit proposals.
- 4.4 Explore alternative processes for selecting and recommending proposals to handle the increasing number of applications and to ensure the process is easy to communicate and for the public and applicants to understand.
- 4.5 Explore options to reduce the amount of time between proposal submittal and the availability of funding.
- 4.6 Develop a process for providing constructive feedback to applicants not recommended for funding.
- 4.7 Develop a process to receive regular feedback from applicants on the application, selection, and recommendation process.

Goal 5: LCCMR staff are timely and effective in responding and communicating to applicants, project managers, and LCCMR members.

The LCCMR will work to:

5.1 Ensure appropriate staffing levels to manage the LCCMR proposal request, evaluation, and recommendation process and oversight of approved projects as funding levels and number of projects increase.

- 5.2 Hire nonpartisan staff dedicated solely to outreach, engagement, and communications efforts.
- 5.3 Implement standardized protocols for staff communication and coordination with LCCMR members and applicants on processes, meetings, and expectations.

Goal 6: Groups and organizations that have not traditionally participated in the LCCMR process understand the purpose of the ENRTF and LCCMR and how to apply for funding.

The LCCMR will work to:

- 6.1 Contact leaders, leverage existing connections and networks, and build relationships with communities and organizations that have not traditionally participated in the LCCMR process including communities of color, tribal communities, and small nonprofits to determine the best ways to communicate and conduct outreach with them.
- 6.2 Carry out targeted outreach to groups and organizations that have not traditionally been aware of the ENRTF and LCCMR to help them understand the purpose of the ENRTF and LCCMR and how to apply for funding.
- 6.3 Produce ENRTF and LCCMR-related outreach materials, including written, audio, and video content, that may be more accessible to groups and organizations that have not traditionally participated in the LCCMR process.

Goal 7: The public knows how ENRTF money is being spent and what benefits the public is gaining from those expenditures.

The LCCMR will work to:

- 7.1 Generate new, creative, varied, accessible, interesting, and comprehensive content that communicates the accomplishments of the ENRTF and the LCCMR, such as:
 - a) Focusing on technical information and storytelling.
 - b) Gathering content, including photos and videos, related to active and completed projects for use in regular communications.
- 7.2 Ensure full participation by all project managers in acknowledging the source of funding for their work in their communication efforts and signage.
- 7.3 Create clear and consistent brand for the LCCMR and ENRTF that connects all communications and outreach materials.
- 7.4 Explore new opportunities and assess existing communications channels to identify the most effective platforms to communicate the accomplishments and benefits of ENRTF-funded projects to our varied audiences, such as:
 - Assessing website and social media analytics and using other appropriate methods to determine what forms of communication are the most effective and reach the most people.
 - b) Hosting and attending events that communicate ENRTF accomplishments, such as lunchtime lectures, events hosted by ENRTF-funding recipients, or public events like the state fair or ag expo.

- 7.5 Cultivate and amplify traditional media opportunities.
- 7.6 Communicate accomplishments and benefits of ENRTF-funded projects through existing LCCMR communications channels.

Evaluation and Selection Criteria

All proposals must be eligible for funding, as defined by law and as indicated in the request for proposals (RFP), and clearly articulate how the project will meet the constitutional purpose of protecting, conserving, preserving, or enhancing the state's air, water, land, fish, wildlife, or other natural resources. The following criteria will be considered in evaluating and selecting individual proposals to recommend for funding:

Funding Priorities: The proposal responds to RFP funding priorities.

Environmental or Natural Resource Benefits: The extent to which the project will benefit Minnesota's environment, natural resources, or how Minnesotans experience them relative to the amount requested.

Outcomes/Results: The proposal clearly identifies the work that will be done, and the specific outputs, results, and likely outcomes that will benefit the environment and natural resources, or how Minnesotans experience them.

Capacity: The proposal and past performance demonstrate the applicant's administrative, financial, professional, scientific, and/or technical capacity to manage the project and deliver on proposed outputs and results in a timely, accountable, and effective manner.

Completeness and Clarity: The proposal is clear, sufficiently detailed, and includes all required information and attachments needed to fully evaluate the proposal.

Additional factors may also be considered, as applicable, in evaluating and selecting proposals, including but not limited to:

Information and Dissemination: The project will contribute to the knowledge base *and* disseminate that information so that it can be used to benefit efforts to protect, conserve, restore, enhance, or manage the environment and natural resources.

Innovation: The project will employ or demonstrate innovative approaches to more effectively and efficiently solve specific environmental and natural resource issues.

Timeliness and Readiness: The proposal includes work that is urgent or would significantly benefit from funding in the current cycle *and* demonstrates readiness for that work to begin as soon as funds are available.

Leverage: The project will leverage additional efforts, resources, or non-state funds.

Collaboration/Coordination: The project will use a collaborative, multi-disciplinary approach with project partners from a diversity of agencies, organizations, or communities and/or will include meaningful engagement with those entities in completing the proposed work.

Finally, the commission may consider how the selected proposals as a whole provide benefits to and address needs in all areas and communities of the state.

Outcomes

The LCCMR will track progress in meeting the goals of the strategic plan and the success of the ENRTF in meeting its constitutional purpose of protecting, conserving, preserving, and enhancing the state's air, water, land, fish, wildlife, and other natural resources. The following metrics will be tracked to determine progress:

- 1. Number of acres or miles acquired, restored, or enhanced broken down by region, land type (e.g., forest or shoreline), and purpose (e.g., preservation/conservation, restoration, or recreation).
- 2. Number of youth and adults participating and directly interacting with ENRTF-funded projects broken down by activity type (e.g., technical assistance, education program, or recreation facility use).
- 3. Reduction in greenhouse gas and other emissions.
- 4. Number and percentage of projects funded under each goal and strategy.
- 5. Total number of proposals received and projects funded per region.
- 6. Number of projects funded protecting, conserving, preserving, or enhancing air, water, land, fish, and wildlife by resource.

The LCCMR will work to develop additional metrics and indicators that can be collected from project managers to assess progress towards meeting the strategic plan goals and evaluate success in implementing the strategic plan (See LCCMR strategy 1.1). Metrics and indicators will be selected that optimize accountability to the public, inform ongoing and future efforts to achieve the goals, and demonstrate what the ENRTF and LCCMR have accomplished. Options will also be explored for periodic, rigorous, independent evaluation of the effectiveness and impact of ENRTF expenditures (See LCCMR strategy 1.4).

Appendix A. Minnesota Constitution, Article XI, Section 14

A permanent environment and natural resources trust fund is established in the state treasury. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The assets of the fund shall not be used to pay the principal or interest of any bonds. The assets of the fund shall not be used to pay the principal or interest of any bonds. The assets of the fund shall not be used to pay for any costs related to the construction, repair, improvement, or operation of any facility or system that processes wastewater, but may be used to pay for research related to wastewater. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to seven percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund through December 31, 2050. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998; November 5, 2024]

CHAPTER 116P

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

116P.01 FINDINGS.

The legislature finds that all Minnesotans share the responsibility to ensure wise stewardship of the state's environment and natural resources for the benefit of current citizens and future generations. Proper management of the state's environment and natural resources includes and requires foresight, planning, and long-term activities that allow the state to preserve its high quality environment and provides for wise use of its natural resources. The legislature also finds that to undertake such activities properly, a long-term, consistent, and stable source of funding must be provided.

History: 1988 c 690 art 1 s 5

116P.011 CHAPTER DOES NOT APPLY TO CERTAIN APPROPRIATIONS.

This chapter does not apply to appropriations from the environment and natural resources trust fund under section 116X.03 or to projects funded with those appropriations.

History: 2023 c 67 art 2 s 1

NOTE: This section, as added by Laws 2023, chapter 67, article 2, section 1, is effective January 1, 2025, if the constitutional amendment in Laws 2023, chapter 67, article 1, section 1, is approved by the voters at the 2024 general election. Laws 2023, chapter 67, article 2, section 1, the effective date.

116P.02 DEFINITIONS.

Subdivision 1. Applicability. The definitions in this section apply to this chapter.

Subd. 2. [Repealed, 2006 c 243 s 22]

Subd. 3. Board. "Board" means the State Board of Investment.

Subd. 4. **Commission.** "Commission" means the Legislative-Citizen Commission on Minnesota Resources.

Subd. 5. **Natural resources.** "Natural resources" includes the outdoor recreation system under section 86A.04 and regional recreation open space systems as defined under section 473.351, subdivision 1.

Subd. 6. **Trust fund.** "Trust fund" means the Minnesota environment and natural resources trust fund established under Minnesota Constitution, article XI, section 14.

History: 1988 c 690 art 1 s 6; 1989 c 335 art 1 s 269; 2003 c 128 art 1 s 146; 2006 c 243 s 2

116P.03 TRUST FUND NOT TO SUPPLANT EXISTING FUNDING; APPROPRIATIONS.

(a) The trust fund may not be used as a substitute for traditional sources of funding environmental and natural resources activities, but the trust fund shall supplement the traditional sources, including

those sources used to support the criteria in section 116P.08, subdivision 1. The trust fund must be used primarily to support activities whose benefits become available only over an extended period of time.

(b) The commission must determine the amount of the state budget spent from traditional sources to fund environmental and natural resources activities before and after the trust fund is established and include a comparison of the amount in the report under section 116P.09, subdivision 7.

(c) For the fiscal year beginning July 1, 2007, and each year thereafter, the amount of the environment and natural resources trust fund that is available for appropriation under the terms of the Minnesota Constitution, article XI, section 14, shall be appropriated by law.

(d) The amount appropriated from the environment and natural resources trust fund may be spent only for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. Recommendations made by the commission under this chapter must be consistent with the Minnesota Constitution, article XI, section 14; this chapter; and the strategic plan adopted under section 116P.08, subdivision 3, and must demonstrate a direct benefit to the state's environment and natural resources.

History: 1988 c 690 art 1 s 7; 2006 c 243 s 3; 2023 c 67 art 2 s 2

NOTE: This section was amended by Laws 2023, chapter 67, article 2, section 2, effective January 1, 2025, if the constitutional amendment in Laws 2023, chapter 67, article 1, section 1, is approved by the voters at the 2024 general election. Laws 2023, chapter 67, article 2, section 2, the effective date. This section, as amended, will read as follows:

"(a) The trust fund may not be used as a substitute for traditional sources of funding environmental and natural resources activities, but the trust fund shall supplement the traditional sources, including those sources used to support the criteria in section 116P.08, subdivision 1. The trust fund must be used primarily to support activities whose benefits become available only over an extended period of time.

(b) The commission must determine the amount of the state budget spent from traditional sources to fund environmental and natural resources activities before and after the trust fund is established and include a comparison of the amount in the report under section 116P.09, subdivision 7.

(c) For the fiscal year beginning July 1, 2007, and each year thereafter, the amount of the environment and natural resources trust fund that is available for appropriation under this chapter and under the terms of the Minnesota Constitution, article XI, section 14, shall be appropriated by law.

(d) The amount appropriated from the environment and natural resources trust fund may be spent only for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. Recommendations made by the commission under this chapter must be consistent with the Minnesota Constitution, article XI, section 14; this chapter; and the strategic plan adopted under section 116P.08, subdivision 3, and must demonstrate a direct benefit to the state's environment and natural resources.

(e) The amount available for appropriation from the environment and natural resources trust fund under this chapter each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, is 5.5 percent of the market value of the fund on June 30 one year before the start of the biennium."

116P.04 TRUST FUND ACCOUNT.

Subdivision 1. **Establishment; investment.** A Minnesota environment and natural resources trust fund, under article XI, section 14, of the Minnesota Constitution, is established as an account in the state treasury. The commissioner of management and budget shall credit to the trust fund the amounts authorized under this section and section 116P.10. The State Board of Investment shall ensure that trust fund money is invested under section 11A.24. All money earned by the trust fund must be credited to the trust fund. The principal of the trust fund and any unexpended earnings must be invested and reinvested by the State Board of Investment.

Subd. 2. [Repealed, 1990 c 610 art 1 s 59]

Subd. 3. **Revenue.** Nothing in sections 116P.01 to 116P.12 limits the source of contributions to the trust fund.

Subd. 4. **Gifts and donations.** Gifts and donations, including land or interests in land, may be made to the trust fund. Noncash gifts and donations must be disposed of for cash as soon as the board prudently can maximize the value of the gift or donation. Gifts and donations of marketable securities may be held or be disposed of for cash at the option of the board. The cash receipts of gifts and donations of cash or capital assets and marketable securities disposed of for cash must be credited immediately to the principal of the trust fund. The value of marketable securities at the time the gift or donation is made must be credited to the principal of the trust fund and any earnings from the marketable securities are earnings of the trust fund.

Subd. 5. **Audits required.** The legislative auditor shall audit trust fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

History: 1988 c 690 art 1 s 8; 1990 c 610 art 1 s 44; 1991 c 343 s 1; 2006 c 243 s 4; 2009 c 101 art 2 s 109

116P.05 LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES.

Subdivision 1. **Membership.** (a) A Legislative-Citizen Commission on Minnesota Resources of 17 members is created in the legislative branch, consisting of the chairs of the house of representatives and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, four members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and four members of the house of representatives appointed by the speaker.

(b) At least two members from the senate and two members from the house of representatives must be from the minority caucus.

(c) Seven citizens are members of the commission, five appointed by the governor, one appointed by the Senate Subcommittee on Committees of the Committee on Rules and Administration, and one appointed by the speaker of the house. The citizen members are selected and recommended to the appointing authorities according to subdivision 1a and must:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources;

- (2) have strong knowledge in the state's environment and natural resource issues around the state;
- (3) have demonstrated ability to work in a collaborative environment; and

(4) not be a registered lobbyist.

(d) Members shall develop procedures to elect a chair that rotates between legislative and citizen members each meeting. A citizen member, a senate member, and a house of representatives member shall serve as chairs. The citizen members, senate members, and house of representatives members must select their respective chairs. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(e) Appointed legislative members shall serve on the commission for two-year terms, beginning in January of each odd-numbered year and continuing through the end of December of the next evennumbered year. Appointed citizen members shall serve four-year terms, beginning in January of the first year and continuing through the end of December of the final year. Citizen and legislative members continue to serve until their successors are appointed.

(f) A citizen member may be removed by an appointing authority for cause. Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled for the remainder of the term in the same manner under paragraphs (a) to (c).

(g) Legislative members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission. Citizen members are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3, except that a citizen member may be compensated at the rate of up to \$125 a day.

(h) The governor's appointments are subject to the advice and consent of the senate. One of the governor's appointments must be a member recommended by the Tribal government representatives of the Indian Affairs Council.

(i) A citizen member may serve no more than eight years, except as necessary to fill a vacancy. A citizen member may not serve more than ten years if serving additional time to fill a vacancy.

Subd. 1a. **Citizen selection committee.** (a) The governor must appoint a Trust Fund Citizen Selection Committee of five members who come from different regions of the state and who have knowledge and experience of state environment and natural resource issues to provide recommendations for appointments under subdivision 1, paragraph (c).

(b) The duties of the Trust Fund Citizen Selection Committee are to:

(1) identify citizen candidates to be members of the commission as part of the open appointments process under section 15.0597;

(2) request and review citizen candidate applications to be members of the commission; and

(3) interview the citizen candidates and recommend an adequate pool of candidates to be selected for commission membership by the governor.

(c) Members serve three-year terms and are entitled to per diem and reimbursement for expenses incurred in the services of the committee, as provided in section 15.059, subdivision 3, except that a citizen selection committee member may be compensated at the rate of up to \$125 a day.

(d) A member appointed under this subdivision may not be a registered lobbyist.

Subd. 2. **Duties.** (a) The commission must recommend an annual or biennial legislative bill for appropriations from the environment and natural resources trust fund and must adopt a strategic plan as provided in section 116P.08. Except as provided under section 116P.09, subdivision 6, paragraph (b), approval of the recommended legislative bill requires an affirmative vote of at least 11 members of the commission.

(b) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources, and comply with applicable reporting requirements under section 116P.16. None of the money provided may be spent unless the commission has approved the pertinent work plan. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the commission. The commission must ensure that the expenditures and outcomes described in the work plan for appropriations funded by the environment and natural resources trust fund are met.

(c) The peer review procedures created under section 116P.08 must also be used to review, comment, and report to the commission on research proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.

(d) The commission may adopt operating procedures to fulfill its duties under this chapter.

(e) As part of the operating procedures, the commission must:

(1) ensure that members' expectations are to participate in all meetings related to funding decision recommendations;

(2) recommend adequate funding for increased citizen outreach and communications for trust fund expenditure planning;

(3) allow administrative expenses as part of individual project expenditures based on need;

(4) provide for project outcome evaluation;

(5) keep the grant application, administration, and review process as simple as possible; and

(6) define and emphasize the leveraging of additional sources of money that project proposers should consider when making trust fund proposals.

Subd. 3. [Repealed, 2014 c 226 s 4]

History: 1988 c 690 art 1 s 9; 1989 c 335 art 1 s 269; 1990 c 594 art 1 s 56; 1991 c 254 art 2 s 39; 1991 c 343 s 2; 1993 c 4 s 15; 1994 c 580 s 1; 1997 c 202 art 2 s 36; 2003 c 128 art 1 s 147; 1Sp2005 c 1

art 2 s 135; 2006 c 243 s 5; 2009 c 143 s 3; 1Sp2011 c 2 art 4 s 23; 2013 c 52 s 3,4; 2015 c 76 s 3; 2016 c 186 s 3; 2017 c 96 s 3; 2023 c 60 art 2 s 3-5

116P.06 [Repealed, 2006 c 243 s 22]

116P.07 INFORMATION GATHERING.

The commission may convene public forums or employ other methods to gather information for establishing priorities for funding.

History: 1988 c 690 art 1 s 11; 1991 c 254 art 2 s 41; 1991 c 343 s 4; 2002 c 225 s 2; 2006 c 243 s 6

116P.08 TRUST FUND EXPENDITURES.

Subdivision 1. Expenditures. (a) Money in the trust fund may be spent only for:

(1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;

(2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;

(3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;

(4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;

(5) capital projects for the preservation and protection of unique natural resources;

(6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;

(7) administrative and investment expenses incurred by the State Board of Investment in investing deposits to the trust fund; and

(8) administrative expenses subject to the limits in section 116P.09.

(b) In making recommendations for expenditures from the trust fund, the commission shall give priority to funding programs and projects under paragraph (a), clauses (1) and (6). Any requests for proposals issued by the commission shall clearly indicate these priorities.

Subd. 2. Exceptions. Money from the trust fund may not be spent for:

(1) purposes of environmental compensation and liability under chapter 115B and response actions under chapter 115C;

(2) purposes of municipal water pollution control in municipalities with a population of 5,000 or more under the authority of chapters 115 and 116;

(3) costs associated with the decommissioning of nuclear power plants;

(4) hazardous waste disposal facilities;

(5) solid waste disposal facilities;

(6) projects or purposes inconsistent with the strategic plan; or

(7) acquiring property by eminent domain, unless the owner requests that the owner's property be acquired by eminent domain.

Subd. 3. **Strategic plan required.** (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. The strategic plan must be reviewed every two years. The strategic plan must have clearly stated short- and long-term goals and strategies for trust fund expenditures, must provide measurable outcomes for expenditures, and must determine areas of emphasis for funding.

(b) The commission shall consider the long-term strategic plans of agencies with environment and natural resource programs and responsibilities and plans of conservation and environmental organizations during the development and review of the strategic plan.

Subd. 4. Legislative recommendations. (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) The commission must recommend an annual or biennial legislative bill to make appropriations from the trust fund for the purposes provided in subdivision 1. The recommendations must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(c) The commission may recommend regional block grants for a portion of trust fund expenditures to partner with existing regional organizations that have strong citizen involvement, to address unique local needs and capacity, and to leverage all available funding sources for projects.

(d) The commission may recommend the establishment of an emerging issues account in its legislative bill for funding emerging issues, which come up unexpectedly, but which still adhere to the commission's strategic plan, to be approved by the governor after initiation and recommendation by the commission.

(e) Money in the trust fund may not be spent except under an appropriation by law.

Subd. 5. **Public meetings.** (a) Meetings of the commission, committees or subcommittees of the commission, technical advisory committees, and peer reviewers must be open to the public and are subject to chapter 13D. The commission shall attempt to meet throughout various regions of the state during each biennium. For purposes of this subdivision, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the commission, a committee or subcommittee of the commission, a technical advisory committee, or peer reviewers.

(b) For legislative members of the commission, enforcement of this subdivision is governed by section 3.055, subdivision 2. For nonlegislative members of the commission, enforcement of this subdivision is governed by section 13D.06, subdivisions 1 and 2.

Subd. 6. **Peer review.** (a) Research proposals must include a stated purpose directly connected to the trust fund's constitutional mandate, this chapter, and the adopted strategic plan under subdivision

3, a timeline, potential outcomes, and an explanation of the need for the research. All research proposals must be peer reviewed before receiving an appropriation.

(b) In conducting research proposal reviews, the peer reviewers shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data; and

(2) comment on the need for the research and about similar existing information available, if any.

(c) Peer reviewers' comments under paragraph (b) must be reported to the commission.

(d) The peer reviewers may review completed research proposals that have received an appropriation and comment and report upon whether the project reached the intended goals.

Subd. 7.Peer reviewers. (a) The peer reviewers must be knowledgeable in general research methods in the areas of environment and natural resources.

(b) Compensation of peer reviewers is governed by section 15.059, subdivision 3.

History: 1988 c 690 art 1 s 12; 1989 c 335 art 1 s 178; 1991 c 254 art 2 s 42,43; 1991 c 343 s 5,6; 1994 c 580 s 2,3; 2001 c 7 s 31; 2004 c 284 art 2 s 14; 2006 c 243 s 7-10; 2007 c 30 s 3; 2009 c 143 s 4; 2015 c 76 s 4-6; 2016 c 186 s 4; 2017 c 96 s 4; 2018 c 214 art 4 s 3; art 6 s 2; 2019 c 2 art 1 s 10; 2022 c 94 s 3

116P.09 ADMINISTRATION.

Subdivision 1. Administrative authority. The commission may appoint legal and other personnel and consultants necessary to carry out functions and duties of the commission. Permanent employees shall be in the unclassified service. In addition, the commission may request staff assistance and data from any other agency of state government as needed for the execution of the responsibilities of the commission and an agency must promptly furnish it.

Subd. 2. Liaison officers. The commission may request each department or agency head of all state agencies with a direct interest and responsibility in any phase of environment and natural resources to appoint, and the latter shall appoint for the agency, a liaison officer who shall work closely with the commission and its staff.

Subd. 3. **Appraisal and evaluation.** The commission shall obtain and appraise information available through private organizations and groups, utilizing to the fullest extent possible studies, data, and reports previously prepared or currently in progress by public agencies, private organizations, groups, and others, concerning future trends in the protection, conservation, preservation, and enhancement of the state's air, water, land, forests, fish, wildlife, native vegetation, and other natural resources. Any data compiled by the commission shall be made available to any standing or interim committee of the legislature upon the request of the chair of the respective committee.

Subd. 4. **Personnel.** Persons who are employed by a state agency to work on a project and are paid by an appropriation from the trust fund are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons for a project is authorized. The use of classified employees is authorized when approved as part of the work program required by section 116P.05, subdivision 2, paragraph (b).

Subd. 5. **Administrative expense.** The prorated expenses related to commission administration of the trust fund may not exceed an amount equal to four percent of the amount available for appropriation of the trust fund for the biennium.

Subd. 6. **Conflict of interest.** (a) A commission member, a technical advisory committee member, a peer reviewer, or an employee of the commission may not participate in or vote on a decision of the commission, advisory committee, or peer review relating to an organization in which the member, peer reviewer, or employee has either a direct or indirect personal financial interest. While serving on the commission or technical advisory committee or as a peer reviewer or while an employee of the commission, a person must avoid any potential conflict of interest.

(b) A commission member may not vote on a motion regarding the purchase of land under section 116P.18 or the final recommendations of the commission required under section 116P.05, subdivision 2, paragraph (a), if the motion relates to an organization in which the member has a direct personal financial interest. If a commission member is prohibited from voting under this paragraph, the number of affirmative votes required under section 116P.05, subdivision 2, paragraph (a), or section 116P.18 is reduced by the number of members ineligible to vote under this paragraph.

Subd. 7. **Report required.** The commission shall, by January 15 of each odd-numbered year, submit a report to the governor, the chairs of the house of representatives appropriations and senate finance committees, and the chairs of the house of representatives and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

(1) a copy of the current strategic plan;

(2) a description of each project receiving money from the trust fund during the preceding biennium;

(3) a summary of any research project completed in the preceding biennium;

(4) recommendations to implement successful projects and programs into a state agency's standard operations;

(5) to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund during the next biennium;

(6) the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;

(7) a description of the assets and liabilities of the trust fund;

(8) any findings or recommendations that are deemed proper to assist the legislature in formulating legislation;

(9) a list of all gifts and donations with a value over \$1,000;

(10) a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year; and

(11) a copy of the most recent compliance audit.

Subd. 8. **Technical advisory committees.** The commission shall make use of available public and private expertise on environment and natural resource issues and may appoint necessary technical advisory committees to review funding proposals and evaluate project outcomes. Compensation for technical advisory committee members is governed by section 15.059, subdivision 6.

History: 1988 c 690 art 1 s 13; 1991 c 254 art 2 s 44-46; 1991 c 343 s 7-10; 1994 c 580 s 4; 2003 c 128 art 1 s 148-150; 2006 c 243 s 11-13; 2013 c 52 s 5; 2015 c 76 s 7,8; 2018 c 182 art 1 s 12; 2023 c 60 art 2 s 6; 2024 c 116 art 9 s 1

116P.10 ROYALTIES, COPYRIGHTS, PATENTS, AND SALE OF PRODUCTS AND ASSETS.

(a) This section applies to projects supported by the trust fund and the oil overcharge money referred to in section 4.071, subdivision 2, each of which is referred to in this section as a "fund."

(b) The fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the fund equal to the percentage of the project's total funding provided by the fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the fund. Receipts from Minnesota future resources fund projects must be credited to the trust fund. The commission may include in its legislative bill a recommendation to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the fund.

(c) If a project supported by the fund results in net income from the sale of products or assets developed or acquired by an appropriation from the fund, the appropriation must be repaid to the fund in an amount equal to the percentage of the project's total funding provided by the fund. The commission may include in its legislative bill a recommendation to relinquish the income if a plan is approved for reinvestment of the income in the project or when the amount of the original grant or loan, plus interest, has been repaid to the fund.

History: 1988 c 690 art 1 s 14; 1993 c 172 s 79; 2003 c 128 art 1 s 151; 2008 c 367 s 3; 2009 c 143 s 5

116P.11 AVAILABILITY OF FUNDS FOR DISBURSEMENT.

(a) The amount annually available from the trust fund for the legislative bill developed by the commission is as defined in the Minnesota Constitution, article XI, section 14.

(b) Any appropriated funds not encumbered by the date the appropriation expires cancel and must be credited to the principal of the trust fund.

History: 1988 c 690 art 1 s 15; 1990 c 594 art 1 s 57; 1990 c 612 s 14; 1992 c 513 art 2 s 27; 1992 c 539 s 10; 1993 c 300 s 10; 1994 c 580 s 5; 1995 c 220 s 111; 2002 c 225 s 3; 2006 c 243 s 14; 2023 c 60 art 2 s 7

116P.12 WATER SYSTEM IMPROVEMENT; LOAN PROGRAM.

Subdivision 1. Loans authorized. (a) If the principal of the trust fund equals or exceeds \$200,000,000, the commission may vote to set aside up to five percent of the principal of the trust fund for water system improvement loans. The purpose of water system improvement loans is to offer below market rate interest loans to local units of government for the purposes of water system improvements.

(b) The interest on a loan shall be calculated on the declining balance at a rate that is the greater of one percent or 50 percent of the secondary market yield of one-year United States Treasury bills calculated according to section 549.09, subdivision 1, paragraph (c).

(c) An eligible project must prove that existing federal or state loans or grants have not been adequate.

(d) Payments on the principal and interest of loans under this section must be credited to the trust fund.

(e) Repayment of loans made under this section must be completed within 20 years.

(f) The Minnesota Public Facilities Authority must report to the commission each year on any loans made to the authority under this section.

Subd. 2. **Application and administration.** (a) The commission must adopt a procedure for the issuance of the water system improvement loans by the Public Facilities Authority.

(b) The commission also must ensure that the loans are administered according to its fiduciary standards and requirements.

History: 1988 c 690 art 1 s 16; 2018 c 214 art 4 s 4

116P.13 [Repealed, 2016 c 189 art 3 s 53]

116P.14 [Repealed, 1Sp2011 c 2 art 4 s 36]

116P.15 CAPITAL CONSTRUCTION AND LAND ACQUISITION; RESTRICTIONS.

Subdivision 1. **Scope.** A recipient of an appropriation from the trust fund or the Minnesota future resources fund who acquires an interest in real property with the appropriation must comply with subdivision 2. A recipient of an appropriation from the trust fund who uses any portion of the appropriation for a capital construction project with a total cost of \$10,000 or more must comply with subdivision 3.

Subd. 2. Land acquisition restrictions; modification procedure. (a) An easement, fee title, or other interest in real property acquired with an appropriation from the trust fund or the Minnesota future resources fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.

(b) A recipient of funding who acquires an interest in real property subject to this section may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the commission or its successor. The commission shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund or Minnesota future resources fund at least 15 business days before approval under this paragraph. The commission shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest must be in a reasonably equivalent location, and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

- (1) a legal description of the interest in real property covered by the funding agreement;
- (2) a reference to the underlying funding agreement;
- (3) a reference to this section; and
- (4) the following statement:

"This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

Subd. 3. **Capital construction restrictions; modification procedure.** (a) A recipient of an appropriation from the trust fund who uses the appropriation to wholly or partially construct a building, trail, campground, or other capital asset may not alter the intended use of the capital asset or convey any interest in the capital asset for 25 years from the date the project is completed without the prior review and approval of the commission or its successor. The commission must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund at least 15 business days before approval under this paragraph. The commission must establish procedures to review requests from recipients to alter the use of or convey an interest in a capital asset under this paragraph. These procedures must require that:

(1) the sale price must be at least fair market value; and

(2) the trust fund must be repaid a portion of the sale price equal to the percentage of the total funding provided by the fund for constructing the capital asset.

(b) The commission or its successor may waive the requirements under paragraph (a), clauses (1) and (2), by recommendation to the legislature if the transfer allows for a continued use of the asset in a manner consistent with the original appropriation purpose or with the purposes of the trust fund.

(c) If both a capital asset and the real property on which the asset is located were wholly or partially purchased with an appropriation from the trust fund and the commission approves a request to alter the use of or convey an interest in the real property under subdivision 2, a separate approval under this subdivision to alter the use of the capital asset is not required.

(d) A recipient of an appropriation from the trust fund who uses the appropriation to wholly or partially construct a building, trail, campground, or other capital asset must separately record a notice of funding restrictions in the appropriate local government office. The notice of funding restrictions must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

- (2) a reference to the underlying funding agreement;
- (3) a reference to this subdivision; and
- (4) the following statement:

"This interest in real property must be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the improvement of the property. The interest in real property, or any portion of the interest in real property, must not be altered from its intended use or be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor."

History: 1Sp2001 c 2 s 141; 2002 c 225 s 4; 2006 c 243 s 21; 2013 c 52 s 6; 2023 c 60 art 2 s 8

NOTE: The amendment to this section by Laws 2023, chapter 60, article 2, section 8, is effective July 1, 2025, and applies to money appropriated on or after that date. Laws 2023, chapter 60, article 2, section 8, the effective date.

116P.16 REAL PROPERTY INTERESTS AND CAPITAL ASSETS; REPORT.

(a) By December 1 each year, a recipient of an appropriation from the trust fund, that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, or for the construction of a building, trail, campground, or other capital asset with a total cost of \$10,000 or more must submit annual reports on the status of the real property to the Legislative-Citizen Commission on Minnesota Resources or its successor in a form determined by the commission. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person who holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

(1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;

(2) inform the person to whom the responsibility is transferred of the property restrictions under section 116P.15; and

(3) provide written notice to the commission of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

(b) After the transfer, the person who holds the interest in the real property is responsible for reporting requirements under this section.

(c) The annual reporting requirements on the status of a building, trail, campground, or other capital asset with a total cost of \$10,000 or more and that was constructed with an appropriation from the trust fund expire 25 years after the date the final progress report under section 116P.05, subdivision 2, paragraph (b), is approved.

History: 1Sp2005 c 1 art 2 s 136; 2006 c 243 s 21; 2013 c 52 s 7; 2023 c 60 art 2 s 9

NOTE: The amendment to this section by Laws 2023, chapter 60, article 2, section 9, is effective July 1, 2025, and applies to money appropriated on or after that date. Laws 2023, chapter 60, article 2, section 9, the effective date.

116P.17 ACQUIRING LANDS OR INTEREST IN LANDS; COMMISSIONER APPROVAL.

Subdivision 1. **Commissioner approval.** (a) A recipient of an appropriation from the trust fund who acquires an interest in real property must receive written approval from the commissioner of natural resources prior to the acquisition, if the interest is acquired in whole or in part with the appropriation. A recipient must request the commissioner's approval at least ten business days before the proposed acquisition. When a recipient requests approval under this subdivision, the recipient must simultaneously submit the same information to the commission. Conservation easements to be held by the Board of Water and Soil Resources, acquisitions of land in the metropolitan regional recreation open space systems as defined under section 473.351, subdivision 1, with appropriations to the Metropolitan Council, and acquisitions specifically identified in appropriation laws are not subject to commissioner approval under this section.

(b) The commissioner shall approve acquisitions under this section only when the interest in real property:

(1) is identified as a high priority by the commissioner and meets the objectives and criteria identified in the applicable acquisition plan for the intended management status of the property; or

(2) is otherwise identified by the commissioner as a priority for state financing.

Subd. 2. **Value assessment.** At least ten business days prior to acquiring an interest in real property with an appropriation from the trust fund, a recipient of an appropriation must submit the most recent tax assessed value and most recent tax statement of the real property and the amount the recipient plans to offer for the interest in real property to the commission and the commissioner of natural resources. Conservation easements to be held by the Board of Water and Soil Resources are not subject to the requirements of this section. The board shall keep a record of the tax assessed value of the real property at the time of acquisition and the most recent tax statement.

History: 2010 c 362 s 3; 2013 c 52 s 8; 2014 c 226 s 3; 2017 c 96 s 5

116P.18 LANDS IN PUBLIC DOMAIN.

Money appropriated from the trust fund must not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state or a political subdivision of the state or was acquired fully or partially with state money, unless:

(1) the purchase creates additional direct benefit to the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources; and

(2) the purchase is approved, prior to the acquisition, by an affirmative vote of at least 11 members of the commission, except as provided under section 116P.09, subdivision 6, paragraph (b).

History: 2013 c 52 s 9; 2023 c 60 art 2 s 10; 2024 c 116 art 9 s 2

116P.19 DONATIONS.

A recipient of money from the trust fund must not accept a monetary donation or payment from an owner of land that is acquired in fee in whole or in part with an appropriation from the trust fund that exceeds the documented expenses that are directly related to and necessary for activities specified in the work plan approved by the commission, unless expressly approved by the commission in the work plan. This section does not apply to:

(1) donations that are not connected with the acquisition transaction; or

(2) bargain sales, as defined by Code of Federal Regulations, title 26, section 1.1011-2, provided that the purchase price reimbursed by the state does not exceed the purchase price paid by the recipient.

History: 2016 c 186 s 5

116P.20 EASEMENTS; MONITORING AND ENFORCEMENT REQUIREMENTS.

A recipient of money appropriated from the trust fund for easement monitoring and enforcement may spend the money only on activities included in an easement monitoring and enforcement plan contained within the work plan. Money received for monitoring and enforcement, including earnings on the money received, must be kept in a monitoring and enforcement fund held by the recipient and dedicated to monitoring and enforcing conservation easements in Minnesota. A recipient of an appropriation for easement monitoring and enforcement must, within 120 days after the close of the recipient's fiscal year, provide an annual financial report to the commission or the commission's successor on the easement monitoring and enforcement fund as specified in the work plan. Money appropriated from the trust fund for monitoring and enforcement of easements and earnings on the money appropriated revert to the state if:

(1) the easement transfers to the state;

(2) the recipient fails to file an annual financial report and then fails to cure the default within 30 days of notification of the default by the state; or

(3) the recipient fails to comply with the terms of the monitoring and enforcement plan contained within the work plan and fails to cure the default within 90 days of notification of the default by the state.

History: 2016 c 186 s 6

116P.21 ADDITIONAL CAPITAL CONSTRUCTION PROJECT REQUIREMENTS.

Subdivision 1. **Full funding.** If an appropriation from the trust fund for a capital construction project or project phase is not alone sufficient to complete the project or project phase and a commitment from sources other than the trust fund is required:

(1) the commitment must be in an amount that, when added to the appropriation from the trust fund, is sufficient to complete the project or project phase; and

(2) the agency administering the appropriation from the trust fund must not distribute the money until the commitment is determined to be sufficient. In determining the sufficiency of a commitment under this clause, the agency must apply the standards and principles applied by the commissioner of management and budget under section 16A.502.

Subd. 2. **Match.** A recipient of money appropriated from the trust fund for a capital construction project must provide a cash or in-kind match from nontrust fund sources of at least 25 percent of the total costs to complete the project or project phase.

Subd. 3. **Sustainable building guidelines.** The sustainable building guidelines established under sections 16B.325 and 216B.241, subdivision 9, apply to new buildings and major renovations funded from the trust fund. A recipient of money appropriated from the trust fund for a new building or major renovation must ensure that the project complies with the guidelines.

Subd. 4. Applicability. (a) Subdivisions 1, 2, and 3 do not apply to:

(1) a capital construction project with a total cost of less than \$10,000; or

(2) a land acquisition project.

(b) If land is acquired with trust fund money for the purpose of capital construction, the land acquisition is not exempted under paragraph (a), clause (2).

Subd. 5. **Other capital construction statutes.** The following statutes also apply to recipients of appropriations from the trust fund: sections 16B.32; 16B.335, subdivisions 3 and 4; 16C.054; 16C.16; 16C.28; 16C.285; 138.40; 138.665; 138.666; 177.41 to 177.44; and 471.345.

History: 2023 c 60 art 2 s 11; 2024 c 85 s 16

NOTE: This section, as added by Laws 2023, chapter 60, article 2, section 11, is effective July 1, 2025, and applies to money appropriated on or after that date. Laws 2023, chapter 60, article 2, section 11, the effective date.

Appendix C. Public Survey Summary

The LCCMR Subcommittee on Strategic Planning conducted an online public survey to gather broad input on priorities for environmental and natural resources funding and preferred methods to address those priorities. In addition, the survey asked basic demographic questions. The survey was open from March 13, 2024, to May 6, 2024, and available in English and four other languages: Spanish, Somali, Hmong, and Karen. Links to the survey were:

- Emailed directly to nearly 400 organizations across Minnesota, including environmental, natural resource, recreation, agriculture, energy, economic development, government, university and colleges, non-profits, for-profits, community, and tribal groups.
- Emailed to all state legislators and their staff.
- Posted to the LCCMR webpage and social media accounts.
- Sent to everyone on the LCCMR GovDelivery list.
- Announced through a press release.
- Made available through a QR code at concurrently held public listening sessions.

All recipients were encouraged to share the survey with their networks.

The subcommittee received 1,641 responses to the survey. Survey results were compiled and presented to the full commission. Highlights are presented below. Additional tables and details can be found in the <u>public survey results presentation</u>:

https://www.lccmr.mn.gov/calendar/2024/2024-06-10-mtg/attachments/item09-2024-06-05 preliminary public survey results.pdf

Biggest Focus Area for Funding from the Environment and Natural Resources Trust Fund

Survey respondents were asked to identify their top three biggest focus areas for funding from the Environment and Natural Resources Trust Fund (ENRTF) from a list of 13 options.

Land, Wildlife, and Wildlife Habitat was the most important area for future funding with nearly 50% of respondents identifying it as a top priority (See Table C-1). It was the top priority for respondents from every region of the state and whether they were affiliated with an agency, organization, or program that works on issues related to the environment or natural resources or not. Air quality was a relatively low concern with only 7% of respondents considering it a top priority for funding from the ENRTF.

The relative priority of focus areas did differ slightly from region to region. Climate change was a bigger issue for respondents from the Metro region versus the rest of the state, while outdoor recreation is generally a more important issue in northern Minnesota. Agricultural practices are a bigger issue in the Southwest region of the state.

Whether a respondent was affiliated with an agency, organization, or program that works on issues related to the environment or natural resources did not generally change the top focus areas with a few notable exceptions. Respondents affiliated with environmental or natural resources agencies, organizations, or programs prioritized environmental justice and climate change more than unaffiliated respondents did. Unaffiliated respondents prioritized recycling, reuse, and other waste management, energy use and production, and air quality slightly more than respondents affiliated with environmental or natural resources agencies, or programs did.

Table C-1. Which of the following do you think should be the biggest focus for funding from Minnesota's Environment and Natural Resources Trust Fund (ENRTF)?

Answer Choices	Responses	
Land, Wildlife, and Wildlife Habitat (includes birds, pollinators / insects, reptiles,		
mammals, and plants)	803	49%
Lakes, Rivers, and Other Aquatic Habitat (includes fish and other aquatic species)	591	36%
Climate Change	581	35%
Water Quality	504	31%
Outdoor Recreation (includes hiking or biking trails, boat ramps, and other facilities)	351	21%
Agricultural Practices	312	19%
Invasive Species	289	18%
Environmental Justice	215	13%
Energy Use and Production (includes energy efficiency and renewable energy)	212	13%
Water Availability (includes flooding, drought, and drinking water)	190	12%
Recycling, Reuse, and Other Waste Management	177	11%
Other (please specify)	141	9%
Air Quality	114	7%

Best Way Funding Could Be Used

Survey respondents were presented with seven different methods to address their top focus areas and asked to prioritize them from highest to lowest priority.

Restoring and enhancing land and water was the highest priority for respondents while constructing facilities and other infrastructure like trails, fishing piers, campgrounds, and solar panels was a lower priority (See Table C-2). Priorities were fairly consistent across Minnesota, although acquiring land was a lower priority in the Northeast and Southwest regions and ensuring equitable funding was a higher priority in the Southwest region. Priorities were the same whether someone was affiliated with an agency, organization, or program that works on issues related to the environment or natural resources or not.

Table C-2. What is the best way funding could be used to address the focus areas you selected previously? Rank from your highest (1) to your lowest (7) priority.

Answer Choices	Score	Ranking
Restore and enhance land and water.	5.15	1
Develop plans and designs for protecting, conserving, preserving, and enhancing natural resources, the environment, and outdoor recreation.	4.70	2
Acquire land for preservation, conservation, or outdoor recreation.	4.02	3
Increase education and public awareness.	3.93	4
Conduct research to better understand issues, measure progress on achieving outcomes, and develop new tools, practices, or solutions.	3.89	5
Ensure equitable funding distribution across all communities.	3.38	6
Construct facilities and other infrastructure like trails, fishing piers, campgrounds, and solar panels.	2.93	7

Big, Bold Ideas

Survey respondents were asked to provide a big, bold idea for protecting or enhancing Minnesota's environment, natural resources, and outdoor recreation. The subcommittee received 1,206 responses to this question. All responses can be found in the <u>big, bold ideas document</u> compiled for the subcommittee. The most common terms found in those responses were land, water, nature, protect, educate, people, resource, need, and fund. The following word cloud visualization shows these common words.



Survey Notes

The public survey was not designed to be a representative survey of Minnesotans. Survey results indicate that older adults (65-74) were over-represented in the survey, while younger adults (18-34) were under-represented. Minority populations may have been under-represented. Residents of the 11-county Metro region centered around Minneapolis and St. Paul may also have been under-represented in survey results relative to residents of Greater Minnesota.

Survey respondents were about evenly split between those respondents with an affiliation to an agency, organization, or program that works on issues related to the environment or natural resources and those respondents who did not. About one-quarter of respondents (25%) indicated that they were affiliated with an agency, organization, or program that had received funding from the ENRTF in the past. The majority of respondents (80%) were previously aware of the ENRTF, LCCMR, or recognized the ENRTF loon logo.

Appendix D: Subject Matter Expert Survey Summary

The LCCMR Subcommittee on Strategic Planning conducted an online subject matter expert survey to gather input on what members of the public with specific expertise or experience working on environmental and natura resources issues thought were the most important goals and strategies for the Environment and Natural Resources Trust Fund (ENRTF). In addition, subject matter experts were asked for feedback on their experience with the Legislative-Citizen Commission on Minnesota Resources (LCCMR) funding process and how it could be improved.

The survey was open from April 3, 2024, to May 7, 2024. An email invitation to participate in the survey was sent to over 1,000 people with expertise or experience in that environment, natural resources, agriculture, or outdoor recreation, including:

- Current and past project managers
- Current and past applicants for ENRTF funding
- University and college faculty
- Federal, state, and tribal government professionals
- Professional associations
- Non-profit personnel

The subcommittee received 360 responses to the survey. Survey results were compiled and presented to the subcommittee members at relevant times during their discussions. Highlights are presented below. Additional tables and details can be found in the following presentations and documents:

ENRTF Goals Presentation (Subject Matter Expert Demographics and Goal Prioritization)

Subject Matter Experts Ideas for Additional Goals

Subject Matter Expert Responses to How ENRTF Can Help Minnesota be a National Leader

ENRTF Strategies Presentation (Subject Matter Expert Strategy Prioritization)

Subject Matter Expert Ideas for Additional Strategies

LCCMR Goals and Strategies Presentation (Subject Matter Expert Feedback on LCCMR Funding Process)

Subject Matter Expert Comments on LCCMR Funding Process

Goals Results

Subject matter experts were asked to rank seven goal statements from highest (1) to lowest priority (7). The goal statements were primarily developed by an expert panel during the 2019 strategic planning process with modifications made by the subcommittee.

Ensuring Minnesota's environment, natural resources, and communities are resilient in the face of climate change, land use changes, and extreme weather events was the overall highest priority for the subject matter experts (See Table D-1). This goal statement was in the top 2 for all experts, except respondents with expertise in aquatic habitat and management. Ensuring all Minnesotans have access to and take

advantage of opportunities for culturally relevant and innovative connections to the lands and waters of Minnesota was the overall lowest priority. This goal statement was in the bottom 3 for all experts.

The area of expertise and affiliation of the respondents did appear to affect how they prioritized the goal statements. In general, experts prioritized goal statements related to their area of expertise higher than other goal statements, and there were slight differences in how experts prioritized the goals based on their affiliation. For example, experts from universities and colleges and non-profit organizations prioritized the goal related to resiliency higher than other experts. However, the top 4 goal statements and bottom 3 goal statements were the same for all experts regardless of affiliation.

Table D-1. The following goal statements were developed by a past group of Minnesota's environment and natural resources experts. Please rank these goals from more important for Minnesota to achieve (1) to less important (7).

Goal Statement	Score	Ranking
Minnesota's environment, natural resources, and communities are resilient in the face of climate change, land use changes, and extreme weather events.	5.06	1
Minnesota's water resources are better managed for both water quantity and quality, as a result of better understanding of the connections between surface water and groundwater.	4.86	2
Minnesota has healthy and diverse wildlife and plant populations that sustain and enhance the state's environment, economy, and quality of life.	4.55	3
Minnesota's public and private lands, including forests, grasslands, and agricultural lands, provide long-term benefits to fish, wildlife, and people.	4.17	4
Minnesota responds quickly and proactively to emerging environmental and natural resources issues.	3.20	5
Minnesota achieves reliance on nonpolluting, renewable energy in all sectors (including transportation, building, industry, agriculture, and others).	3.16	6
All Minnesotans, especially young people, have access to and take advantage of opportunities for culturally relevant and innovative connections to the lands and waters of Minnesota.	3.00	7

Subject matter experts were asked two additional questions related to goals. The first question was how the ENRTF could help Minnesota be a leader nationally and internationally on environmental and natural resources issues. The second question asked if there were any additional goals that should be considered.

The subcommittee received 271 responses to the first question and 189 responses to the second question. All responses can be found in the <u>national leader document</u> and the <u>additional goals document</u> compiled for the subcommittee. The most common terms found in those responses were fund, project, nature, environmental, resource, wildlife, habitat, water, land, quality, education, research, engagement, collaboration, support, youth, and equity. The following word cloud visualizations show these keywords.

How can the ENRTF help Minnesota be a leader nationally and internationally on environmental and natural resources issues?



Is there another goal that you think the ENRTF could help Minnesota achieve?



Strategies Results

Subject matter experts were asked to select the top two or three most important or effective strategies to address six of the seven goal statements. The strategies were primarily developed by an expert panel during the 2019 strategic planning process with modifications made by the subcommittee. The final rankings based on the survey results are presented in the tables below. In addition, subject matter experts were asked if there were any additional strategies that should be considered. All responses can be found in the <u>additional strategies document</u> compiled for the subcommittee.

The seventh goal statement related to emerging issues was developed in 2024 by the subcommittee, and there were no strategies from 2019 to present. Instead, subject matter experts were asked to provide strategies that would be most important or effective in achieving that goal. Response to that question are also included in the <u>additional strategies document</u>.

Table D-2. Top strategies to achieve the goal: "Minnesota's water resources are better managed for both water quantity and quality, as a result of better understanding of the connections between surface water and groundwater."

Strategy	Selected	Rank
Research impacts of nutrients, agricultural runoff, and urban stormwater on surface water and groundwater quality and quantity, as well as opportunities to mitigate those impacts.	43.1%	1
Research and demonstrate innovative, market-based policies and partnerships that solve local water issues in both forest-based regions and agriculture-based regions.	28.1%	2
Evaluate the effectiveness of current management practices and past investments to improve water resources.	23.1%	3
Educate local officials on how to improve and protect water resources, including model projects and policies that can be emulated at all scales.	20.3%	4
Increase understanding of current and future weather and climate patterns, and how these align with anticipated water needs across Minnesota.	19.9%	5
Research, implement demonstrations, and develop incentives and policies related to holding back water and increasing evapotranspiration opportunities to prevent water pollution.	15.3%	6

Table D-3. Top strategies to achieve the goal: "Minnesota's environment, natural resources, and communities are resilient in the face of climate change, land use changes, and extreme weather events."

Strategy	Selected	Rank
Support cities, counties, and watershed districts with developing climate resiliency and adaptation plans, and processes for funding and implementing those plans.	33.2%	1
Identify and promote workable, holistic, multi-benefit, diverse, and viable (e.g., economically and socially) solutions for storing more water on the land, through both engineered and natural solutions targeted at critical areas.	31.4%	2
Research effective water use scenarios – including modeling water scenarios, managing water on land, optimizing use to prevent overuse of groundwater, and improving water reuse and wastewater management – to identify improvements needed to ensure the state's water resiliency and sustainability.	27.7%	3
Research and demonstrate market-based policies that are economically viable and help pay for the land use, conservation, and other practices needed to achieve climate resiliency and water resources protection, especially in agricultural areas.	26.6%	4
Compile existing research, identify gaps, and develop research to quantify land use and land cover changes, in order to identify restoration and protection needs to achieve sustainable natural systems.	24.8%	5
Use public open space to demonstrate climate change adaptation, mitigation, and prevention.	10.6%	6

Table D-4. Top strategies to achieve the goal: "Minnesota has healthy and diverse wildlife and plant populations that sustain and enhance the state's environment, economy, and quality of life."

Strategy	Selected	Rank
Research and manage species and ecosystems to effectively maintain, protect, and restore habitats and populations.	34.3%	1
Support and provide technical assistance to private landowners on cost-effective ways to develop and restore diverse, native habitat.	28.8%	2
Conserve additional lands and support management of currently protected lands.	27.3%	3
Monitor the biologic and environmental health of systems through high-quality research to support management of lands and waters.	22.1%	4
Evaluate the effectiveness of current management practices and past investments to sustain and enhance wildlife and native plant populations.	18.8%	5
Research plant, fish, and wildlife communities to inform management in relation to climate change.	10.0%	6
Research key issues and develop strategies to combat them (e.g., bird/insect crash).	7.8%	7

Table D-5. Top strategies to achieve the goal: "Minnesota's public and private lands, including forests, grasslands, and agricultural lands, provide long-term benefits to fish, wildlife, and people."

Strategy	Selected	Rank
Promote, research, and evaluate best management practices (BMPs) on public and private lands, in order to provide long-term benefits to fish and wildlife.	26.2%	1
Research, develop, and demonstrate agricultural production processes and systems that are significantly less carbon-intensive and decrease the loss of nutrients into ground water and surface water.	20.3%	2
Enhance education and public outreach to change landscape and ecosystem norms.	17.3%	3
Develop innovative, market-based policies to make substantive conservation efforts financially feasible.	17.0%	4
Improve and demonstrate how working lands can be economically productive and good habitat.	15.1%	5
Preserve and protect the watersheds that are already in good shape.	14.4%	6
Research and demonstrate the practical value of regenerative agriculture.	13.3%	7
Develop and implement agricultural cropping systems with diverse crops that provide multiple benefits, including exploring markets and supply chain.	13.3%	7
Educate people through demonstration on the opportunity for public and private lands to slow and store water for multiple benefits (e.g., water quality, habitat, flood mitigation) as well as for carbon sequestration.	12.6%	9
Encourage landscape-level and eco-type planning, instead of parcel-level.	12.2%	10
Implement conservation actions that prioritize the needs of vulnerable, declining, poorly understood, and sensitive species.	11.8%	11
Prioritize projects that enlist the support of multiple agencies and organizations.	9.2%	12
Increase understanding and assessment of tradeoffs among different environmental and societal goals to improve decisions on public and private lands.	8.9%	13
Identify high-quality habitat, recreation open spaces, and other high-priority areas for action.	7.8%	14
Evaluate, prioritize, and demonstrate how working lands and renewable energy can be mutually beneficial.	7.0%	15

Table D-6. Top strategies to achieve the goal: "All Minnesotans, especially young people, have access to and take advantage of opportunities for culturally relevant and innovative connections to the lands and waters of Minnesota."

Strategies	Selected	Rank
Through partnerships between schools, environmental learning centers, and other community resources, provide evidence-based, engaging programs to bring students to outdoor experiences.	43.5%	1
Through collaborative efforts, provide curriculum, programs, and outdoor environmental events that teach K–12 students what public lands are, introduces them to public lands nearby, and encourages them to explore local public lands.	33.5%	2
Address the social, economic, and physical barriers to outdoor recreation through programs that encourage inclusivity and address inequities.	30.1%	3
Implement capital projects that develop culturally relevant, accessible, and resilient outdoor recreation facilities, infrastructure, and equipment rental programs that create innovative experiences (e.g., parks, trails, fishing piers, shoreline fishing areas, birding trails, shelters).	24.2%	4
Research people's interests in outdoor recreation and understand barriers to participation.	13.4%	5
Assess programs, activities, and physical spaces for their accessibility and effectiveness; support changes to adapt and retrofit to welcome more people.	6.3%	6

Table D-7. Top strategies to achieve the goal: "Minnesota achieves reliance on nonpolluting, renewable energy in all sectors (including transportation, building, industry, agriculture, and others)."

Strategy	Selected	Rank
Incentivize the use of nonpolluting renewable energy in agriculture, industries, and commercial transportation.	37.7%	1
Demonstrate the ability and statewide potential to generate solar energy on perennially vegetated lands, reducing CO ² and water runoff, while making the enterprise economically viable.	28.4%	2
Fund energy efficiency improvements and renewable energy for rental properties, small businesses, and schools.	22.4%	3
Demonstrate community-scale, net-zero renewable energy systems.	21.3%	4
Encourage bundling renewable energy production and battery storage.	13.4%	5

LCCMR Funding Process Results

Subject matter experts were asked how much they agreed with eight statements related to the LCCMR funding process and provided an opportunity to comment on the process. Results from the first question

are summarized below, and <u>comments on the LCCMR funding process</u> have been compiled in a separate document.

Subject matter experts generally had a favorable impression of LCCMR staff, LCCMR outreach efforts related to the request for proposals (RFP), how clear it was what projects are eligible for funding, the process for completing and submitting a proposal, and LCCMR reporting requirements (See Table D-8). Experts looked less favorably on the length of the process and the clarity, fairness, and transparency of the LCCMR evaluation, selection, and recommendation process.

Results varied slightly depending on if the subject matter expert had received or applied for ENRTF funding in the past and the type of organization with which they are affiliated. In general, experts from non-profit organizations reported less favorable impressions than experts affiliated with other groups. In addition, experts who had never received or applied for ENRTF funding generally had a less favorable impression of how well the LCCMR conducts RFP outreach efforts, how easy it is to complete a proposal, and how clear it is what projects are eligible for funding. Finally, experts affiliated with non-profit organization, universities, or colleges expressed less favorable impressions than other groups about the proposal evaluation, selection, and recommendation process.

Statement	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Weighted Average
LCCMR staff are helpful and easy to work with.	49%	36%	13%	2%	0%	1.68
The LCCMR does a good job in notifying potential applicants that funding is available.	41%	35%	15%	8%	1%	1.92
It is clear what projects are eligible for funding from the ENRTF.	26%	53%	13%	6%	1%	2.03
Completing and submitting a proposal to the LCCMR is reasonably simple and straightforward.	28%	46%	16%	8%	2%	2.09
Once funded, project reporting requirements are clear and straightforward.	26%	42%	26%	5%	1%	2.14
The LCCMR's process from proposal submission to fund availability is timely and efficient.	17%	42%	22%	15%	5%	2.5
The LCCMR process for recommending funding from the ENRTF is fair and transparent.	10%	30%	37%	15%	7%	2.78
It is clear how the LCCMR evaluates and selects projects to recommend for funding.	10%	33%	30%	21%	6%	2.8

Table D-8. How much do you agree with the following statements?

Survey Notes

The majority of subject matter experts responding to the survey had previously applied for ENRTF funding (81%) and received ENRTF funding (66%). Most experts were affiliated with an academic institution (32%), a non-profit organization (28%), a state government agency (18%), or a local government agency (13%). Experts with private (4%), tribal (4%), and federal affiliation (1%) represented a much smaller number of respondents. Respondents were able to indicate expertise in up to three areas, and a wide range of expertise was reported (See Table D-9).

Expertise	
Water Quality	35%
Land and Wildlife Habitat and Management	28%
Climate Change	24%
Agricultural Practices	23%
Environmental Education	21%
Outdoor Recreation	20%
Invasive Species	17%
Aquatic Habitat and Management	13%
Forestry	11%
Other	11%
Energy	10%
Environmental or Civil Engineering	10%
Geology, Soils, and/or Mineral Resources	9%
Water Quantity	8%
Air Quality	5%
Recycling, Reuse, and Other Waste Management	4%

Table D-9. In which of the following areas do you have expertise or experience related to environmental, natural resources, or outdoor recreation issues?

Appendix E: Public Listening Session Summary

The LCCMR Subcommittee on Strategic Planning hosted five listening sessions to gather public input on the priorities for environmental and natural resources funding and preferred methods to address those priorities, particularly from members of the public who may not participate in online surveys. Listening sessions were held in the following locations and dates:

- March 26, 2024 (Virtual)
- April 26, 2024 (Amherst H. Wilder Foundation, St. Paul)
- May 3, 2024 (Central Lakes College, Brainerd)
- May 3, 2024 (Becker County Historical Society and Museum, Detroit Lakes)
- May 4, 2024 (Oblivion CoffeeBar & Mercantile, St. Cloud)

Invitations to all listening sessions were announced through a press release, posted to the LCCMR webpage and social media accounts, and sent to everyone on the LCCMR GovDelivery list. An invitation to the virtual listening session was included with the announcement of the public survey emailed to nearly 400 organizations across Minnesota, including environmental, natural resource, recreation, agriculture, energy, economic development, government, university and colleges, non-profits, for-profits, community, and tribal groups. For in-person sessions, emails were also sent to local leaders, state legislators, subject matter experts, and environmental and natural resources organizations in the listening session area.

Each listening session provided an opportunity for members of the public to learn more about the ENRTF and the LCCMR, interact with LCCMR members, and provide input. At the virtual and Brainerd listening sessions, participants heard a formal presentation about the ENRTF and LCCMR and then participated in small group discussions with LCCMR members. The St. Paul, Detroit Lakes, and St. Cloud sessions were held as open houses where members of the public could interact informally with LCCMR members and staff, view a presentation about the LCCMR and ENRTF, and provide written input. At all sessions, participants were prompted to answer three questions that paralleled questions on the public survey:

- 1. What are the biggest threats or needs related to Minnesota's environment or natural resources?
- 2. What do we need to do to address the threats facing Minnesota's environment and natural resources?
- 3. What is your future vision for Minnesota's environment and natural resources? What would success look like?

There were 101 participants in the five listening sessions. Participants included concerned citizens, local officials, state and local government agency personnel, researchers, and representatives from non-profit organizations. The <u>compiled written comments and discussion notes from all the listening</u> sessions can be found in the following document:

https://www.lccmr.mn.gov/documents/strategic_plan/2024-10-22_listening_session-comments.pdf

B. Request for Proposal (RFP)

1. RFP adopted January 17, 2023 for FY2024 (funding beginning July 1, 2023)

Legislative-Citizen Commission on Minnesota Resources 2023 ENRTF Request for Proposal



Minnesota's Environment and Natural Resources Trust Fund

Minnesota Constitution Art. XI, Sec.14: "The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources."

Summary

The Legislative-Citizen Commission on Minnesota Resources (LCCMR) welcomes proposals for projects of all sizes that address the priorities and requirements described within this RFP and that aim to protect, conserve, preserve, and enhance Minnesota's air, water, land, fish, wildlife, and other natural resources. The LCCMR reviews applications and makes funding recommendations to the Minnesota Legislature from the Environment and Natural Resources Trust Fund (ENRTF). Approximately \$70 million is anticipated to be available from the Trust Fund through this RFP for projects beginning July 1, 2023. Most projects funded are two to three years in duration. Proposals must be submitted online at lccm.ncgmt.leg.mn by May 26, 2022 at 4:30PM.

Funding Available

Approximately \$70 million is anticipated to be available through this RFP for projects beginning July 1, 2023. The LCCMR makes recommendations to the Minnesota Legislature for funding from the Environment and Natural Resources Trust Fund. This cycle will also include a recommendation from the Great Lakes Protection Account. Recommended projects must be approved by the 2023 Legislature through an appropriation, signed into law by the Governor, and have a work plan approved by LCCMR before funds can be spent. For non-state entities, payment is made by reimbursement for expenses incurred and fiscal oversight is provided through a grant agreement with the Minnesota Department of Natural Resources. Most projects are two to three years long, however more or less time can be requested.

Amount of Request

There is no minimum or maximum request amount. All proposals should strive to maximize efficiency and return on investment for the proposed expenditures.

Applicant Eligibility

The RFP is open to all who want to apply and who have demonstrated fiscal capacity. Applicants must be available to make a formal presentation to LCCMR if selected and to be available for staff or commission member questions.

Online Proposal System

All proposals must be submitted through the LCCMR's <u>online proposal submission system</u>. Early account registrations and proposal submissions are strongly encouraged.

Deadline for Submission

Final proposals must be submitted online by Thursday, May 26, 2022 at 4:30PM.

Information from this document may be copied and distributed to others. This publication can be made available in alternate formats, such as large print or audio format, upon request.

Legislative-Citizen Commission on Minnesota Resources Room 65, State Office Building 100 Rev. Dr. Martin Luther King Jr. Blvd. St. Paul, MN 55155 Phone: 651-296-2406 Email: <u>lccmr@lccmr.mn.gov</u> Website: <u>www.lccmr.mn.gov</u>

Proposal and Appropriation Timeline

LCCMR Members as of 3/22/22	Up-to-date information on deadlines and meetings can be found on the <u>calendar page</u> of our website.				
Co-Chairs Sen. Bill Ingebrigtsen	March 22, 2022	Funding priorities determined and 2023 RFP adopted			
Rep. Rick Hansen Nancy Gibson	March 25, 2022	2023 RFP issued			
Co-Vice Chairs Sen. David Tomassoni	May 26, 2022	Final submission deadline for proposals responding to 2023 RFP			
Rep. Tama Theis William Faber	July 2022	All submitted proposals distributed to LCCMR members for review, evaluation, and ranking			
Rep. Patty Acomb Rita Albrecht Sen. Kari Dziedzic Sen. Foung Hawj Rep. Dale Lueck Seth Moore Rep. Kelly Morrison Jeremy Peichel Michael Reese Shona Snater Sen. Torrey Westrom	July 25, 2022	A subset of high-ranking proposals selected for further consideration and invited to give presentations before the LCCMR			
	August 8-10, 2022 August 16-17, 2022	Selected proposals present before the LCCMR			
	August 30, 2022	Subset of proposals selected for recommendation to the Legislature for funding			
	September - November 2022	Projects recommended for funding begin submitting work plans for LCCMR staff review and research projects recommended for funding undergo peer review			
LCCMR Staff Becca Nash, Director	December 2022	Funding recommendations are adopted by the LCCMR in legislative bill format, as they will be presented to the Legislature			
Michael Varien, Senior Project Analyst	January - May 2023	LCCMR recommendations presented to the Legislature for consideration via introduction as an appropriations bill			
Corrie Layfield, Senior		Bill is considered and acted upon by the Minnesota House and Senate			
Project Analyst		Upon passage, the bill goes before the governor to be signed into law			
Mike Campana, Senior Project Analyst	June 2023	LCCMR approves work plans for projects funded			
Rory Anderson, Project Analyst and Communications Specialist	July 2023	Minnesota DNR sends grant agreements to non- state agencies receiving ENRTF funds			
	July 1, 2023	Money from the Environment and Natural Resources Trust Fund becomes available for expenditure and approved projects can begin			
Diana Griffith, Commission Assistant	About LCCMR The Legislative-Cit	izen Commission on Minnesota Resources (LCCMR) is made up of			

17 members: five Senators, five Representatives, five citizens appointed by the governor, one citizen appointed by the Senate, and one citizen appointed by the

House. The function of the LCCMR is to make funding recommendations to the

Environment and Natural Resources Trust Fund.

Legislature for special environment and natural resource projects, primarily from the

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2023 Funding Priorities

All proposals must meet the constitutional aim to protect, conserve, preserve, and enhance Minnesota's air, water, land, fish, wildlife, and other natural resources, especially those that may be substantially impaired or destroyed in any area of the state.

Proposals are strongly encouraged that address prevention strategies for protecting natural resources, that include citizen and community involvement in scientific efforts, and that implement or identify clear strategies for implementing research results.

Proposals should also address one or more of the priorities described in the categories below; however, proposals pertaining to new or emerging environmental or natural resource issues not directly addressed below may also be eligible for consideration. Priorities are listed by category and not in order of importance.

A. Foundational Natural Resource Data and Information

- 1. Data acquisition, information management, research, or analysis to develop foundational natural resource, wildlife, pollinator, or plant data and information.
- Coordination, facilitation, or training pertaining to statewide sharing, distribution, or innovative application of natural resource data (e.g., maps, inventories, and surveys) and information tools (e.g., Geographic Information Systems (GIS), Light Detection and Ranging (LiDAR), and other remote sensing techniques).
- 3. Quantification and analysis pertaining to the economic value of services provided by natural resources and conservation, including analysis that quantifies public savings and costs of water or air pollution prevention.

B. Water Resources

- 1. Research, monitoring, or evaluation to increase protection, conservation, and sustainability of the quality, quantity, or function of water resources. This includes, but is not limited to, efforts pertaining to:
 - I. Ground and surface water interaction, including stream flow and groundwater flow;
 - II. Aquifer recharge;
 - III. Wetland, river, and lake ecosystems, including Lake Superior;
 - IV. Mitigation of impacts resulting from artificial hydrological modifications in both urban and agricultural areas;
 - V. Effects of climate change on water resources;
 - VI. Drinking Water.
- 2. Research, evaluation, technology development, or engineering design pertaining to regulated, unregulated, or emerging water contaminants, including sources, fates, movements, or effects of these contaminants within ground or surface waters or across ecological communities. Contaminants of interest include, but are not limited to, nitrates, phosphates, estrogenic compounds, pharmaceuticals, personal care products, chlorides, PAHs (polycyclic aromatic hydrocarbons), and pesticides. Efforts pertaining to the following are of particular interest:
 - I. Understanding the impacts of contaminants on the health of humans or terrestrial or aquatic species;
 - II. Preventing or reducing levels of contaminants in ground and surface waters;
 - III. Advancing development or implementation of standards for contaminants.

2023 Funding Priorities (Continued)

C. Environmental Education

Proposals must address education, information dissemination, and training efforts that will increase the knowledge and skills of students or the public to cultivate a sustainable lifestyle, improve and maintain water quality, reduce and monitor energy and water consumption, or restore and maintain a healthy and biodiverse natural environment. Funding for capital projects (e.g., buildings or building infrastructure) will not be considered in this category. Of particular interest are projects that address one or more of the following:

- 1. Efforts that involve broad-based partnerships, engage diverse and changing demographics, provide outdoor experiences, or are committed to building a long-lasting and action-based conservation ethic in a community.
- 2. Efforts that deliver and implement existing curriculum, especially integration of environmental education into school curriculum. Proposals to develop new curriculum will not be considered.

D. Aquatic and Terrestrial Invasive Species

"Invasive species" includes any plants, animals, worms, insects, microbes, and diseases that are non-native, introduced species in the state and that are currently having, or pose a threat to have, significant adverse impacts on Minnesota's native ecosystems and biodiversity. All research proposals related to invasive species research must consider the research priorities established by the University of Minnesota's (UMN) Minnesota Invasive Terrestrial Plants and Pests Center or Minnesota Aquatic Invasive Species Center. All UMN proposals and others should apply to the Centers when applicable. The Centers will keep the LCCMR updated on the status of proposals received. Projects must propose to do one or more of the following:

- 1. Prevent introduction or provide early detection of new invasive species.
- 2. Reduce the spread of invasive species with best management practices along streams, rivers, land transportation routes, and other vectors.
- 3. Develop or demonstrate alternative control techniques—particularly involving biocontrol, integrated pest management, or minimization of non-target effects including pollinators—for containing or suppressing invasive species already present in Minnesota. Standard control, removal, and maintenance activities of invasive species will not be considered.
- 4. Restore lands with native vegetation as practicable following implementation of invasive species control techniques on disturbed lands where a native seed bank no longer exists.
- 5. Inform and educate landowners about all invasive species threats to their land and offer actions they can take in response.

E. Air Quality, Climate Change, and Renewable Energy

Funding for capital projects (e.g., buildings or building infrastructure) will not be considered in this category.

- 1. Innovative approaches to air quality improvement that reduce impacts on human health, the environment, or natural resources, such as by preventing, reducing, or mitigating airborne contaminants including PAHs (polycyclic aromatic hydrocarbons).
- 2. Acquisition of data at a scale appropriate to assess natural resource changes attributable to climate change.
- 3. Research to help understand how to mitigate, adapt, or make Minnesota's ecosystems more resilient to climate change impacts, including drought and extreme weather events.
- 4. Implementation of innovative efforts aimed at mitigating, adapting, or making Minnesota's ecosystems more resilient to climate change impacts, including drought and extreme weather events.
- 5. Reduction of greenhouse gas emissions through new and innovative approaches to waste reduction or energy efficiency. Standard, required, and ongoing efforts will not be considered.

2023 Funding Priorities (Continued)

F. Methods to Protect or Restore Land, Water, and Habitat

Please review "Additional Requirements for Land Acquisition, Easements, and Restoration Projects." (see page 6)

- 1. Innovative protection or restoration of lands with high-quality natural resources, ecological value, water protection value, or habitat, particularly for pollinators.
- 2. Long term preservation of native forest, wetland, or prairie plant genetics and viability.
- 3. Technical assistance for stewardship of prairies, forests, wetlands, or other habitat, or technical assistance for agricultural land management in order to protect water quality and aquatic habitat or to improve pollinator habitat.
- 4. Planning and implementation of community-based efforts to permanently conserve natural resources and reduce habitat fragmentation impacts on natural resources, including the impacts of transportation and other infrastructure.

G. Land Acquisition, Habitat, and Recreation

Please review "Additional Requirements for Land Acquisition, Easements, and Restoration Projects." (see page 6)

- 1. The Reinvest in Minnesota program as provided in M.S. section 84.95, subdivision 2.
- 2. Acquisition or development of strategic lands with high quality natural resources, ecological value, recreational value, water protection value, or habitat, particularly for pollinators.
- 3. Acquisition or development of lands that have the greatest capacity to contribute multiple conservation benefits to wildlife, humans, and ground and surface water quality.
- 4. Efforts based on precision conservation methods and analysis that quantifiably identify the lands most critical to acquire. Precision conservation is a practice that considers lands in terms of the interconnected systems of which they are a part. As a practice, precision conservation compiles and integrates multiple types of available data layers and analysis (e.g., terrain analysis, soil productivity, habitat potential, economic analysis, erosion potential, proximity to surface water) to identify and guide efforts that will maximize conservation benefits.
- 5. Efforts involving Scientific and Natural Areas (SNA) or other areas that aim to protect unique ecosystems, such as native prairie as defined in M.S. 84.02, Subd. 5, or rare, endangered, or threatened species. Areas of these types that may not presently qualify as a priority for other State of Minnesota funds directed toward land acquisition for habitat or recreation are of particular interest.
- 6. Efforts that enhance habitat connectivity, benefit ground or surface water quality, improve access for natural resource management, or increase public access for recreation, particularly in areas of the state with limited protected public lands.
- 7. Efforts expanding outdoor recreational opportunities through additions and connections to state, regional, or local parks and trails.

H. Small Projects

The LCCMR encourages proposals under \$200,000, especially from local government units and non-profits, to quickly and efficiently provide environment and natural resource benefits in Minnesota. Proposals should address one or more of the priorities listed in the above categories A through G.

Great Lakes Protection Account

Funding is available from the Great Lakes Protection Account (GLPA) (<u>M.S. 116 Q.02</u>) for projects in any category above that protect water quality in the Great Lakes, including projects that advance the goals of the regional Great Lakes toxic substances control agreement and the binational Great Lakes water quality agreement.

Requirements

Project Requirements

All projects must comply with <u>Article XI, Section 14 of the Minnesota Constitution</u>, <u>Minnesota Statute 116P</u>, and other requirements provided in the following summary document:

Environment and Natural Resources Trust Fund (ENRTF) Project Requirements

Professional, Technical, and Services Contracts

• State contracting and competitive bidding requirements apply.

Financial Capacity

To help us evaluate financial capacity, non-profit organizations and for-profit businesses with an annual income:

- over \$750,000 should submit their most recent certified financial audit
- between \$50,000 and \$750,000 must provide their most recent IRS Form 990.
- under \$50,000 or that have not been in existence long enough to have completed IRS Form 990 or an audit must submit their most recent board-reviewed financial statements

Work Plan and Progress Reports

Project managers of recommended projects must submit a work plan. Successfully funded projects must have an approved work plan and the project manager must submit annual or semiannual progress reports. Modifications to the approved work plan and budget expenditures must be made through the LCCMR amendment process.

Additional Requirements for Land Acquisitions, Easements, and Restorations

All fee title and conservation easement acquisition proposals must include funding for development and implementation of a management and restoration plan. If no funding is requested, your proposal must address why funding for this work is not needed to achieve a high quality restoration.

All acquisition and restoration applicants must read and understand the following summary documents:

- ENRTF Fee Title Acquisition Project Requirements
- ENRTF Conservation Easement Acquisition Project Requirements
- ENRTF Restoration Project Requirements

A map must be submitted with your proposal that shows the site specific location of your proposed fee title or conservation easement acquisition or restorations within the city, county, region, and/or state. The map must be legible as black and white and include a north arrow and scale.

A parcel list must be provided with your proposal that identifies proposed fee title and conservation easement acquisitions and restorations by parcel name, estimated cost, county, ecological significance, activity description, proposed number of acres, proposed shoreline or trail miles, type of landowner, and proposed title/easement holder (if applicable).

Funding May Be Available Through Other Programs

Projects eligible for established, topic-specific state agency grant programs - such as for renewable energy, sustainable agriculture, clean water implementation, regional and local parks and trails, and habitat acquisition and restoration - are encouraged to apply directly to the particular state agency grant program as funds may be available in a timelier manner.

Guidance on Allowable Expenses

Eligible Expenses

Eligible expenses are those expenses solely incurred through project activities that are directly related to and necessary for producing the project outcomes described in the proposal. All proposed expenses must be specified in the proposal submitted. Please note that for non-state entities all funds are awarded on a reimbursement basis, unless otherwise authorized, and all eligible expenses will need to be documented. Eligible expenses may include:

- a. Eligible expenditures incurred only after the effective date as approved by LCCMR.
- b. Wages and expenses of salaried Recipient employees if specified, documented, and approved. For State Agencies: use of unclassified staff only OR request approval for the use of classified staff accompanied by an explanation of how the agency will backfill that part of the classified staff salary proposed to be paid for with these funds. This is subject to specific discussion and approval by LCCMR.
- c. Fringe benefit expenses, such as FICA/Medicare, retirement, and health insurance of Recipient's employees, if specified.
- Professional and technical services specified in the approved Work Plan that are rendered by individuals or organizations not a part of the Recipient;
- e. Equipment, tools, materials, and supplies specific to the project and incoming freight charges for them.
- f. Capital expenditures for facilities, equipment, and other capital assets as expressly approved. For expenditures greater than \$5,000, the Recipient must provide an explanation as to how all the equipment purchased with the appropriation will continue to be used for the same program through its useful life, or, if the use changes, a commitment to pay back to the Environment and Natural Resources Trust Fund an amount equal to either the cash value received or a residual value approved by the director of the LCCMR if it is not sold.
- g. Publication and printing/copying expenses necessary for contract administration, work products production, and semi-annual reports relating to accomplishments.
- In-state transportation and travel expenses such as lodging, meals, and mileage of personnel directly involved in the Project in the same manner and in no greater amount than provided for in the current "<u>Commissioner's Plan</u>" promulgated by the Commissioner of Management of Budget and as provided by LCCMR or, for University of Minnesota projects, the <u>University of Minnesota plan</u>. Allowable meal and lodging expenses are for employees only. Purchasing meals or providing lodging for others is not an allowable expense.

Generally Ineligible Expenses— Unless Explicitly Approved

Generally ineligible expenses for reimbursement mean all expenses not defined as eligible expenses, but for which an explicit exception can be sought from LCCMR if the expenses can be clearly justified and individually documented as directly related to and necessary for a project. No broad allocations for costs in either dollars or percentages are allowed. In deciding whether to seek exception for these costs consider that cash and in-kind leverage are criteria considered in proposal evaluation. Generally ineligible expenses include but are not limited to:

- a. General operations, overhead, and other indirect expenses, including office maintenance, office utility expenses, and office materials and supplies.
- b. Office rental fees (including storage space rental).
- c. Communication expenses incurred for telephone calls, web access, postage, and similar services.
- d. Insurance, except title insurance.
- e. Attorney fees, except to acquire and clear title to land.
- f. Purchase of communication devices such as pagers, cell phones, or smart phones.
- g. Purchase of computers, tablets, or audiovisual equipment.
- h. Generally available food and refreshments, except if explicitly approved for certain types of events.
- i. Conference attendance and associated costs and fees, except if to participate in formal presentation of project findings.
- j. Out of state transportation and travel expenses.

Prohibited Expenses

Prohibited expenses for reimbursement mean all expenses indicated below, including but not limited to:

- a. Any expenses incurred before the project is authorized, before July 1, 2022, or before LCCMR work plan approval whichever is latest.
- b. Fundraising.
- c. Taxes, except sales tax on goods and services.
- d. Lobbyists or political contributions.
- e. Advertising and marketing expenses.
- f. Loans, grants, or subsidies to persons or entities for development.
- g. Bad debts, late payment fees, finance charges, or contingency funds.
- h. Interest or investment management fees.
- i. Directors or officers salary.
- j. Merit awards and bonuses.
- k. Memberships (including subscriptions and dues).
- I. Publications, periodicals, and subscriptions.
- m. Employee workplace parking.
- n. Entertainment, decorations, gifts, and prizes.

Environment and Natural Resources Trust Fund: MN Constitution and Statutory Expenditures

<u>Minnesota Constitution Art. XI, Sec.14</u> Environment and Natural Resources Trust Fund Established

A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]

M.S. 116P.08 Environment and Natural Resources Trust Fund Expenditures and

Exceptions

Subdivision 1. Expenditures. (a) Money in the trust fund may be spent ONLY for:

- (1) the reinvest in Minnesota program as provided in section 84.95, subd. 2;
- (2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;
- (3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;
- (4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;
- (5) capital projects for the preservation and protection of unique natural resources;
- (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;
- (7) administrative and investment expenses incurred by the state board of investment in investing deposits to the trust fund; and
- (8) administrative expenses subject to the limits in section 116P.09.

(b) In making recommendations for expenditures from the trust fund, the commission shall give priority to funding programs and projects under paragraph (a), clause (1) and (6). Any request for proposals issued by the commission shall clearly indicate these priorities.

Subdivision 2. Exceptions. Money from the trust fund may not be spent for:

- purposes of environmental compensation and liability under chapter 115B and response action under chapter 115C;
- (2) purposes of municipal water pollution control in municipalities with a population of 5,000 or more under the authority of chapters 115 and 116;
- (3) costs associated with the decommissioning of nuclear power plants;
- (4) hazardous waste disposal facilities;
- (5) solid waste disposal facilities; or
- (6) projects or purposes inconsistent with the strategic plan.

Evaluation Criteria

The following criteria, as applicable, will be considered in evaluating proposals:

- Funding Priorities: Responds to RFP funding priorities.
- Multiple Benefits: Delivers multiple benefits to Minnesota's environment and natural resources.
- Outcomes: Identifies clear objectives likely to result in measurable, demonstrated, and meaningful outcomes.
- Knowledge Base: Contributes to the knowledge base or disseminates information that will benefit other efforts.
- Extent of Impact: Results in broad, long-term impacts of statewide, regional, or local significance.
- Innovation: Employs or demonstrates innovative approaches to more effectively and efficiently solve specific environment and natural resources issues.
- Scientific/Technical Basis: Reflects current scientific and technical knowledge, standards, and best practices.
- **Urgency:** Addresses an issue for which immediate future action is urgent and critical to avoid undesirable consequences.
- **Capacity and Readiness:** Demonstrates capacity and readiness for efforts to be managed and completed in timely, accountable, and effective manner.
- Leverage: Leverages collaborative partnerships and additional efforts, resources, and non-state funds.

How To Apply

Proposals due by Thursday, May 26, 2022 at 4:30PM

- 1. Register for an account on the LCCMR Proposal and Grant Management System.
- 2. Login and click "Create a New Proposal."
- Follow the instructions for completing your proposal.
 If you would like to view blank sample proposals, you can find them on our <u>2023 Funding Process page</u>.
- 4. Upload your completed attachments as required:
 - A. Visual component or map (1 page limit)
 - B. Letter or resolution from your governing board authorizing submission of the proposal (non-profits, tribes, and local units of government only)
 - C. 990 tax information, certified audit, or board-reviewed financial statements as required
- 5. Review all information and attachments.
- 6. Click "Submit." (Note: state and federal agencies, colleges, and universities must have an authorized representative submit the proposal).
- 7. Save or print the confirmation email. Please check your junk mail folder if the confirmation email does not appear in your inbox. Contact LCCMR if you did not receive a confirmation email or if your proposal status does not appear as "Final Submitted" on your dashboard.
- 8. To follow along with the 2023 funding process, visit our <u>2023 Funding Process page</u>.

B. Request for Proposal (RFP)

2. RFP adopted November 16, 2023 for FY2025 (funding beginning July 1, 2024)

Legislative-Citizen Commission on Minnesota Resources 2024 ENRTF Request for Proposal



Minnesota's Environment and Natural Resources Trust Fund

Minnesota Constitution Art. XI, Sec.14: "The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources."

Summary

The Legislative-Citizen Commission on Minnesota Resources (LCCMR) welcomes proposals for projects of all sizes that address the priorities and requirements described within this Request for Proposal (RFP) and that aim to protect, conserve, preserve, and enhance Minnesota's air, water, land, fish, wildlife, and other natural resources. The LCCMR reviews applications and makes funding recommendations to the Minnesota Legislature from the Environment and Natural Resources Trust Fund (ENRTF). Approximately \$79 million is available from the Trust Fund through this RFP for projects beginning July 1, 2024. Most projects funded are two to three years in duration. Proposals must be submitted online at <u>Iccmrprojectmgmt.leg.mn</u> by March 31, 2023 at 4:30 PM.

Funding Available

Approximately \$79 million is available through this RFP for projects beginning July 1, 2024. The LCCMR makes recommendations to the Minnesota Legislature for funding from the Environment and Natural Resources Trust Fund. Recommended projects must be approved by the 2024 Legislature through an appropriation, signed into law by the Governor, and have a work plan approved by the LCCMR before funds can be spent. For non-state entities, payment is made by reimbursement for expenses incurred, and fiscal oversight is provided through a grant agreement with the Minnesota Department of Natural Resources. Most projects are two to three years long, however more or less time can be requested.

Amount of Request

There is no minimum or maximum request amount. All proposals should strive to maximize efficiency and return on investment for the proposed expenditures.

Applicant Eligibility

The RFP is open to all who want to apply and who have demonstrated fiscal capacity. Applicants must be available to make a formal presentation to LCCMR if selected and to be available for staff or commission member questions.

Online Proposal System

All proposals must be submitted through the LCCMR's <u>online proposal submission system</u>. Early account registrations and proposal submissions are strongly encouraged.

Deadline for Submission

Final proposals must be submitted online by March 31, 2023 at 4:30 PM.

Information from this document may be copied and distributed to others. This publication can be made available in alternate formats, such as large print or audio format, upon request.

Legislative-Citizen Commission on Minnesota Resources Room 65, State Office Building 100 Rev. Dr. Martin Luther King Jr. Blvd. St. Paul, MN 55155 Phone: 651-296-2406 Email: <u>lccmr@lccmr.mn.gov</u> Website: <u>www.lccmr.mn.gov</u>

Proposal and Appropriation Timeline

LCCMR Members as of 12/31/22	Up-to-date information on deadlines and meetings can be found on the <u>calendar page</u> of our website.	
Co-Chairs Sen. Bill Ingebrigtsen	January 17, 2023	Funding priorities determined and 2024 RFP adopted.
Rep. Rick Hansen Nancy Gibson	January 18, 2023	2024 RFP issued.
Co-Vice Chairs Sen. Kari Dziedzic Rep. Tama Theis William Faber	March 31, 2023	Final submission deadline for proposals responding to 2024 RFP.
	Early May 2023	All submitted proposals distributed to LCCMR members for review, evaluation, and ranking.
Rep. Patty Acomb Rita Albrecht Sen. Gary Dahms Sen. Foung Hawj	June 8, 2023	A subset of high-ranking proposals selected for further consideration and invited to give presentations before the LCCMR.
Shona Langseth Rep. Dale Lueck Seth Moore	June 22-23, 2023 June 27-30, 2023	Selected proposals present before the LCCMR.
Rep. Kelly Morrison Jeremy Peichel Michael Reese Sen. Torrey Westrom	July 20, 2023	Subset of proposals selected for recommendation to the Legislature for funding.
	August-November	Projects recommended for funding begin submitting work plans for LCCMR staff review, and research projects recommended for funding undergo peer review.
LCCMR Staff Becca Nash, Director	December 7, 2023	Funding recommendations are adopted by the LCCMR in legislative bill format, as they will be presented to the Legislature.
Michael Varien, Senior Project Analyst	January - May 2024	LCCMR recommendations presented to the Legislature for consideration via introduction as an appropriations bill.
Corrie Layfield, Senior		Bill is considered and acted upon by the Minnesota House and Senate.
Project Analyst		Upon passage, the bill goes before the governor to be signed into law.
Mike Campana, Senior Project Analyst	June 2024	LCCMR approves work plans for projects funded.
Noah Fribley, Project Analyst and Communications Specialist	July 2024	Minnesota DNR sends grant agreements to non-state agencies receiving ENRTF funds.
Diana Griffith, Commission Assistant	July 1, 2024	Money from the Environment and Natural Resources Trust Fund becomes available for expenditure, and projects with an approved work plan may begin.
	-	izen Commission on Minnesota Resources (LCCMR) is made up of Senators, five Representatives, five citizens appointed by the

governor, one citizen appointed by the Senate, and one citizen appointed by the

House. The function of the LCCMR is to make funding recommendations to the

Environment and Natural Resources Trust Fund.

Legislature for special environment and natural resource projects, primarily from the

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6



2024 Funding Priorities

All proposals must meet the constitutional aim to protect, conserve, preserve, and enhance Minnesota's air, water, land, fish, wildlife, and other natural resources, especially those that may be substantially impaired or destroyed in any area of the state.

Proposals that address prevention strategies for protecting natural resources, that include citizen and community involvement in scientific efforts, or that implement or identify clear strategies for implementing research results are strongly encouraged.

Proposals should also address one or more of the priorities described in the categories below; however, proposals pertaining to new or emerging environmental or natural resource issues not directly addressed below may also be eligible for consideration. Priorities are listed by category and not in order of importance.

A. Foundational Natural Resource Data and Information

- 1. Data acquisition, information management, research, or analysis to develop foundational natural resource, wildlife, pollinator, or plant data and information.
- Coordination, facilitation, or training pertaining to statewide sharing, distribution, or innovative application of natural resource data (e.g., maps, inventories, and surveys) and information tools (e.g., Geographic Information Systems (GIS), Light Detection and Ranging (LiDAR), and other remote sensing techniques).
- 3. Quantification and analysis pertaining to the economic value of services provided by natural resources and conservation, including analysis that quantifies public savings and costs of water or air pollution prevention.

B. Water Resources

- 1. Research, monitoring, or evaluation to increase protection, conservation, and sustainability of the quality, quantity, or function of water resources. This includes, but is not limited to, efforts pertaining to:
 - I. Ground and surface water interaction, including stream flow and groundwater flow;
 - II. Aquifer recharge;
 - III. Wetland, river, and lake ecosystems, including Lake Superior;
 - IV. Mitigation of impacts resulting from artificial hydrological modifications in both urban and agricultural areas;
 - V. Effects of climate change on water resources;
 - VI. Drinking water.
- 2. Research, evaluation, technology development, or engineering design pertaining to regulated, unregulated, or emerging water contaminants, including sources, fates, movements, or effects of these contaminants within ground or surface waters or across ecological communities. Contaminants of interest include, but are not limited to, nitrates, phosphates, estrogenic compounds, pharmaceuticals, personal care products, chlorides, PAHs (polycyclic aromatic hydrocarbons), and pesticides. Efforts pertaining to the following are of particular interest:
 - I. Understanding the impacts of contaminants on the health of humans or terrestrial or aquatic species;
 - II. Preventing or reducing levels of contaminants in ground and surface waters;
 - III. Advancing development or implementation of standards for contaminants.

2024 Funding Priorities (Continued)

C. Environmental Education

Proposals must address education, information dissemination, and training efforts that will increase the knowledge and skills of students or the public to cultivate a sustainable lifestyle, improve and maintain water quality, reduce and monitor energy and water consumption, or restore and maintain a healthy and biodiverse natural environment. Funding for capital projects (e.g., buildings or building infrastructure) will not be considered in this category. Of particular interest are projects that address one or more of the following:

- 1. Efforts that involve broad-based partnerships, engage diverse and changing demographics, provide outdoor experiences, or are committed to building a long-lasting and action-based conservation ethic in a community.
- 2. Efforts that deliver and implement existing curriculum, especially integration of environmental education into school curriculum. Proposals to develop new curriculum will not be considered.

D. Aquatic and Terrestrial Invasive Species

"Invasive species" includes any plants, animals, worms, insects, microbes, and diseases that are non-native, introduced species in the state and that are currently having, or pose a threat to have, significant adverse impacts on Minnesota's native ecosystems and biodiversity. All research proposals related to invasive species research must consider the research priorities established by the University of Minnesota's (UMN) Minnesota Invasive Terrestrial Plants and Pests Center or Minnesota Aquatic Invasive Species Center. All UMN proposals and others should apply to the Centers when applicable. The Centers will keep the LCCMR updated on the status of proposals received. Projects must propose to do one or more of the following:

- 1. Prevent introduction or provide early detection of new invasive species.
- 2. Reduce the spread of invasive species with best management practices along streams, rivers, land transportation routes, and other vectors.
- 3. Develop or demonstrate alternative control techniques—particularly involving biocontrol, integrated pest management, or minimization of non-target effects including pollinators—for containing or suppressing invasive species already present in Minnesota. Standard control, removal, and maintenance activities of invasive species will not be considered.
- 4. Restore lands with native vegetation as practicable following implementation of invasive species control techniques on disturbed lands where a native seed bank no longer exists.
- 5. Inform and educate landowners about all invasive species threats to their land and offer actions they can take in response.

E. Air Quality, Climate Change, and Renewable Energy

Funding for capital projects (e.g., buildings or building infrastructure) will not be considered in this category.

- 1. Innovative approaches to air quality improvement that reduce impacts on human health, the environment, or natural resources, such as by preventing, reducing, or mitigating airborne contaminants including PAHs (polycyclic aromatic hydrocarbons).
- 2. Acquisition of data at a scale appropriate to assess natural resource changes attributable to climate change.
- 3. Research to help understand how to mitigate, adapt, or make Minnesota's ecosystems more resilient to climate change impacts, including drought and extreme weather events.
- 4. Implementation of innovative efforts aimed at mitigating, adapting, or making Minnesota's ecosystems more resilient to climate change impacts, including drought and extreme weather events.
- 5. Reduction of greenhouse gas emissions through new and innovative approaches to waste reduction or energy efficiency. Standard, required, and ongoing efforts will not be considered.

2024 Funding Priorities (Continued)

F. Methods to Protect or Restore Land, Water, and Habitat

Please review "Additional Requirements for Land Acquisition, Easements, and Restoration Projects." (see page 6)

- 1. Innovative protection or restoration of lands with high-quality natural resources, ecological value, water protection value, or habitat, particularly for pollinators.
- 2. Long term preservation of native forest, wetland, or prairie plant genetics and viability.
- 3. Technical assistance for stewardship of prairies, forests, wetlands, or other habitat, or technical assistance for agricultural land management in order to protect water quality and aquatic habitat or to improve pollinator habitat.
- 4. Planning and implementation of community-based efforts to permanently conserve natural resources and reduce habitat fragmentation impacts on natural resources, including the impacts of transportation and other infrastructure.

G. Land Acquisition, Habitat, and Recreation

Please review "Additional Requirements for Land Acquisition, Easements, and Restoration Projects." (see page 6)

- 1. The Reinvest in Minnesota program as provided in M.S. section 84.95, subdivision 2.
- 2. Acquisition or development of strategic lands with high quality natural resources, ecological value, recreational value, water protection value, or habitat, particularly for pollinators.
- 3. Acquisition or development of lands that have the greatest capacity to contribute multiple conservation benefits to wildlife, humans, and ground and surface water quality.
- 4. Efforts based on precision conservation methods and analysis that quantifiably identify the lands most critical to acquire. Precision conservation is a practice that considers lands in terms of the interconnected systems of which they are a part. As a practice, precision conservation compiles and integrates multiple types of available data layers and analysis (e.g., terrain analysis, soil productivity, habitat potential, economic analysis, erosion potential, proximity to surface water) to identify and guide efforts that will maximize conservation benefits.
- 5. Efforts involving Scientific and Natural Areas (SNA) or other areas that aim to protect unique ecosystems, such as native prairie as defined in M.S. 84.02, Subd. 5, or rare, endangered, or threatened species. Areas of these types that may not presently qualify as a priority for other State of Minnesota funds directed toward land acquisition for habitat or recreation are of particular interest.
- 6. Efforts that enhance habitat connectivity, benefit ground or surface water quality, improve access for natural resource management, or increase public access for recreation, particularly in areas of the state with limited protected public lands.
- 7. Efforts expanding outdoor recreational opportunities through additions and connections to state, regional, or local parks and trails.

H. Small Projects

The LCCMR encourages proposals under \$200,000, especially from local government units and non-profits, to quickly and efficiently provide environment and natural resource benefits in Minnesota. Proposals should address one or more of the priorities listed in the above categories A through G.

Requirements

Project Requirements

All projects must comply with <u>Article XI, Section 14 of the Minnesota Constitution</u>, <u>Minnesota Statute 116P</u>, and other requirements provided in the following summary document:

Environment and Natural Resources Trust Fund (ENRTF) Project Requirements

Work Plan and Progress Reports

Project managers of recommended projects must submit a work plan. Successfully funded projects must have an approved work plan, and no funds may be spent until the work plan has been approved. The project manager must submit annual or semiannual progress reports, and modifications to the approved work plan and budget expenditures must be made through the LCCMR amendment process.

Professional, Technical, and Services Contracts

• State contracting and competitive bidding requirements apply, including but not limited to, prevailing wage and targeted group purchasing requirements.

Financial Capacity

To help us evaluate financial capacity, non-profit organizations and for-profit businesses with an annual income:

- over \$750,000 should submit their most recent certified financial audit.
- between \$50,000 and \$750,000 must provide their most recent IRS Form 990.
- under \$50,000 or that have not been in existence long enough to have completed IRS Form 990 or an audit must submit their most recent board-reviewed financial statements.

Additional Requirements for Land Acquisitions, Easements, and Restorations

All fee title and conservation easement acquisition proposals must include funding for development and implementation of a management and restoration plan. If no funding is requested, your proposal must address why funding for this work is not needed to achieve a high quality restoration.

All acquisition and restoration applicants must read and understand the following summary documents:

- ENRTF Fee Title Acquisition Project Requirements
- ENRTF Conservation Easement Acquisition Project Requirements
- ENRTF <u>Restoration Project Requirements</u>

NEW - For land acquisitions associated with a future capital construction project, please also review the section on "Additional Requirements for Capital Construction Projects".

A map must be submitted with your proposal that shows the site specific location of your proposed fee title or conservation easement acquisition or restorations within the city, county, region, and/or state. The map must be legible as black and white and include a north arrow and scale.

A parcel list must be provided with your proposal that identifies proposed fee title and conservation easement acquisitions and restorations by parcel name, estimated cost, county, ecological significance, activity description, proposed number of acres, proposed shoreline or trail miles, type of landowner, and proposed title/easement holder (if applicable).

NEW - Additional Requirements for Capital Construction Projects

All applicants requesting funds to design or construct long lived (10 years or more) fixed assets (building or other constructed improvement to land) costing \$10,000 or more, or to acquire land for such a project, must read and understand the following summary document:

ENRTF Capital Construction Project Requirements

Applicants should also familiarize themselves with state requirements for the recycling of nonhazardous construction and demolition waste under <u>Minnesota Statute 16B.327</u> and the <u>sustainable building guidelines</u>.

Evaluation Criteria

The following criteria, as applicable, will be considered in evaluating proposals:

- Funding Priorities: Responds to RFP funding priorities.
- Multiple Benefits: Delivers multiple benefits to Minnesota's environment and natural resources.
- Outcomes: Identifies clear objectives likely to result in measurable, demonstrated, and meaningful outcomes.
- Knowledge Base: Contributes to the knowledge base or disseminates information that will benefit other efforts.
- Extent of Impact: Results in broad, long-term impacts of statewide, regional, or local significance.
- Innovation: Employs or demonstrates innovative approaches to more effectively and efficiently solve specific environment and natural resources issues.
- Scientific/Technical Basis: Reflects current scientific and technical knowledge, standards, and best practices.
- **Urgency:** Addresses an issue for which immediate future action is urgent and critical to avoid undesirable consequences.
- **Capacity and Readiness:** Demonstrates capacity and readiness for efforts to be managed and completed in timely, accountable, and effective manner.
- Leverage: Leverages collaborative partnerships and additional efforts, resources, and non-state funds.

Funding May Be Available Through Other Programs

Projects eligible for established, topic-specific state agency grant programs—such as for renewable energy, sustainable agriculture, clean water implementation, regional and local parks and trails, and habitat acquisition and restoration—are encouraged to apply directly to the particular state agency grant program as funds may be available in a timelier manner.

Guidance on Allowable Expenses

Eligible Expenses

Eligible expenses are those expenses solely incurred through project activities that are directly related to and necessary for producing the project outcomes described in the proposal. All proposed expenses must be specified in the proposal submitted. Please note that for non-state entities all funds are awarded on a reimbursement basis, unless otherwise authorized, and all eligible expenses will need to be documented. Eligible expenses may include:

- a. Eligible expenditures incurred only after the effective date as approved by LCCMR.
- b. Wages and expenses of salaried Recipient employees if specified, documented, and approved. For State Agencies: use of unclassified staff only OR request approval for the use of classified staff accompanied by an explanation of how the agency will backfill that part of the classified staff salary proposed to be paid for with these funds. This is subject to specific discussion and approval by LCCMR.
- Fringe benefit expenses, such as FICA/Medicare, retirement, and health insurance of Recipient's employees, if specified.
- d. Professional and technical services specified in the approved Work Plan that are rendered by individuals or organizations not a part of the Recipient;
- e. Equipment, tools, materials, and supplies specific to the project and incoming freight charges for them.
- f. Capital expenditures for facilities, equipment, and other capital assets as expressly approved. For expenditures greater than \$5,000, the Recipient must provide an explanation as to how all the equipment purchased with the appropriation will continue to be used for the same program through its useful life, or, if the use changes, a commitment to pay back to the Environment and Natural Resources Trust Fund an amount equal to either the cash value received or a residual value approved by the director of the LCCMR if it is not sold.
- g. Publication and printing/copying expenses necessary for contract administration, work products production, and semi-annual reports relating to accomplishments.
- In-state transportation and travel expenses such as lodging, meals, and mileage of personnel directly involved in the Project in the same manner and in no greater amount than provided for in the current "Commissioner's Plan" promulgated by the Commissioner of Management of Budget and as provided by LCCMR or, for University of Minnesota projects, the University of Minnesota plan. Allowable meal and lodging expenses are for employees only. Purchasing meals or providing lodging for others is not an allowable expense.

Generally Ineligible Expenses— Unless Explicitly Approved

Generally ineligible expenses for reimbursement mean all expenses not defined as eligible expenses, but for which an explicit exception can be sought from LCCMR if the expenses can be clearly justified and individually documented as directly related to and necessary for a project. No broad allocations for costs in either dollars or percentages are allowed. In deciding whether to seek exception for these costs consider that cash and in-kind leverage are criteria considered in proposal evaluation. Generally ineligible expenses include but are not limited to:

- a. General operations, overhead, and other indirect expenses, including office maintenance, office utility expenses, and office materials and supplies.
- b. Office rental fees (including storage space rental).
- c. Communication expenses incurred for telephone calls, web access, postage, and similar services.
- d. Insurance, except title insurance.
- e. Attorney fees, except to acquire and clear title to land.
- f. Purchase of communication devices such as pagers, cell phones, or smart phones.
- g. Purchase of computers, tablets, or audiovisual equipment.
- h. Generally available food and refreshments, except if explicitly approved for certain types of events.
- i. Conference attendance and associated costs and fees, except if to participate in formal presentation of project findings.
- j. Out of state transportation and travel expenses.

Prohibited Expenses

Prohibited expenses for reimbursement mean all expenses indicated below, including but not limited to:

- a. Any expenses incurred before the project is authorized, before July 1, 2024, or before LCCMR work plan approval whichever is latest.
- b. Fundraising.
- c. Taxes, except sales tax on goods and services.
- d. Lobbyists or political contributions.
- e. Advertising and marketing expenses.
- f. Loans, grants, or subsidies to persons or entities for development.
- g. Bad debts, late payment fees, finance charges, or contingency funds.
- h. Interest or investment management fees.
- i. Directors or officers salary.
- j. Merit awards and bonuses.
- k. Memberships (including subscriptions and dues).
- I. Publications, periodicals, and subscriptions.
- m. Employee workplace parking.
- n. Entertainment, decorations, gifts, and prizes.

Environment and Natural Resources Trust Fund: MN Constitution and Statutory Expenditures

Minnesota Constitution Art. XI, Sec. 14 Environment and Natural Resources Trust Fund Established

A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]

M.S. 116P.08 Environment and Natural Resources Trust Fund Expenditures and

Exceptions

Subdivision 1. Expenditures. (a) Money in the trust fund may be spent ONLY for:

- (1) the reinvest in Minnesota program as provided in section 84.95, subd. 2;
- (2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;
- (3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;
- (4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;
- (5) capital projects for the preservation and protection of unique natural resources;
- (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;
- (7) administrative and investment expenses incurred by the state board of investment in investing deposits to the trust fund; and
- (8) administrative expenses subject to the limits in section 116P.09.

(b) In making recommendations for expenditures from the trust fund, the commission shall give priority to funding programs and projects under paragraph (a), clause (1) and (6). Any request for proposals issued by the commission shall clearly indicate these priorities.

Subdivision 2. Exceptions. Money from the trust fund may not be spent for:

- purposes of environmental compensation and liability under chapter 115B and response action under chapter 115C;
- (2) purposes of municipal water pollution control in municipalities with a population of 5,000 or more under the authority of chapters 115 and 116;
- (3) costs associated with the decommissioning of nuclear power plants;
- (4) hazardous waste disposal facilities;
- (5) solid waste disposal facilities;
- (6) projects or purposes inconsistent with the strategic plan; or
- (7) acquiring property by eminent domain, unless the owner requests that the owner's property be acquired by eminent domain.

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How To Apply

Proposals due by March 31, 2023 at 4:30PM
Register for an account on the LCCMR Proposal and Grant Management System.
Login and click "Create a New Proposal".
Follow the instructions for completing your proposal. If you would like to view blank sample proposals, you can find them on our <u>2024 Proposal & Funding</u> <u>Process page</u> .
Upload your completed attachments as required:
Visual component or map (1 page limit)
Resolution from your governing board or letter authorizing submission of the proposal (all non-state entities, including non-profits, tribes, local units of government, and NEW-federal agencies, and NEW-all University of Minnesota entities). Please use the following <u>templates</u> . The templates may also be found on the <u>2024 Proposal & Funding Process page</u> .
990 tax information, certified audit, or board-reviewed financial statements as required
NEW - If you will have a fiscal agent, a letter or resolution from your fiscal agent acknowledging acceptance of the fiscal agent role for your project. Please use the following <u>templates</u> . The templates may also be found on the <u>2024 Proposal & Funding Process page</u> .

- 5. Review all information and attachments.
- 6. Click "Submit".
- 7. Save or print the confirmation email. Please check your junk mail folder if the confirmation email does not appear in your inbox. Contact LCCMR if you do not receive a confirmation email or if your proposal status does not appear as "Final Submitted" on your dashboard.
- 8. To follow along with the 2024 funding process, visit our <u>2024 Proposal & Funding Process page</u>.