

PRESIDENT PAUL KRABBENHOFT Moorhead, MN (701) 799-0369 paul.krabbenhoft@maswcd.org

VICE PRESIDENT & WC AREA 2 DIRECTOR CHARLES RAU Rice, MN (320) 493-9503 chuck.rau@maswcd.org

SECRETARY/TREASURER & SW AREA 5 DIRECTOR CLARK LINGBEEK Comfrey, MN (507) 920-9884 clark.lingbeek@maswcd.org

NW AREA 1 DIRECTOR RANDY SCHELLACK Glyndon, MN (701) 238-8121 randy.schellack@maswcd.org

NE AREA 3 DIRECTOR RUSSELL KURHAJETZ Esko, MN (218) 391-2031 russell.kurhajetz@maswcd.org

METRO AREA 4 DIRECTOR DOUG SCHOENECKER New Prague, MN (952) 758-3435 doug.schoenecker@maswcd.org

SW AREA 5 DIRECTOR CLARK LINGBEEK Comfrey, MN (507) 920-9884 clark.lingbeek@maswcd.org

SC AREA 6 DIRECTOR MARK SCHNOBRICH Hutchinson, MN (320) 587-3760 mark.schnobrich@maswcd.org

SE AREA 7 DIRECTOR RANDY SMITH Adams, MN (507) 438-4570

randy.smith@maswcd.org NC AREA 8 DIRECTOR KEN LAPORTE Pillager, MN (218) 746-3927 ken.laporte@maswcd.org

IMMEDIATE PAST PRESIDENT ROLAND CLEVELAND North Branch, MN (612) 978-3989 roland.cleveland@maswcd.org

STAFF

Executive Director LEANN BUCK

Assistant Director SHEILA VANNEY

Office Manager STEFANIE MARTINEZ

Minnesota Association of Soil and Water Conservation Districts

255 Kellogg Boulevard East, Suite 101, St. Paul, MN 55101 | 651-690-9028 | www.maswcd.org

April 9, 2021

The Honorable Representative Rena Moran Chair, House Ways and Means Committee

Re: HF 1079 (Lillie) - Clean water, parks and trails, and arts and cultural heritage funds

Dear Chair Moran and Ways and Means Committee Members,

I appreciate the opportunity to provide input and express our concerns on the clean water fund appropriations and policy in for House File 1079.

To start, though, I want to underscore a fundamental aspect of water quality work:

- State-level initiatives do not automatically trigger changes on the local landscape.
- The desired changes come about in large part through the efforts of SWCDs at the local level: resource professionals working one on one with private landowners to build trust, offer resource solutions, and ultimately work with them on the design and implementation of prioritized and targeted water quality solutions that have measurable results.

The Clean Water Fund appropriation language and amounts for grants to SWCDs on lines 58.27 through 59.25 are far too limiting and would have serious adverse impacts on SWCDs' conservation delivery system.

- ⇒ While the \$12 million in the first year is appreciated, the focus on directing the funding to SWCDs with pesticide and nitrate contaminated waters and drinking water supply management areas, would mean that SWCDs where other water quality issues are priorities would be left out of the funding mix. The SWCD Capacity Grants program that has been in place the last six years has been in recognition that there are water quality and soil health issues across the entire State, and that the State benefits from the SWCDs' work in addressing those issues.
- ⇒ Further, with no grants to SWCDs in the second year, but instead three separate appropriations specifically for soil health, SWCDs statewide could be left without this critical state funding that has bolstered our capacity. This would be a massive blow the boots on the ground charged with working with landowners on water quality solutions.

Over the past several years, we have advocated for SWCD Capacity Funding from the State to be an ongoing, general fund appropriation. But while it is not our preferred option, Clean Water Funds ARE an appropriate funding source for the work of SWCDs. We appreciate that Governor Walz saw fit to include SWCD Capacity Funding in the Clean Water Fund in his

MASWCD represents the state's 88 soil and water conservation districts, including their 440 elected supervisors and their more than 460 employees. Soil and Water Conservation Districts are political subdivisions of the State established under Minnesota Statute Chapter 103C. Each SWCD is governed by a board of elected supervisors. And SWCD law is implemented across 100% of the state.

supplemental budget proposal, though we hope as budget discussions continue, that the funding level recommended by the Governor can be increased.

State investments into the SWCD system have resulted in enhanced SWCD staffing, training and credentialing, conservation equipment, and direct landowner assistance, **all of which are absolutely necessary for increasing our pace of progress in implementing the programs and priorities of the Clean Water Fund and ultimately improving water quality.** SWCDs have used Capacity Funding *ONLY* in ways that provide additionality and augment what other funding sources have afforded us to do, and *ONLY* on projects, programs, and priorities that align with the objectives of the Clean Water Fund. SWCDs identify, track, and report to the Board of Water and Soil Resources the use of their Capacity Funds in four main resource categories:

- reducing and mitigating soil erosion,
- managing riparian zones,
- storage and treatment of water on the landscape, and
- efforts to reduce excess nutrients.

Our SWCD Capacity Grants have leveraged additional **county appropriations** to SWCDs at the local level, and our enhanced SWCD staffing has bolstered our readiness in **leveraging federal funding** into the state. We are not aware of any county that has decreased their contribution to their SWCD because of the state providing these resources.

I encourage you to take a look at the MASWCD capacity booklet (pdf) that we're providing to committee members, outlining examples of how SWCDs have used these critical state funds.

With regard to the deed tax provisions that are moving separately in HF 1076, while we appreciate the discussion around additional funding from **local** sources, such a local funding mechanism would not solve the issues around a stable, ongoing, **State** obligation to funding SWCDs. In many SWCDs, the funding produced from such a revenue source would be an amount that could perhaps be used to assist with one-time project costs, but could not be relied upon or sufficient for ongoing budget needs such as retaining qualified resource professionals. At a minimum, any new LOCAL option for funding our statewide SWCD conservation delivery system should not be looked to as a way for the STATE to back away from its funding obligations.

In closing, again, I appreciate the opportunity to offer input on this bill today, and SWCDs look forward to being part of discussions going forward. Thank you.

Sincerely,

Daul A. Krahhuhft

Paul Krabbenhoft President Minnesota Association of Soil and Water Conservation Districts