

MINNESOTA ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

I. Overview

In an effort to sustain Minnesota's natural resources, voters approved a Constitutional amendment in 1988 to establish the Minnesota Environment and Natural Resources Trust Fund (Trust). The Trust is funded by state lottery revenues and supports projects, including land acquisition, that have "the purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources."¹ The Legislative Commission on Minnesota Resources (LCMR) administers the program and conducts a review and evaluation of proposals to recommend projects for funding. As of 2005, state officials were unsure as to how the Minnesota wildlife action plan (formerly known as the Comprehensive Wildlife Conservation Strategy) would affect project selection.

II. The Minnesota Environment and Natural Resources Trust Fund

The Environment and Natural Resources Trust Fund supports multiple activities that contribute to natural resource protection, including research, data collection and analysis, education and outreach, as well as "capital projects for the preservation and protection of unique natural resources" and "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."²

The Trust's administering body, the LCMR, consists of 20 members, including the chairs of the state's House and Senate Committees on Environment and Natural Resources (or appointed designees), the chairs of the House and Senate Committees on Environment and Natural Resources Finance (or appointed designees), the chairs of the House Ways and Means and Senate Finance Committees (or appointed designees), and fourteen additional appointed members from the state Senate and House (seven each).³ The LCMR creates a plan for expenditures from the Trust based on recommendations by the Advisory Committee,⁴ an eleven-member committee appointed by the Governor to advise the LCMR on project proposals to receive funding.⁵ The LCMR then makes a recommendation to the full state legislature, which in turn must pass a bill allocating funds, just as with all state appropriations. Once passed, the bill may be signed or vetoed by the Governor.⁶

¹ MINN. CONST. ART. XI, § 14.

² MINN. STAT. § 116P.08.

³ MINN. STAT. § 116P.05, subdiv. 1(a).

⁴ MINN. STAT. § 116P.05, subdiv. 2.

⁵ The Advisory Committee includes at least one member from each congressional district, and three additional at-large members. MINN. STAT. § 116P.06.

⁶ State of Minnesota. *Minnesota State Lottery Trust Fund Environment & Natural Resources Trust Fund Q & A*, at <http://www.lottery.state.mn.us/etf/faq.html> (last visited Sept 22, 2005).

Program Funding

The Trust is funded by revenue from the state lottery—a minimum of 40 percent of proceeds from the state lottery must be contributed to the fund until 2025.⁷ The Trust may also receive gifts and donations.⁸ Since 1990, the Trust has expended \$174 million to preserve and protect the state’s natural resources, including \$69,011,000 for fish and wildlife habitat and critical lands projects.⁹ Recipients of Trust funding include state agencies, local governments, colleges and universities, school districts, and non-profit organizations.¹⁰

Land Protection and Project Selection

Trust-funded acquisition projects typically use fee title or conservation easements to protect land. Approximately 35,188 acres of lands have been protected through fee title acquisition or easements under Trust funding since program inception.¹¹

As established in the Minnesota Constitution, funds from the Trust are appropriated each year of a biennium. Throughout the summer and fall of odd-numbered years, LCMR staff conduct site visits to potential public and private sector natural resources projects and solicit input from citizens through a web-based system in order to assess the status of the state’s natural resources.¹² LCMR staff also consult widely with professionals from a variety of agencies and organizations such as the Minnesota Department of Natural Resources, Minnesota Pollution Control Agency, University of Minnesota, Trust for Public Land, Audubon Society, and various sporting organizations.¹³ In the winter of the odd-numbered years, the LCMR adopts a strategic plan that includes funding priorities and issues a Request for Proposals.¹⁴ In the spring of even-numbered years, the LCMR accepts proposals and the Advisory Committee reviews and evaluates proposals in the early summer.¹⁵

The following evaluation criteria (50 points total) are used to determine recommendations: Long-term impact of the project (maximum of 10 points); Demonstrated outcomes of the project (maximum of 10 points); Project readiness (maximum of 7.5 points); Innovativeness of the project (maximum of 7.5 points); Statewide/Regional significance of the project (maximum of 5 points); Partnerships involved in the project (maximum of 5 points); Leverage of other funds and resources (maximum of 5 points). Funding priorities identified by LCMR for the 2005 funding cycle included, among others, to “acquire, restore or protect fish, wildlife and native plant habitat.”¹⁶

⁷ MINN. CONST. ART. XI, § 14.

⁸ MINN. STAT. § 116P.04, subdiv. 4.

⁹ Telephone Interview with John Velin, Director, Legislative Commission on Minnesota Resources (Mar. 15, 2005).

¹⁰ Legislative Commission on Minnesota Resources, *LCMR Frequently Asked Questions*, at <http://www.commissions.leg.state.mn.us/lcmr/faq.htm> (last updated Sept. 12, 2005).

¹¹ This number includes all lands protected for agricultural and natural resource conservation, environmental education, fish and wildlife habitat, recreation and historic preservation. Specific projects are described on the LCMR website at: <http://www.commissions.leg.state.mn.us/lcmr/>.

¹² Legislative Commission on Minnesota Resources, *What is the LCMR? (Fall 2004)*, available at <http://www.commissions.leg.state.mn.us/lcmr/pdf/PRpieceforweb.pdf>.

¹³ Velin, *supra* note 9.

¹⁴ MINN. STAT. § 116P.08, subdiv. 3. See also: Legislative Commission on Minnesota Resources, *supra* note 12.

¹⁵ Legislative Commission on Minnesota Resources, *supra* note 12.

¹⁶ Legislative Commission on Minnesota Resources, *Requests For Proposals (Dec. 2003)*, available at <http://www.commissions.leg.state.mn.us/lcmr/pdf/2003%20RFP.pdf> (last visited Sept. 22, 2005).

A select number of proposal managers are invited to present their proposals before the LCMR and the Advisory Committee. Projects that are recommended for funding are reviewed by the Minnesota Legislature in the odd-numbered legislative session.¹⁷ Approved projects may then begin work on July 1 of the odd-numbered years.

Protection in Perpetuity

Establishing statutes specify that lands acquired with funds from the Trust must be protected permanently. Furthermore, grant recipients may not “alter the intended use” of acquired properties without prior review and approval by the LCMR and replacement of interests.¹⁸ To date, LCMR has never approved any such alteration.¹⁹ Properties that are not maintained according to their intended use must be remitted to the state.²⁰

The Trust does not specifically provide funds for routine or long-term operational management of lands acquired with Trust funds. However, stewardship activities are eligible to receive independently granted funds.

III. State Wildlife Action Plan

As of 2005, LCMR staff were unsure as to how the Minnesota wildlife action plan (formerly known as the Comprehensive Wildlife Conservation Strategy) would affect project selection. However, because LCMR favors links between agencies in its funding recommendations, proposals that include connections to the plan are likely to receive added consideration.²¹

IV. Summary

The Environment and Natural Resources Trust Fund supports projects, including land acquisition, that protect, conserve, preserve, and enhance “the state’s air, water, land, fish, wildlife, and other natural resources.”²² Minnesota law also specifies that the Trust’s administering body, the LCMR, create a strategic plan to guide the use of funds. The LCMR creates a new plan every two years. Funding priorities for 2005 included the acquisition, restoration, and protection of “fish, wildlife and native plant habitat.”²³ As of 2005, state officials were unsure as to how the Minnesota wildlife action plan would affect project selection, but did anticipate that funding proposals referencing the plan would receive additional consideration.

¹⁷ *Id.*

¹⁸ MINN. STAT. § 116P.15, subdiv. 2.

¹⁹ Velin, *supra* note 9.

²⁰ MINN. STAT. § 116P.15, subdiv. 2.

²¹ Velin, *supra* note 9.

²² MINN. CONST. ART. XI, § 14.

²³ Legislative Commission on Minnesota Resources, *supra* note 16.