

May 13, 2022

Re: Permanent Solution to Local Government Road Wetland Replacement Program Funding

Dear Legislative Leaders:

County governments and our partnering contractor, clean water, conservation, sportsmen, transportation, and environmental organizations are unified in seeking an overdue solution to the annual end-of-session scramble to fund the statutorily required (M.S. 103G.222) Local Government Road Wetland Replacement Program (LGRWRP) this year.

To achieve this, we recommend putting LGRWRP funding under the purview of the House and Senate Environment Finance committee budgets beginning in FY23, and to fund them going forward as follows:

Beginning in FY23, appropriate \$6.5 million in general fund revenue to BWSR’s base funding, with an additional \$14 million in one-time FY22 General Fund or Capitol Investment revenue. This strategy would meet the Governor’s LGRWRP recommendation and begin to put this ongoing program on a path to predictability so that local road projects can avoid regulatory delays and costs.

Background: The LGRWRP was created in law in 1996 to ensure a reliable, ecologically appropriate ‘bank’ of wetland credits is available to provide wetland replacement required under the State Wetland Conservation Act. As part of the project development and permitting, local governments apply to use those wetland credits when undertaking local road safety improvement projects that require wetland replacement.

The development of replacement wetlands has historically been funded exclusively by general obligation bonds. Unfortunately, multiple years of inconsistent and inadequate funding in the last decade led to near total depletion of readily available replacement wetlands. Because wetlands often take multiple years to develop once general obligation bonds are authorized, General Fund (cash) infusions became necessary to support immediate purchase of privately developed wetlands to keep road projects on schedule.



| Year | Agency Capitol Budget Request (in millions) | Appropriation (in millions) |
|------|--|--------------------------------|
| 2008 | \$8.5 | \$3.48 |
| 2010 | \$8.42 | \$2.5 |
| 2012 | \$13.1 | \$6.0 |
| 2014 | \$5.4 | \$2.0 |
| 2016 | \$10.3 | \$0 |
| 2017 | \$10.3 | \$10.01 ¹ |
| 2018 | \$16.38 | \$6.7 |
| 2019 | \$26.4 | \$0 |
| 2020 | \$26.4 | \$23.02 ² |
| 2021 | \$20.0 | TBD |

¹ Includes \$5 million from the general fund

² Includes \$8 million from the general fund

The 2020 bonding bill took a significant step toward shoring up the replacement wetland credits by including both general obligation bonds and general fund cash. While that one-time funding was welcome, consistency must be established by appropriating adequate LGRWRP funding to BWSR's base budget and in the spending targets of the House and Senate environment finance committees.

The essential local road projects that access the LGRWRP are commonly delivered by local contractors in communities throughout Minnesota, support local jobs and enhance safety. Adequate and routine funding is needed to break the cycle of depleted replacement wetlands and ensure these local projects remain on track.

Sincerely,

- Minnesota Rural Counties
- Minnesota Inter-County Association
- Association of Minnesota Counties
- Minnesota Transportation Alliance
- Minnesota County Engineers Association
- Associated General Contractors
- The Coalition for a Clean Minnesota River
- Clean Up Our River Environment
- Friends of the Minnesota Valley
- Friends of the Mississippi River
- Lake Pepin Legacy Alliance
- New Ulm Area Sport Fishermen
- Nicollet Conservation Club
- Minnesota Center for Environmental Advocacy
- Minnesota Conservation Federation
- Minnesota Division of the Izaak Walton League
- Minnesota Environmental Partnership
- Minnesota Valley Chapter of the Izaak Walton League
- The Nature Conservancy
- Minnesota Trout Unlimited



Minnesota Center for Environmental Advocacy



Minnesota Environmental Partnership

