

LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES

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Susan Thornton, Director

May 21, 2013

Commissioner Tom Landwehr
Dept. of Natural Resources (DNR)
500 Lafayette Rd.
St. Paul, MN 55155

RE: Direct and Necessary Expenditures from Environment and Natural Resources Trust Fund 2013 Appropriations

Dear Commissioner Landwehr:

In the work plans for the ML 2013 appropriations from the Environment and Natural Resources Trust Fund (ENRTF) for projects of the Department of Natural Resources (DNR) there are requests to allocate funds for "direct and necessary expenses." In the legislation recently signed by Governor Dayton containing the appropriations (ML 2013, Ch. 52) some clarification was provided to define what qualifies as a "direct and necessary expense" for the ENRTF:

Subd. 9. Availability of Appropriations

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for the receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed.

The current documentation for DNR's "direct and necessary expenses" provided in the individual work plans does not satisfy the requirements defined in ML 2013, Ch. 52, Subd. 9. The documentation on file uses broad allocations based on applied percentage calculations with examples, stated as not being all-inclusive, of what might be included in those calculations. To meet the requirements revised documentation is requested that more clearly justifies and individually documents how the expenditures will be specific to the appropriation's purpose and would not otherwise be generated but for receipt of the appropriation.

Please work with the staff of the LCCMR to provide revised documentation that will satisfy the requirements so that the DNR's work plans for the ML 2013 appropriations, and all related and eligible expenditures, can be approved in a timely manner. Thank you for working with us. We look forward to producing the best results possible for Minnesotans.

Sincerely,



Nancy Gibson
LCCMR Co-Chair

Sen. David Tomassoni
LCCMR Co-Chair

Rep. Jean Wagenius
LCCMR Co-Chair

CC: Dave Schad, Deputy Commissioner, DNR

Jeff Broberg, Tom Cook, Sen. Gary Dahms, Sen. Kari Dziedzic, William Faber, Rep. Dan Fabian, Nancy Gibson, Bonnie Harper-Lore, John Herman, Sen. John Hoffman, Rep. Leon Lillie, Norman Moody, Rep. John Persell, Sen. David Tomassoni, Rep. Paul Torkelson, Rep. Jean Wagenius, Sen. Torrey Westrom