

Environment and Natural Resources Trust Fund

LCCMR Funding Recommendation Process for ML 2013 Recommendations—HF 1113 & SF 987

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| Dec 2011 | 1. Request for Proposal (RFP): Members chose to issue an annual RFP, determined funding priorities for RFP based on adopted Six-Year Strategic Plan and Statewide Conservation and Preservation Plan, and adopted criteria for project selection. RFP is issued on December 9, 2011; adopted criteria for project selection were included. |
| April 2012 | 2. Proposals: 169 proposals totaling \$155 million in requests were received in response to RFP by April 6, 2012, deadline. |
| May/June 2012 | 3. Initial Review and Evaluation: Members individually reviewed and evaluated 169 proposals received based on adopted selection criteria to identify proposals of priority for further consideration by the Commission. Each member identified their top 50 proposals for further consideration and these selections were compiled into a ranking list to help illustrate levels of shared interest and consensus amongst members. |
| June 2012 | 4. Selection for Presentations: Using the ranking list, technical advisory comments, review of each RFP category, and other information, on June 5, 2012, the Commission selected its highest priority proposals for further consideration to invite in to present before the Commission. 66 proposals—consisting of 58 individual proposals and 1 partnership proposal containing a total of 8 sub-proposals—requesting \$73 million were selected to present to the Commission. |
| June 2012 | 5. Presentations: Each of the 66 proposals selected to present was allotted a timeslot before the Commission (30 minutes each). The timeslot allowed for a short presentation and time for question and answers. Proposal presentations occurred over 4-days of LCCMR meetings (~30 hours of presentations). |
| July 2012 | 6. Final Evaluation: With additional information obtained from proposal presentations, members again individually evaluated each of the 66 proposals that presented. Each member assigned from 0 to 9 points to each proposal to indicate a relative level of priority for that member—"9" was to indicate high priority while a "0" was to indicate that a project was not a priority at this time or not a priority for this funding source. Member rankings were then compiled to create one tool for the Commission to use in their discussion of which proposals to recommend for funding. |
| July-Dec 2012 | 7. LCCMR Recommendations: Beginning on July 11, 2012, and then finalized on November 28, 2012, 46 proposals totaling \$38.2 million were selected and unanimously recommended for funding. <ul style="list-style-type: none"> ▪ Over the course of one and a half days of LCCMR meetings, members considered each of the 66 proposals that presented. ▪ The majority of the 46 proposals selected for recommendation were chosen through consensus agreement; where there were differences of opinion, majority vote on member motions was used. ▪ Recommendations for the 46 proposals were put into legislative bill format and reviewed by the Commission. The recommendations bill was adopted November 28, 2012. ▪ The Commission affirmed their recommendations by the required super-majority approval to send the recommendations to the legislature. |
| Sept-Nov 2012 | 8. Peer Review: 2 recommended research proposals prepared research addendums that were peer reviewed by reviewers from across the U.S. with expertise in the relevant subject areas. |
| Jan 2013 | 9. Legislative Process: Recommendations introduced as HF xxx and SF xxx for consideration and approval by the legislature and governor. |
| June/July 2013 | 10. Projects Approved Through Legislative Process Begin: LCCMR approves a work plan for each project prior to project start. Funds available July 1, 2013 (Project length is generally 2 to 3 years). |

RFP Response:
169 Proposals
\$155 Million

Selected for Presentation:
66 Proposals
\$73 Million

Recommended:
46 Proposals
\$38.2 Million

Environment and Natural Resources Trust Fund – LCCMR

Minnesota Constitution Art. XI, Sec.14

Sec. 14. ENVIRONMENT AND NATURAL RESOURCES FUND. 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]

Minnesota Statutes, Chapter 116P. Environment and Natural Resources Trust Fund

Subdivision 1.Expenditures.

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](#).

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 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.

ML 2013 LCCMR Funding Recommendation

- **Funds available FY 2014 & 2015** – \$33,810,000 each year (Total = \$67620,000) based on up to 5.5% of the market value of the Environment and Natural Resources Trust Fund on June 30, 2012, the year prior to the beginning of this biennium
- **Statewide Conservation and Preservation Plan:** Completed June 2008
- **LCCMR Six-year Strategic Plan:** Required review every two-years. Adopted by LCCMR January 2009. Reviewed in 2011. Review scheduled for 2013.
- **2012-13 Request for Proposals (RFP):** Issued December 2011
- **Funding Recommendations to Legislature:** HF xxx/SF xxx