

Other Minnesota Environment-Related Funds

Accounts Funded

The House and Senate currently have committee structures with different jurisdictions. Based on the conference committee jurisdiction for the current biennium the accounts being funded through the environment, natural resources and agriculture area include:

- Department of Agriculture
- Board of Animal Health
- Agricultural Utilization Research Institute
- Department of Natural Resources
- Pollution Control Agency
- Board of Water and Soil Resources
- Minnesota Zoological Board
- Metropolitan Council Parks
- Conservation Corps of Minnesota
- Legislative Citizens Commission on Minnesota's Resources

General Fund

The General Fund is the least restrictive on potential uses. Funding for the FY2014-15 biennium is \$325 million for the accounts listed above. This figure does not include payments for payment in lieu of taxes (PILT) which currently is included in the tax committees. The PILT payments for the FY2014-15 biennium are \$61.4 million.

Capital Investment

The Capital Investment bills passed by the 2014 legislature include \$135.609 million in bonding and \$15.325 million in General Fund cash for the accounts in listed above. The funds are used for a variety of purposes such as: acquisition and development of parks and trails, facilities development, RIM acquisitions and easements, fish hatchery improvements, dam removal/repair/reconstruction, lake restoration and reclamation.

Constitutionally Dedicated Legacy Funds (3/8 percent sales tax)

Outdoor Heritage Fund. Those funds "may be spent only to restore, protect, and enhance wetlands, prairies, forest and habitat for fish, game, and wildlife." The Lessard-Sams Outdoor Heritage Council makes annual recommendations to the Legislature for appropriating the money. *(FY2015 Appropriations: \$109.3 million)*

Clean Water Fund. Those funds may only be spent to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation. At least five percent of the clean water fund must be spent to protect drinking water sources. *(FY2015 Appropriations: \$100.1 million)*

Parks and Trails Fund. Those funds may only be spent to support parks and trails of regional or statewide significance. *(FY2015 Appropriations: \$42.6 million)*

Arts & Cultural Heritage Fund. Those funds may be spent to support arts, arts education and arts access, and to preserve Minnesota's history and cultural heritage. (*FY2015 Appropriations: \$58.6 million*)

Game and Fish Fund (DNR)

The Game and Fish Fund is made up of the following accounts:

- Game and Fish Operations
- Game and Fish dedicated accounts (Deer and Bear Management, Emergency Deer Feeding and Wild Cervidae Health Management, Deer Habitat Improvement, Waterfowl Habitat Improvement, Trout and Salmon Management, Pheasant Habitat Improvement, Wild Rice Management, Wildlife Acquisition Surcharge, Wild Turkey Management, Walleye Stamp, Wolf Management and Monitoring)
- Heritage Enhancement (Lottery in-lieu of sales tax)
- Lifetime License Trust Fund
- Peace Officer Training Revenues

Expenditures

Expenditures from the Game and Fish Operations account are used to manage, monitor and protect fish and wildlife resources; enforce game and fish laws; provide access to lakes, rivers and streams; and deliver administrative support across those programs. Authorized expenditures from the Game and Fish dedicated accounts are used for programs and purposes directly related to how the revenues are generated. For example, funds in the Trout and Salmon Management account are spent on species research, habitat improvement and trout and salmon stocking. Expenditures from the Heritage Enhancement Account are used to improve, enhance or protect fish and wildlife resources. The primary revenues into the Game and Fish Fund are from departmental earnings (mostly license fees) totaling \$66.5 million in FY 2015 and from Federal Grants through the Pittman-Robertson and Dingell-Johnson funds totaling \$31 million in FY 2015. (*FY2015 Expenditures: \$105.4 million*)

Natural Resources Fund (mostly DNR)

The Natural Resources Fund is made up of the following 21 accounts:

- Recreational Vehicles Accounts (watercraft, snowmobiles, all-terrain vehicles, off-highway motorcycles, and off-road vehicles)
- State Parks
- Land Acquisition
- Non-game Wildlife
- Lottery in-lieu-of-sales tax supported accounts (State Parks and Trails, Metro Regional Parks, Local Trail Grants, and Zoo Grants)
- State Parks (from park fees and annual passes)
- Off-Road Vehicle Damage
- State Land and Water Conservation (LAWCON)
- Cross Country Ski
- Forestry Management Investment
- Natural Resources Dedicated
- Minerals Management

- Invasive Species
- Mining Administration
- Water Management

Expenditures

Expenditures from the Natural Resources Fund are used for programs and purposes directly related to how revenues are generated. The tax receipts from the sale of lottery tickets are spent in the DNR on state parks and trails, local trail grants, and grants to the zoos in Duluth and St. Paul. There are also direct appropriations from the Natural Resources Fund to the Metropolitan Council for the metro regional park system and to the Zoological Board for the state zoo. The primary revenue sources in FY2015 are: departmental earnings of \$53 million, Lottery In Lieu revenues of \$13.4 million and Unrefunded Gas Tax Revenue of \$21 million (*FY2015 Expenditures: \$97.3 million*)

Agricultural Fund

The Agricultural Fund is made up of the following 23 accounts:

- Pesticide Regulatory
- Waste Pesticide
- Fertilizer Inspection
- Ag Chemical Response and Reimbursement
- Seed Inspection
- Grain Buyers and Storage
- Nursery-Phytosanitary
- Seed Potato Inspection
- Fruit and Vegetable Inspection
- Apiary
- Wholesale Produce Dealers
- Commercial Feed
- Dairy Services
- Food Handler Plan Review
- Food Handler Reinspection
- Beverage Inspection
- Commercial Canning
- Egg Law Inspection
- Laboratory Services
- Minnesota Grown
- Promotions Councils
- Livestock Weighing
- Agricultural Statistics

The Department of Agriculture is the only agency that receives funds from the Agricultural Fund. Expenditures from Agricultural Fund are used for programs and purposes directly related to how the revenues (typically fees) are generated. Of the 23 accounts listed above roughly half of revenues and expenditures are in Pesticide Regulatory Account and the Fertilizer Inspection

Account. Nearly all of the expenditures from the Agricultural Fund are statutorily appropriated to the Commissioner for the specified purposes.
(FY2015 Expenditures: \$27.6 million)

Agricultural Growth, Research and Innovation Program (General Fund, Dept of Agriculture)

Authorized activities include the issuance of grants, loans, or other forms of financial assistance. Eligible activities include, but are not limited to, grants to livestock producers under the livestock investment grant program, bioenergy grants made the by the NextGen Energy Board under, cost share grants for the installation of biofuel blender pumps, and financial assistance to support other rural economic infrastructure activities. (FY2015 Appropriations: \$9.2 million)

Environmental Fund (mostly PCA)

Major funding source for PCA operations and for the Remediation fund for site cleanup costs. Also funds SCORE grants and other monitoring programs at the PCA. Sources include: solid waste tax, motor vehicle transfer fee, air fees, hazardous waste fees, water quality/stormwater permit fees, landfill abatement fees, pollution prevention fees; fines and penalties. (FY2015 Expenditures: \$76.5 million)

Remediation Fund (mostly PCA)

The purpose of the Remediation Fund is for response and corrective actions to address releases of hazardous substances, pollutants or contaminants, agricultural chemicals, and petroleum, and for environmental response actions at qualified landfill facilities for which the agency has assumed such responsibility, including perpetual care of such facilities. The primary revenue source is a transfer from the Environmental Fund in the amount of \$24.15 million in FY2015. (FY2015 Expenditures: \$38 million)

Closed Landfill Investment Fund (mostly PCA)

This fund was created by the legislature in 1999 with the purpose of setting aside money to be invested and provide for the post closure care of landfills in the Closed Landfill Program. There are currently 110 landfills in the Closed Landfill Program. The funds are not available to be expended until FY2020.

Federal Fund

Agencies receive grants and work agreements with the federal government. Typically the legislature does not intervene with these funds. For the FY2014-15 biennium the Federal Fund expenditures total approximately \$100 million.

Special Revenue Fund

The Special Revenue Fund is used for the collection and expenditure of various fees, revenues and work agreements for agencies that are not collected in one of the other dedicated funds or accounts. Expenditures from the Special Revenue Fund are typically statutorily appropriated. (FY2015 Expenditures: \$82 million)

Gift Fund

Used for gifts to agencies. The DNR and the Zoo account for almost all of the Gift Fund. These funds are statutorily appropriated. *(FY2015 Expenditures: \$3.6 million)*

Reinvest In Minnesota (RIM) Fund

The RIM Fund is used for the collection and expenditure of the donations to the RIM program through the sale of critical habitat license plates and other donations. *(FY2015 Expenditures: \$4.9 million)*

Permanent School Fund

The Permanent School Fund primarily is expended on education. The legislature does appropriate \$200,000 per year for accelerated land exchanges and \$200,000 per year for the School Trust Lands Director and Permanent School Fund Commission.