



LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES

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Date: July 19, 2022
From: Becca Nash, Director
To: LCCMR Capital Projects Subcommittee Members
Subject: Capital Projects Subcommittee charge, timeline, and background materials

Overview

M.L. 2022, Chapter 94, Sec. 4 directed the Legislative-Citizen Commission on Minnesota Resources (LCCMR) to submit a report and recommendations to the Legislature on additional information that should be required to accompany LCCMR proposals for capital projects. The legislative charge relates to an ongoing discussion that the LCCMR has had regarding capital projects for the last year or so. At its June 27, 2022 meeting, the LCCMR appointed a subcommittee to discuss and make recommendations to the full commission.

Legislative Charge

“The Legislative Citizen Commission on Minnesota Resources must consider whether statutorily requiring additional information to accompany proposals for capital projects would help the commission better evaluate those proposals. By October 15, 2022, the commission must submit its report and recommendations, along with any proposed statutory changes, to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources.”

(M.L. 2022, Chapter 94, Sec. 4)

Deadlines

The report and recommendations are due to the Legislature by October 15, 2022. The last scheduled LCCMR meeting prior to the October 15 deadline is August 30, 2022. Therefore, the subcommittee will need to report back to the full commission by August 30, unless an additional LCCMR meeting is scheduled after that date.

Recommended Process

Due to the tight deadlines and the current, full LCCMR summer schedule, LCCMR staff propose that the subcommittee adopt the following process:

- The subcommittee meets, as needed, on the days currently scheduled for LCCMR meetings on July 25, August 8, August 9, August 10, August 16, and August 17.
- The subcommittee meets and uses the table titled, ***Requirements and Conditions Associated with State-Funded Capital Projects***, from December 14, 2021, to identify information about capital project proposals that it believes would help the commission make more informed decisions and recommendations.
- Staff draft a report, recommendations, and proposed statutory language for review and feedback by the subcommittee members based on the identified information topics.
- When ready, the subcommittee meets to approve the report, recommendations, and any proposed statutory language and refer it to the full LCCMR.
- The LCCMR reviews the subcommittee’s report for approval

Following this process, staff believe the subcommittee may only need to meet 1 or 2 times to identify the additional information topics and one final time to approve and refer the report and recommendations. Ideally, the

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subcommittee would make as many decisions as possible at the July 25 meeting to leave the maximum amount of time for report drafting, review, and member feedback.

Additional Considerations

The subcommittee may want to discuss if it would like to also make recommendations on additional special conditions or requirements that should be applied to capital projects before or after funding is awarded. For example, if the subcommittee recommended that information be submitted with a proposal identifying all sources of funding that will be used to complete the project, it may also want to consider if it would like to recommend that, if the project is funded, all funds needed to fully pay for a project (ENRTF and non-ENRTF sources) have been committed before reimbursable expenses are incurred. If the subcommittee chooses to move in this direction, the requirements and conditions table also includes a column indicating if that requirement or condition is currently a requirement for ENRTF funding.

Materials

To support the work of the subcommittee, LCCMR staff are providing the following information prior to the first subcommittee meeting. These materials will also be posted to the [7/25/22 Subcommittee meeting page](#) of LCCMR's website.

- **Requirements for Bond and Other State-Funded Capital Projects**, LCCMR Memo dated December 15, 2021 – This memo provides an overview of requirements related to capital projects funded through state bonding or other non-ENRTF state funds and the current LCCMR requirements for capital projects.
- **Requirements and Conditions Associated with State-Funded Capital Projects**, LCCMR Table dated December 14, 2021 – This table lists requirements and conditions for state-funded capital projects culled from Minnesota Management & Budget (MMB) operating policies, orders, memos, and other documents, as well as a notation if the LCCMR currently applies a similar condition to ENRTF-funded projects. This document will be used heavily to guide the subcommittee's discussions.
- **ENRTF-Funded Activities to Acquire or Improve Land or Buildings (Capital Projects)**, LCCMR Memo dated March 14, 2022; Table 1; Tables 2 to 4 and Figure 1 – This memo and its attached tables and figures provide information on the number of LCCMR capital projects funded from 2013 to 2021 and the approximate amount spent on capital activities.
- **Sec. 6 of 2022 HF 4850 Second Engrossment** – Language requiring certain information be submitted with an LCCMR proposal for a capital project recently considered by the Legislature.
- **Sec. 5 of 2022 HF 3765 Second Unofficial Engrossment** – Language requiring certain information be submitted with an LCCMR proposal for a capital project recently considered by the Legislature.

Staff are available to obtain additional information at the request of the subcommittee and individual members. To the extent possible, members requesting information in advance of meetings will facilitate the process moving forward efficiently.