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As we near the end of the interviews for the 2011-12 LCCMR projects the LCCMR needs to set guidelines for making a final allocation recommendation at our July 13-14 meetings. The Commission has discussed and seems to agree on the following:

The process for the final recommendation of projects should be based on building a package of the best projects that have the biggest impact on Minnesota's Natural Resources funding the projects that help to realize the aspirations of the State of Minnesota to protect enhance and manage our resources. In the selection process we have agreed that our allocation recommendations shall be made in accordance with the following:

- The Constitutional Amendment authorizing the Natural Resources Trust Fund
- Minnesota Statute 116P.08 which enables and authorizes Trust Fund Expenditures
- The five goals, eleven strategies and outcomes laid out in LCCMR Six Year Strategic Plan for the Trust Fund
 - Five goals provide guidance for appropriations
 - Land and water protection: Protect & conserve land and water resources that are important for overall ecosystems integrity
 - Research, planning and demonstration
 - Encourage participation in outdoor recreation, hunting and fishing
 - Public education and information
 - Funding decisions should be base on selection criteria including
 - Meeting priority goals
 - Leverage
 - Technical standards
 - Capabilities to manage projects
 - Multiple benefits
 - Likelihood of meaningful results
 - Eleven strategies where priority is given to projects providing multiple benefits to multiple natural resources or providing multiple benefits
 - Outcomes should be consistent with the Statewide Conservation and Preservation Plan

Our review and selection process has a multiple stages based on the following:

1. A Request for Proposal with eight categories
2. Selection of projects to be interviewed based on Commission Member scores. We narrowed 240 applications to 84 projects that were invited for interviews and will finish the interviewing process on June 30, 2010.
3. Member ranking of projects that best meet the criteria for funding. Ranking are due July 9.
4. LCCMR recommendation for allocation to be passed forward to the full Legislature as an appropriation bill for 2011-12 spending. The LCCMR recommendations will be made at our July 13 and 14 meetings

Recommendations:

As we are nearing the final stage of building our appropriation recommendation I am advocating for defining the means for making funding recommendations at the final stage of our process. I believe that our discussion and decisions about allocation recommendations be based on first completing the interviews and member scoring that will provide the LCCMR with a composite ranking of the projects. I am advocating that next we start the process with a budget target resolution for each RFP category, setting a spending goal for each. The budget target approach, assigning spending targets first by category, then by project, is slightly different than the past. In my opinion budget targets assure balance among the categories and first require an early debate and decision over the categories, not over individual projects.

In order to complete the member scoring sheets by July 9 I recommend the following

- We make a decision today about how we will score the two Corridor Projects
 - 104 D has eight projects and 106 D with 12 projects we need to decide whether the LCCMR will choose the favored projects, where we will make recommendations to the Partnerships or whether will allow the Partnerships to make the decisions based on our recommended total
- All members complete the Scoring Submission Form with:
 - All project receiving a numerical ranking as shown on the sheet.
 - Notes on member preference for Activities, Outcomes and spending levels notes might include notable benefits, preferences, concerns and spending. The member rankings will all notes will be compiled and distributed at the beginning of the next meeting before setting category budget targets.
 - The distribution of the rankings can also be made after we set the category spending targets.

In order to adopt the category budget target approach I am making the following recommendations:

- Narrow the categories to seven by dropping “H-Other Ideas” and reassigning the two H projects to the appropriate categories. The seven categories would be
 - A-Natural Resource Data and Information
 - B-Water Resources
 - C-Methods to Protect, Restore and Enhance Land and Habitat
 - D-Land Acquisition
 - E-Aquatic and Terrestrial Invasive Species
 - F-Climate Change, Renewable Energy and Air Quality
 - G-Environmental Education
 - Project 216-Canada Lynx would be re-assigned to category A-Natural Resource Data and Project 215-Vermilion Park Development would be reassigned to category C-Methods to Protect Restore and Enhance Land and Habitat.
- I recommend having the Chairs and Members and Staff, rather than a Facilitator, lead the discussion, debate and allocation decisions.
- Set a budget target for each category using 80% of the total available funds.

- With approximately \$52 Million available from the Trust we would target approximately \$42 Million among seven categories (exact amounts can be determined after 06/30/10, based on the value of the Trust Fund on this date).
 - I recommend having the Staff review past funding history by category, review the funding request history by category and help guide the budget target decision
- I recommend that we poll the members at the beginning of the next meeting on their proposed category spending targets.
- Once the budget targets are chosen we should review and select projects by categories which are selected at random, rather than selected in alphabetical order.
 - A random order, following the budget target decision, would further reduce the conflicts that occur as the available funds diminish.
- After budget targets are realized for the 80% we would open the discussion of how the remaining 10 Million would be allocated
 - This can be done by adjusting funding levels on accepted projects or by adding projects that did not make the first cut for the 80% allocation.
- Make a final recommendation and final vote on the spending recommendations based on the enabling legislation.