

# Minnesota Environmental Partnership Legislative Wrap-Up 2022



## Summary

### Legislature makes little progress on major challenges.

At a time when Minnesota's environment, people and natural resources are facing critical challenges, including responding to the urgency of climate change - state actions are falling short of meeting the needs of our times. At the beginning of this year the House Climate Action Caucus put forward a 2022 Minnesota Climate Action Plan with strong policy proposals and comprehensive investments of \$1 billion dollars that would result in immediate and long-term reductions in greenhouse gas emissions and improve Minnesotans' health and quality of life by reducing air and water pollution and lowering energy costs.

Despite the largest budget surplus in Minnesota's history, the full Legislature failed to live up to this \$1 billion commitment - instead, it approved disappointingly low spending targets amounting to less than 10% of the funding for energy, environment, transportation and agriculture priorities that were in this original bold blueprint. During the session, the House passed a combined total of \$429.6 million for the Agriculture, Environment and Energy investments, while the Senate spending for these purposes came in at \$15 million. Ultimately, the combined spending target agreed to by legislative leaders was a scant \$58.9 million - less than 14% of what the House passed.

With these disappointingly low spending targets, it's no wonder there was so little funding to allocate among our environmental, agriculture and energy priorities in these bills and agreements. And most of these bills never made it over the finish line before the constitutionally mandated adjournment of the legislature.

### But here are some good things that did get done:

#### Agriculture omnibus bill



The Agriculture omnibus bill (HF 3420) passed with bipartisan support and includes funding for good provisions that will support farmers and protect Minnesotans by promoting healthy soil, water, and habitat. The ultimate level of funding provided in this bill is lower than needed to meet the current challenges our state's resources and farmers face but it is a step in the right direction.

- Support for emerging farmers and related businesses: \$827,000
- Youth agriculture education and development – up to \$600,000.
- Forever Green and CLC Development Grants - \$630,000 in ongoing base funding beginning in FY 2024 (\$630,000 in FY24 and FY25 = \$1.26 million)
- Soil health financial assistance - \$500,000
- Grants to meat, poultry, egg, and milk processing facilities - \$750,000 the first year, \$1,400,000 the second year

## Legacy omnibus bill



MEP was pleased to see that both the House and Senate had bipartisan support for this Legacy omnibus bill (HF 3438) that passed.

- We appreciate that the legislature adhered to funding recommendations for the Outdoor Heritage Fund made by the Lessard-Sams Outdoor Heritage Council (LSOHC) which directs \$159 million from the Outdoor Heritage Fund to support on-the-ground habitat and conservation projects.
- We are glad the legislature respected the role of the Clean Water Council (CWC) in the recommendations for the Clean Water Fund, and changes included in this bill invite the CWC to make supplemental recommendations in even numbered years going forward.

## Environmental and Natural Resources Trust Fund



In 1998 Minnesota voters approved a [constitutional amendment](#) rededicating a portion of lottery proceeds to the Environment & Natural Resources Trust Fund (ENRTF). The ENRTF was created specifically for the protection, conservation, preservation and enhancement of "the state's air, water, land, fish, wildlife, and other natural resources."

The 2022 ENRTF appropriation bill ([HF3765](#)) was [finalized](#) by lawmakers on the last weekend of the legislative session and appropriates \$70.88 million from the fund.

- Unfortunately, this bill includes \$7 million in projects that were never heard, reviewed, or even proposed to the Legislative Citizens Commission on Minnesota Resources (LCCMR), the body charged with vetting and evaluating proposals for the use of ENRTF dollars.
- This represents a highly unusual departure from traditional norms and raises serious concerns about legislative disrespect for the LCCMR process, Minnesota's dedicated environmental funds in general, to the applicants that did follow the process that is required by law, and to the LCCMR citizen members who spend a year vetting and prioritizing the best projects on behalf of their fellow Minnesotans.

## Missed Opportunities



While Legislative leaders and the Governor came to an agreement, the Legislature failed to act on most of the items in the agreement before the May 23 deadline. This failure to fund key environmental, energy, and transportation priorities was a betrayal of Minnesotans' trust and desire for a thriving state, stable climate and more equitable future. MEP has continued to advocate for a special session to finish the work that went undone. The following proposals were included in the final agreements but were not passed:

### Energy Omnibus:

- Solar on Schools: \$4.15 million from the general fund.
- Weatherization assistance grants to help make households more energy-efficient: \$2,350,000 in 2023, \$5 million in 2024 and \$9 million in 2025
- Xcel Energy Solar Rewards to incentivize solar energy generation on homes: \$20 million

**Environment Omnibus:**

- Funding for St. Louis River mercury Total Maximum Daily Load study: \$50,000
- Ash Tree Replacement funding for local units of government to address emerald ash borer: \$750,000
- Local road wetland replacement program: \$1,580,000 in 2023, and \$765,000 in 2024 and 2025.
- Planting trees on school grounds while providing hands-on learning opportunities for students: \$250,000

**Transportation Omnibus:**

- The failure of the Legislature to agree on a transportation bill leaves federal matching funds, which would help improve transit, electrification and other infrastructure, on the table.

**Bonding Bill:**

- The Legislature failed to even convene a conference committee for a capital investment bill, which could have invested significantly in Minnesota infrastructure needs like lead service line replacement and transportation.