

Reinvest In Minnesota (RIM) Reserve Outdoor Heritage Fund Projects & Leverage

August 3, 2016

A Lessard-Sams Outdoor Heritage Council (LSOHC) member requested information related to leverage for Outdoor Heritage Fund (OHF) Reinvest In Minnesota (RIM) Reserve projects administered by the Board of Water and Soil Resources (BWSR).

Two projects include leverage that BWSR has included in LSOHC approved Accomplish Plans including –

- The RIM-WRP Partnership (ML09, ML10, ML11 and part of ML12) utilizes OHF RIM funds with USDA Natural Resources Conservation Service (NRCS) Wetlands Reserve Program (WRP) Federal Farm Bill funds.
- RIM Buffers (ML11, ML12, ML13 and ML14) leverages OHF funds with both RIM Clean Water Fund (CWF) and RIM Capital Investment (Bonding) funds.

BWSR tracks OHF dollars to the penny and is required to utilize the SWIFT State Financial system for all transactions. The progress towards completing each project is reported in twice a year status reports. Leverage is not reported until the time of a final report. Upon direction of LSOHC staff final reports cannot be completed until all easements are recorded AND restored and all bills are paid. Leverage is known to the penny for RIM Buffers, because leveraged funds (CWF and Bonding) are appropriated directly to BWSR and it is all in SWIFT. The RIM-WRP leverage utilizes exact information on easement payments and estimates as provided to BWSR from USDA NRCS for other expenses.

<u>RIM WRP OHF Leverage</u>					
Approp	RIM-WRP	Acres	Total OHF	Total WRP	Leverage Non-OHF:OHF
ML 2009	Phase 1	7,276	\$ 7,916,074	\$ 13,100,210	1.65:1
ML 2010	Phase 2	4,166	\$ 6,895,000	\$ 9,805,195	1.42:1
ML 2011	Phase 3	5,747	\$ 13,810,000	\$ 13,218,989	0.96:1
ML 2012	Phase 4 (partial)	<u>2,244</u>	<u>\$ 5,300,000</u>	<u>\$ 5,131,758</u>	0.97:1
	Totals	19,432	\$ 33,921,074	\$ 41,256,151	
				Avg Leverage	1.25:1
<u>RIM Buffers OHF Leverage</u>					
Approp	Buffers	Acres	Total OHF	Total Non-OHF	Leverage Non-OHF:OHF
ML 2011	Phase 1	1,595	\$ 2,249,000	\$ 4,950,796	2.20:1
ML 2012	Phase 2	1,337	\$ 2,090,000	\$ 5,043,964	2.41:1
ML 2013	Phase 3	1,208	\$ 3,520,000	\$ 4,167,987	1.18:1
ML 2014	Phase 4	<u>607</u>	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>	1.00:1
	Totals	4,746	\$ 10,059,000	\$ 16,362,746	
				Avg Leverage	1.70:1

Notes on the information being provided related to RIM OHF projects and leverage includes:

1. Non-OHF to OHF leverage means, for example with ML2009, that one dollar of OHF funds brought \$1.65 in Federal money thus we were able to do 2.65 times as much as we would have done without leverage.
2. The data was extracted from SWIFT on specific dates and is constantly changing as additional invoices are paid.
3. Once all easements are recorded and restored and the last invoice is paid final reports will be completed including leverage on all of these 8 projects.
4. A number of projects have all of the easements recorded and restoration well underway, others have both recorded and unrecorded easements as well as restorations completed and not completed. Therefore the data that is being supplied includes a combination of actual invoices paid and solid estimates for work to be completed in the future.
5. RIM-WRP Partnership Leverage
 - a. Easement payments – exact numbers are known for leverage
 - b. Professional Services – average numbers are supplied by NRCS for leverage
 - c. Restoration – RIM pays 25% and WRP pays 75%, the numbers represent the long-term averages for the type of restoration to be completed.
 - d. Personnel – NRCS reports that they receive 10% of the total WRP funds for personnel, benefits and support. This is the number that is used for leverage.
 - e. Other items – NRCS expends additional resources on the RIM-WRP Partnership but that data is not readily available so it is not reported.