

**Date:** November 27, 2023

**To:** Mark Johnson, Exec. Dir., Lessard-Sams Outdoor Heritage Council

**From:** Ricky Lien, Wetland Habitat Team Supervisor

## **RE: WRE01, ML24 DNR Accelerated Shallow Lakes and Wetland Enhancement – Phase 16**

An explanation was requested by the Lessard-Sams Outdoor Heritage Council (LSOHC) for WRE01, ML24 DNR Accelerate Shallow Lakes and Wetland Enhancement -Phase 16, to explain (1) why the amount budgeted for the salary of two Wetland Management Specialists was not reduced proportionate to the amount recommended for funding and (2) why the budgeted amount for Contracts was reduced as much as it was in the Accomplishment Plan.

### **Initial Proposal and Subsequent Accomplishment Plan**

#### Initial Proposal

The initial Proposal for WRE01 requested \$12,713,000. This amount included funding for five years of salary, plus other expenses, for two Wetland Management Specialists who are part of the Wetland Management Program (WMP). These positions were originally created with funding from the ML19 Accelerated Shallow Lakes and Wetland Enhancement – Phase 11 appropriation which is slated to expire at the end of FY24. New funding is required in FY25 to keep these existing positions doing the work needed for small wetland enhancement and restoration. The salary for these 2 positions requested in the ML25 Proposal was \$940,000. Besides funding for the WMP, the WRE01 Proposal requested funding for twenty-seven individual projects involving engineering, construction, and/or management actions.

#### Accomplishment Plan

WRE01 was recommended to receive \$3.136 million, or 24.7% of the proposal request. The subsequently revised Accomplishment Plan reduces the request for salary for two Wetland Management Specialists from five to three years of funding; salary for three years totals \$546,000. Considering the funding needed for these Wetland Management Program Specialists and for Direct and Necessary expenses left \$2.148 million for the engineering, construction, and management projects.

### **Funding for Wetland Management Specialists**

Shallow Lakes and Wetland Enhancement OHF Proposals are programmatic requests that fund both a slate of individual projects involving engineering, construction, and/or management actions and staff that increase our

ability to enhance and restore habitat. The OHF-funded staff that have been funded with these proposals are implementing habitat projects that would not otherwise be possible without their valuable work.

Our process to move from the amount we requested in our Proposals to the awarded amounts in the Accomplishment Plans is consistent from year to year:

1. Ensure funding for staff for a minimum of three years. The first step is to ensure funding for existing staff. Our initial request in the Proposal is for five years of salary for two Wetland Management Specialists. Moving to the Accomplishment Plan, we reduced this request down to three years of staff time. Three years provides some level of continuity for these valuable staff and cuts down on the administrative work that would come from asking for staff funding on a more frequent basis. These are specialized positions and keeping experienced staff results in an efficient program.
2. Prioritize individual projects to allocate remaining funds. After providing funds as explained in Step 1, the remaining funds, minus what is needed for Direct & Necessary costs, is put towards individual projects. Regional Wildlife Supervisors are asked to evaluate projects in their Regions and provide a ranking. These rankings are reviewed by Wetland Habitat Team staff in light of statewide strategic priorities, habitat impacts, project efficiencies, and urgency of needs to determine what projects should receive funding.

In a review of the past ten years of Shallow Lakes and Wetland Enhancement proposals (excluding the outlier year of ML19), the amount of funding requested for salary in these proposals averaged \$1.16 million and ranged from \$0.515 million to \$1.9 million. The amount requested for salary in the ML24 Accomplishment Plan was below average, \$0.94 million. In a further review of the past 10 years of Accomplishment Plans, in 7 of the 10 years the salary as a percentage of the awarded amount was less than or equal to the salary as a percentage of the total request. For the three years this was not the case, which includes ML24, the key factor is the percentage of the initial proposal that is awarded for the Accomplishment Plan. These three years saw the amount of funding awarded drop to 30% or less than was requested in the original proposals. The diminished pot of money must still provide an adequate amount of funding for salary of critical staff. In each of these three years, the percentage of funding identified in the Accomplishment Plans for salary was higher than the percentage of funding identified for salary in the Proposals. In ML24, the percentage of funding awarded was the lowest seen for these programmatic proposals, 24.7%, and it followed the pattern seen before that a higher percentage of Accomplishment Plan funding went to salary as compared to the percentage of salary that was in the Proposal.

### **Funding for Contracts**

The ML24 Shallow Lakes and Wetland Enhancements proposal was the largest one we've submitted and requested \$12.13 million. The biggest share of this request was for a slate of individual projects involving engineering, construction, and/or management actions, which totaled just over \$11 million. Of note among

these were projects with significant costs in the Contract category –

<b>Project</b>	<b>Total Cost</b>	<b>Contract Cost</b>
Sunrise Dams at Carlos Avery	\$2.9 million	\$2.7 million
Lake Calhoun in Kandiyohi County	\$2.0 million	\$1.6 million
Mille Lacs WMA Water Control Structures	\$0.9 million	\$0.75 million
Staples WMA Dike Rehabilitation	\$0.8 million	\$0.753 million
Scotch Lake Water Control Structure in Le Sueur County	\$0.65 million	\$0.46 million

These five projects have a total estimated cost of \$7.25 million, of which \$6.3 million (87%) is Contract expense.

The LSOHC recommendation was to award 24.7% of the funding requested in the Proposal. As noted previously, in making decisions on how to allocate awarded funds to prepare an Accomplishment Plan, our first step is to fund staff and the remaining balance is put towards projects. After providing three years of funding for staff, plus associated costs and Direct and Necessary, less than \$2.2 million was available to put towards projects. It was necessary to eliminate all the large projects listed above, along with their Contract costs. This, along with other projects that were cut, resulted in a large reduction to the amount of funding needed for the Contract line of the budget.