

Department of Natural Resources

FY18-19 Biennial Budget Change Item

Change Item Title: Forests for the Future

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
Clean Water Fund				
Expenditures	0	\$1,000	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	\$1,000	0	0
FTEs	0	.35	0	0

Request:

The Governor recommends \$1 million from the Clean Water Fund to protect the forests and shore lands that supply clean water to lakes, rivers and streams, preventing water degradation while also maintaining recreational opportunities, wood products production, fish and wildlife habitat, and many other forest amenities. This funding supports the strategic protection of up to 1,000 acres of priority private forest parcels using permanent working forest conservation easements and key fee-title acquisitions to protect water quality in Minnesota's lakes, rivers, streams, and groundwater.

Rationale/Background:

Over 40% of forests in Minnesota, or nearly 7.5 million acres, are privately-owned and at risk of fragmentation and conversion. Since 2008, Minnesota has experienced some of the highest deforestation rates in the United States, many within north central Minnesota, including the Pineland Sands and other portions of the Mississippi Headwaters Basin. These vulnerable forested areas are where conversion to agricultural land or other non-forest land uses can contribute to groundwater and surface water contamination. Maintaining working forests within healthy watersheds reduces the risk of water pollution, recharges aquifers and reduces nutrient and sediment to lakes, rivers and streams while ensuring clean water for recreation, fish and wildlife habitat, drinking and economic vitality.

We administer two conservation easement programs to protect and conserve private forests lands that are threatened by conversion to non-forest uses. The Minnesota Forests for the Future Program (MFF) was established by the Minnesota Legislature in 2008 (MS 84.66) to identify and protect private, working forests for their timber, scenic, recreational, fish and wildlife habitat, threatened and endangered species, and other cultural and environmental values. The MFF complements the Federal Forest Legacy Program (FLP) which was created by Congress in 1990 and serves as an important partner and funding source for Minnesota's forest conservation efforts.

Using public/private partnerships, MFF has protected portions of the Mississippi Headwaters. Most recently the program has worked in concert with the Aquatic Management Area Program to protect forested watersheds that sustain high quality tulibee lakes in North Central MN at risk of development and climate change impacts. This program supports the findings of Governor's town hall meetings by providing landowners with incentives for easements near sensitive areas to protect water quality.

The FLP primarily uses working forest conservation easements and fee title acquisitions to protect important public values on privately owned forest land including:

- Maintaining forest ecosystems and their biological resources in order to sustain their full array of biodiversity and ecological functions;
- Protecting water quality and quantity;
- Maintaining fish, game, and nongame wildlife and plant populations;
- Providing habitats for at risk species;
- Producing wood products and non-timber products;
- Providing quality outdoor recreational experiences including hunting, fishing, and trapping
- Improving and protecting soil productivity; and
- Enhancing the biological diversity and aesthetic qualities of the landscape.

The MFF program includes partnerships with other state agencies, federal agencies, counties, soil and water conservation districts, and non-governmental organizations. Protected land remains in private ownership and prevents conversion of forest to other uses. Wildlife habitat, timber production, water quality, rare species habitat, outdoor recreation, and other traditional uses are maintained.

Proposal:

This proposal is part of a long-term, partnership-driven effort that works with landowners, conservation partners, communities and outdoor enthusiasts to protect and maintain forests for multiple public benefits including fish and wildlife habitat, recreation, clean water, timber and jobs. This proposal does the following:

- Focuses on the purchase of permanent MFF Working Forest Conservation Easements in the Upper Mississippi River Watershed for water quality protection;
- Leverages other available funding to acquire up to 1,000 acres of new conservation easements;
- Coordinates with other partners working in the watershed;
- Makes payments determined by a fair-market appraisal;
- Requires that properties under easement must have an approved forest management plan;
- Monitors each property annually to ensure compliance with easement terms; and
- In exceptional cases, DNR acquires full-fee title ownership for key parcels to consolidate public land, gain access to landlocked public lands for management or public use, or conserve unique natural resources.

Results:

Acres of forest conservation easements is one of 87 DNR performance measures and targets that are used to describe natural resource conditions, DNR management activities, and the results we strive to accomplish through our management efforts. As of June 2017, the DNR has purchased forest conservation easements on over 352,000 acres of private forest lands through FLP and MFF. The long-term target is acquisition of 530,000 acres of forest easements by 2034.

ACRES OF FOREST PROTECTED BY PERMANENT WORKING FOREST EASEMENTS – Ultimate goal is 530,000 acres of permanently protected private forests by 2034.



- This proposal provides funding to acquire up to 1,000 acres of permanent forest easements for water quality protection.
- MFF and its partners are exploring many potential easement opportunities for 2019 and subsequent years.