

Lessard-Sams Outdoor Heritage Council

FY10 Recommendation Status Report for Period Ending Dec. 31, 2009

Date: February 9, 2010

Project Title and Number: Conservation Partners Legacy Grant Program

Manager Data

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Appropriation and citation language:

Laws of Minnesota 2009, Chapter 172, Article I, Section 2, Subd. 5a.

Outdoor Heritage Conservation Partners Grant Program

\$4,000,000 in fiscal year 2010 is to the commissioner of natural resources for a pilot program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations, including government, for enhancement, restoration, or protection of forests, wetlands, prairies, and habitat for fish, game, or wildlife in Minnesota. Up to 6-1/2 percent of this appropriation may be used for administering the grant. The funds may be advanced in three equal sums, on or after November 1, 2009, February 1, 2010, and April 1, 2010. Grantees may protect land through acquisition of land or interests in land. Easements must be permanent. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by state law. The commissioner of natural resources must agree to each proposed acquisition of land or interest in land. The program shall require a match of at least \$1 nonstate funds to \$10 state funds. The nonstate dollars match may be in-kind. The criteria for evaluating grant applications must include amount of habitat restored, enhanced, or protected; local support; degree of collaboration; urgency; multiple benefits; habitat benefits provided; consistency with sound conservation science; adjacency to protected lands; full funding of the project; supplementing existing funding; public access for hunting and fishing during the open season; sustainability; and use of native plant materials. All projects must conform to the Minnesota statewide conservation and preservation plan. Wildlife habitat projects must also conform to the state wildlife action plan. Priority may be given to projects acquiring land or easements associated with existing wildlife management areas. All restoration or enhancement projects must be on land permanently protected by conservation easement or public ownership. To the extent possible, a person conducting prairie restorations with money appropriated in this section must plant vegetation or sow seed only of ecotypes native to Minnesota, and preferably of the local ecotype, using a high diversity of species originating from as close to the restoration site as possible, and protect existing native prairies from genetic contamination. Subdivision 10 applies to grants awarded under this paragraph. This appropriation is available until June 30, 2013, at which time all grant projects must be completed and final products delivered, unless an earlier

date is specified in the grant agreement. No less than 15 percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report in the form prescribed by and satisfactory to the Lessard Outdoor Heritage Council. As a condition of proceeding with this appropriation, the commissioner shall report on the feasibility, process, and timeline for creation of a Minnesota fish and wildlife foundation, to be modeled after the National Fish and Wildlife Foundation, and on the possibility of allowing for the administration by this entity of the conservation partners grant program. The legislative guide created in this act shall consider whether this program should be administered by the National Fish and Wildlife Foundation, the commissioner of natural resources, or some neutral third party.

Summary:

This program will be managed by the Minnesota Department of Natural Resources (DNR) to provide competitive matching grants of up to \$400,000 to local, regional, state, and national organizations, including government. Grant activities include the enhancement, restoration, or protection of forests, wetlands, prairies, and habitat for fish, game, or wildlife in Minnesota. A 10% non-state cash or in-kind match will be required from all grantees, and must be identified at the time of application. The Commissioner of Natural Resources will also report to the Legislature on the feasibility, process, and timeline for creation of a Minnesota fish and wildlife foundation.

Background:

This grant program will consist of two activity categories:

Category 1 - Restoration and Enhancement

For the purpose of this grant program, this work is defined as:

Restore: action to bring a habitat back to a former state of sustaining fish, game or wildlife, with an ultimate goal of restoring habitat to a desired conservation condition.

Enhance: action to increase the ability of habitat and related natural systems to sustain and Improve fish, game or wildlife in an ecologically sound manner.

Projects funded under Category 1 - Restoration and Enhancement will consist of activities that restore or enhance habitat for fish, game, or wildlife on lands permanently protected by conservation easement or public ownership. Specific activities can be found in LOHC Habitat Activity Definitions.

1. Proposed projects on public lands will be approved by and coordinated with public land managers. Projects proposed for lands under permanent conservation easement will be reviewed by public land managers. Proof of review or approval must be submitted with the grant application.
2. Restoration and enhancement activities will be considered permanent work and a conservation easement must be placed on private land impacted before work may begin. Funding for the easement/deed restriction and associated costs may be paid for with in-kind match or grant funds.
3. Grantees are responsible for all administrative requirements such as Historic Property Review, Wetland Conservation Act, Stormwater Permits, Natural Heritage Review, DNR Waters Permits, and others as appropriate. Costs for any reviews or

permits should be included in the grant application, either as in-kind match or requested from grant dollars. As specified in the grant agreement, grantees may, by letter, assign these duties and associated funds back to DNR, with DNR consent.

4. The Commissioner of Natural Resources must approve all projects.
5. Vegetation and seed used in these projects must be from ecotypes native to Minnesota, and preferably of the local ecotype, using a high diversity of species originating from as close to the restoration site as possible. Existing native prairies must be protected from genetic contamination to the extent possible.
6. A restoration and management plan must be prepared for all restorations that is consistent with the highest quality conservation and ecological goals for the restoration site. The plan shall include:
 - a. The proposed timetable for implementing the restoration, including
 - i. site preparation,
 - ii. establishment of diverse plant species,
 - iii. maintenance, and
 - iv. additional enhancement to establish the restoration;
 - b. Identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and
 - c. Use the best available science to achieve the best restoration.
7. Grantees must give consideration to and make timely written contact with the Minnesota Conservation Corps for consideration of possible use of their services to contract for restoration and enhancement services.

Category 2 - Land Protection

For the purpose of this grant program, this work is defined as:

- **Protect:** action to maintain the ability of habitat and related natural systems to sustain fish, game or wildlife through acquisition of fee title or conservation easements.

Acquisitions funded under Category 2 – Land Protection will protect wetlands, prairies, forests, and habitat for fish, game, and wildlife by acquiring land through fee title or permanent easement. Lands acquired in fee title will be open to the public for hunting and fishing during open seasons. Easements must include stewardship provisions to perpetually monitor and enforce the conditions of the easements.

1. The Commissioner of Natural Resources must agree to each proposed acquisition of land or interest in land. For fee acquisition, the final title holder and land manager must be specified. Lands that will be conveyed to a public agency must be donated.
2. For permanent easements, the following information must be provided:
 - a. What organization will monitor the easement;
 - b. Who the easement will revert to in the event the primary easement holder ceases to exist;
 - c. What easement monitoring standards will be used;
 - d. Amount, funding source, and holder of the stewardship endowment dedicated to the easement;
 - e. Any restrictions, allowed structures, allowed activities, and reserved rights.

3. A restoration and management plan must be prepared for all newly acquired lands as described in Category 1, # 6, above.
4. All acquisition selection processes and related transactions costs for all parties involved in the acquisition must be reported to the LSOHC.
5. A Notice of Funding Restriction must be recorded for each acquisition.
6. An analysis of future operations and maintenance costs for any acquired lands must be provided to the LSOHC, commissioner of finance, and appropriate public agency.
7. The grantee must submit an annual report on the status of property acquired with grant funds to the LSOHC by December 1 of each year.

Grantees acquiring land that will be conveyed to DNR will be required to follow DNR's Third Party Land Acquisition Procedures. All appraisals must be done to Uniform Standards of Professional Appraisal Practice (USPAP) standards. All land surveys must be done to meet DNR's General Requirements for Land Surveys. Lands that will be conveyed to a public agency for long-term management must be brought up to the agency's minimum operating standards before being conveyed. For potential WMA lands, see DNR's Development Standards for WMAs.

General Program Requirements

All grants must be completed by June 30, 2012, at which time all grant projects must be completed and final products delivered. A one year extension may be considered on a case-by-case basis.

All grant projects must conform to the terms set out in the 2009 MN Session Law Chapter 172, and address the priorities in the Minnesota Statewide Conservation and Preservation Plan, and Tomorrow's Habitat for the Wild and Rare. In implementing this program the DNR will comply with the Department of Administration - Office of Grants Management policies.

Grantee Match

The match requirement is 10% in nonstate cash or in-kind work, which may include verifiable equipment use, donation of materials, and donation of labor. The amount and source of the match must be identified at the time of application. Proof of all required and pledged grantee match must be provided before the final payment is made.

Grant Process

A Request for Proposal (RFP) will be posted on the DNR and LSOHC websites by August 25, 2009. The RFP will contain grant program, application criteria, application and proposal requirements, state agency contacts and grant reporting requirements. The RFP and all grant agreements will incorporate appropriate principles and criteria from the 2009 LSOHC Strategic Plan.

Applications will be accepted electronically year-round, with grants selected for funding in December, 2009, and March, 2010. Applications must be submitted electronically on the form provided. Maps and aerial photos showing the location of proposed projects are required, and

must include the name of the public land unit or private landowner, county, legal description, acres affected, and on-site and adjacent habitat types.

DNR Grants Program staff will work with grant applicants to ensure applications are complete, compile all grant applications, enter applications into a database, and rank applications based on criteria established by the LSOHC and MN State Legislature. A Technical Guidance Committee selected by the Commissioner of Natural Resources will recommend projects and funding levels. This committee will consist of no more than nine people and may include representatives from DNR, BWSR, the University of MN, and the US Fish and Wildlife Service, and other appropriate members. The Commissioner will make the final decision on projects funded, and funding levels.

Selection Criteria

Criteria for evaluating grant applications will include:

1. Amount of habitat restored, enhanced, or protected;
2. Local support;
3. Degree of collaboration;
4. Urgency;
5. Multiple benefits;
6. Habitat benefits provided;
7. Consistency with sound conservation science;
8. Adjacency to protected lands;
9. Full funding of the project;
10. Supplementing existing funding;
11. Public access for hunting and fishing during the open season;
12. Sustainability; and
13. Use of native plant materials

Every effort will be made to evenly distribute the selected grants by geographic location, activity, and funding level, with an objective of granting 50% of the funds to projects above and below \$125,000.

Once grant applications are selected, DNR Grants Program staff will work with grantees to ensure financial reviews, grant agreements, and any other necessary paperwork are completed. Work may not begin until the grant is executed.

Grant Payment

Grant payments will be administered on a reimbursement basis unless otherwise provided in the grant agreement. Periodic payments will be made upon receiving documentation that the deliverable items articulated in the approved accomplishment plan have been achieved, including partial achievements as evidenced by approved progress reports. Capital equipment expenditures will not be allowed.

No less than 15 percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report in the form prescribed by and satisfactory to the LSOHC.

Project Reviews and Reporting

Project reviews will be completed on an annual basis by Grant Program or other DNR staff. Grantees shall submit annual accomplishment reports in the form determined by the LSOHC by September 1 of each year. These reports will be based on work completed during the previous fiscal year. Reports must account for the use of grant and match funds, and outcomes in measures of wetlands, prairies, forests, and fish, game, and wildlife habitat restored, enhanced, and protected. The report must include an evaluation of these results. A map and aerial photo showing the location of the project and including the name of the public land unit or private landowner, county, legal description, and acres affected must be included.

DNR Grant Program staff will compile grantee reports and submit an annual accomplishment report to the LSOHC, Legislative Coordinating Commission, and Department of Finance on October 15 of each year. Accomplishment information will also be posted on LSOHC and DNR websites.

MN FISH AND WILDLIFE FOUNDATION REPORT

This report will be submitted by January 1, 2010 to the Legislature by the Commissioner of Natural Resources. It will consider the feasibility, process, and timeline for creation of a Minnesota fish and wildlife foundation, to be modeled after the National Fish and Wildlife Foundation, and on the possibility of allowing for the administration by this entity of the conservation partners grant program. The legislative guide created in this act shall consider whether this program should be administered by the National Fish and Wildlife Foundation, the commissioner of natural resources, or some neutral third party.

How will the habitat and improvements be sustained?

Grantees will provide this information in their application by answering the following questions:

1. Who will be the long-term land manager?
2. Describe the short- and long-term maintenance required to sustain the habitat work you will do; and/or
3. Describe the short- and long-term work required to manage the land you will acquire.
4. Who will do this work?
5. How will this work be funded?

Table 1. Accomplishment Timeline.

Original Milestone	Original Milestone Accomplishment Date	Requested Changes	Narrative Reason	Progress To-date
Progress report to Council	July 2009 Council Meeting	None		Complete
Progress report to Council	August 2009 Council Meeting	None		Complete
FY10 RFP issued	August 25, 2009	None	Posted Sept 3, 2009 due to internal DNR review	Complete
Progress report to Council	September 2009 Council Meeting	None		Complete
First round grant applications due	November 3, 2009	None		Complete
Quarterly progress report to Council	December 2009 Council Meeting	None		Complete
First round grantees/projects selected	December 15, 2009	None		Complete
MN Fish and Wildlife Foundation Report due	January 1, 2010	February 26, 2009	Draft form complete, should be published by end of the month	Pending Commissioner approval
First round grants executed	February 16, 2010	Extend to March 5, 2010	Additional time required for due diligence, work plan updates, insurance, and grant agreement processing	In process
Quarterly progress report to Council	March 2010 Council Meeting	Delete	No meeting scheduled	
Second round grant applications due	March 1, 2010	Delete	All funds awarded in first round.	
Second round grantees/projects selected	May 11, 2010	Delete	All funds awarded in first round.	
Quarterly progress report to Council	June 2010 Council Meeting			
Second round grants executed	June 25, 2010	Delete	All funds awarded in first round.	
First annual grantee reports due	September 1, 2010			
Quarterly progress report to Council	September 2010 Council Meeting			

FY11 RFP issued (if needed)	August 13, 2010	Delete	All funds awarded in first round	
First annual program report to LSOHC due	October 15, 2010			
Third round grant applications due	November 2, 2010	Delete	All funds awarded in first round	
Quarterly progress report to Council	December 2010 Council Meeting			
Third round grantees/projects selected	December 14, 2010	Delete	All funds awarded in first round	
Third round grants executed	February 15, 2010	Delete	All funds awarded in first round	
Quarterly progress report to Council	March 2010 Council Meeting			
Second annual grantee reports due	September 1, 2011			
Second annual program report to LOHC due	October 14, 2011			
Quarterly progress report to Council	June 2012 Council Meeting			
Grants end (without extension)	June 30, 2012			
Third annual grantee reports due	September 1, 2012			
Quarterly progress report to Council	September 2012 Council Meeting			
Third annual program report submitted	October 15, 2012			
Quarterly progress report to Council	December 2012 Council Meeting			
Quarterly progress report to Council	March 2013 Council Meeting			
All grants end	June 30, 2013			
Fourth annual grantee reports due	September 1, 2013			
Quarterly progress report to Council	September 2013 Council Meeting			

FINAL program report submitted	October 15, 2013		
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Table 2. Project Accomplishments.

Funding Resource Type	Wetlands/Wetland Systems			Prairies/Prairie Systems			Forests/Forest Systems			Habitats for Fish Game and Wildlife		
	Original Target	Current Target	Accomplished To Date	Original Target	Current Target	Accomplished To Date	Original Target	Current Target	Accomplished To Date	Original Target	Current Target	Accomplished To Date
Restore	119	119	0	440	440	0	2292.3	2292.3	0	2	2	0
Protect	448.7	448.7	0	183	183	0	0	0	0	726	726	0
Enhance	0	0	0	32	32	0	1017.5	1017.5	0	320	320	0
Total	567.7	567.7	0	655	655	0	3309.8	3309.8	0	1048	1048	0

Table 3. Recommended Fund Allocation.

Recomm end Fund Allocatio n	Wetlands/Wetland Systems			Prairies/Prairie Systems			Forests/Forest Systems			Habitats for Fish Game and Wildlife		
	Original Allocation	Current Allocation	Expenditure To-Date	Original Allocation	Current Allocation	Expenditure To-Date	Original Allocation	Current Allocation	Expenditure To-Date	Original Allocation	Current Allocation	Expenditure To-Date
Restore	n/a	514034	0	n/a	131250	0	n/a	474372	0	n/a	58646	0
Protect	n/a	628192	0	n/a	464000	0	n/a	0	0	n/a	768108	0
Enhance	n/a	0	0	n/a	337956	0	n/a	315442	0	n/a	48000	0
Total	n/a	1,142,226	0	n/a	933,206	0	n/a	789,814	0	n/a	874,754	0
	A	1,142,226		B	933,206		C	789,814		D	874,754	

Total A = \$ 1,142,226

Total B= \$ 933,206

Total C= \$ 789,814

Total D= \$ 874,754

Grand Total A+B+C+D= \$ 3,740,000 = Your Appropriation Amount \$ 3,740,000

Table 3. Budget.

Budget line item	Original Allocation to item	Expenditures To-date (Include remitted and legally committed) on item	Current Allocation to item	Current Allocation Minus Original Allocation (Change Request)	Balance remaining of Current Allocation to item
Grant Administration	\$260,000	\$260,000	\$260,000	\$0	\$0
Grants	\$3,740,000	\$0	\$3,740,000	\$0	\$3,740,000
TOTAL	\$4,000,000	\$260,000	\$4,000,000	\$0	\$3,740,000

Tell us more about your project. Address unanticipated issues, problems, or barriers and how they will be resolved; report new grants or funding for the project; attach links or hard copies of media reports concerning the project; inform us of ribbon cuttings, openings, or other events associated with the project's success.

The Conservation Partners Legacy Grant Program (CPL) was appropriated to the MN Department of Natural Resources (DNR) in May, 2009. Staff (1.5 FTEs) was onboard by August, a website developed shortly after, and the Request For Proposal (RFP) and Program Manual posted on September 3, 2009. The website is located on the DNR's webpage at <http://www.dnr.state.mn.us/grants/habitat/cpl/index.html>. Other DNR staff were key in supporting the program and in providing program guidance.

By early October a new online grant application system had been developed just for this program and was live. CPL Staff went on the road, speaking to public managers and local conservation organizations and walking them through the application process. A total of xxx meetings were held, with xxx attending.

Additional public contact was made by:

- Linking the DNR website with the Lessard-Sams Outdoor Heritage Council (LSOHC) site;
- A listserv email for subscribers;
- News releases and a podcast;
- Interviews with Outdoor News and other media;
- Cybernews for subscribers;
- Extended hours by CPL Staff to help applicants;
- Access to CPL Staff via phone or email;
- Support from other DNR staff who worked closely with applicants

Communication with the L-SOHC was ensured through:

- Monthly updates at Council meetings
- Additional meetings with L-SOHC Small Grants Committee members;
- Additional meetings with L-SOHC staff as needed.

When the application period ended, a total of 127 applications requesting \$16.5 million had been received, completely surpassing all expectations.

The online application system automated much of the application process, and allowed data to be sorted quickly, and also generated consistent maps of each project. While there was still some handwork needed to obtain the final product, the system was more efficient than hand entering all the data. Most applicants commented that the system worked well, and CPL Staff were able to assist anyone having trouble. CPL Staff will be working to improve the system prior to the next round of applications.

Because of data privacy statutes relating to grant programs and state agencies (MS 13.599), CPL Staff were only able to release a minimal amount of information about the applications received

until grants were selected and negotiated with the applicant. CPL Staff worked with DNR's Data Practices Compliance Official to make sure that statute and internal policies were followed correctly.

The grant selection and review process was complicated by the large number of applications received, meaning there was a lot of information to sort through. Also, the timing (late November, during the Thanksgiving holiday) made trying to get a balanced Technical Review Committee together difficult. Once the Review Committee made their recommendations, a committee made up of DNR's Chief Financial Officer, and the Directors of the Fish and Wildlife, Ecological Resources, and Forestry Divisions made final recommendations to the Commissioner. Again, approaching holidays, severe winter weather, and work on new FY 2011 L-SOHC proposals made it difficult to gather this group together. At a meeting on December 17, 2009, DNR Commissioner Mark Holsten approved the recommended applications. A press release announcing the funded grants was issued on December xxx.

Currently, CPL Staff are working on completing the necessary due diligence with grantees, and making sure work plans are updated. Staff are ready to put grant agreements together and start the signature process.

The challenges this program faced over the past eight months included an ambitious timeline, a huge amount of work to get a new program up and running, and timing (holidays, and putting together a new proposal to continue program funding). Many of these challenges have been addressed simply by having been through the process once. Others (such as timing) were addressed in the FY 2011 proposal.

The CPL Grant Program wouldn't have made it off the ground without the support of DNR management, division directors, and field and bureau staff. Field staff alone contributed \$xxx in in-kind support to the program.

Staffing will continue to be an issue as the program continues. Again, many things will be easier than in the first year; however the volume of grants to manage will increase with no increase in staff.

The CPL grant program has been remarkably popular with eligible grant applicants. They, CPL Staff, and the DNR, believe this grant program will make significant, positive differences for fish and wildlife habitat in Minnesota. This is just the beginning.