March 4, 2024

Chair Ann H. Rest Minnesota Senate Taxes Committee 328 Capitol St. Paul, MN 55155

Re: SWCD funding bill support – <u>HF4179/SF4422</u>

Dear Chair Rest and committee members,

Thank you for considering <u>SF4422</u>, Soil and water conservation district aid appropriation increase provision. SWCDs provide essential frontline services for land and water conservation across the state. Stable, long-term funding for SWCD's is critical for healthy soils, sustainable agriculture, and clean drinking water in rural communities.

We appreciate your support last session for creating a stable funding source for SWCDs in the General Fund by creating a local government aid program through the Dept. of Revenue.

Last year the final tax bill, HF1398, created a new SWCD aid funded at \$30 million for this biennium (\$15 million per year) and \$12 million per year in FY26/27. While it is an achievement to shift base funding to the General Fund, this resulted in an overall reduction of \$7 million per year for SWCDs since they previously received \$22 million per year from the Clean Water Fund.

We strongly support an increase in SWCD funding as outlined in SF4422. SWCDs are key partners for implementing soil health and water conservation programs designed to ensure clean water and resilient landscapes.

SWCD staff engage directly with farmers, foresters, other local governments, and landowners by helping to:

- Identify solutions to persistent problems such as nitrogen loss and erosion.
- Provide technical assistance to implement soil and water conservation practices.
- Navigate financial support options including county/state/federal grants and low-interest loans.

Given this vital role, we believe that SWCDs need a stable, sufficient funding source that allows them to effectively hire and retain staff, and implement key programs such as <u>Soil Health</u> and <u>Water Storage and</u> <u>Climate Resilience</u>. Thank you for considering SF4422 this legislative session.







