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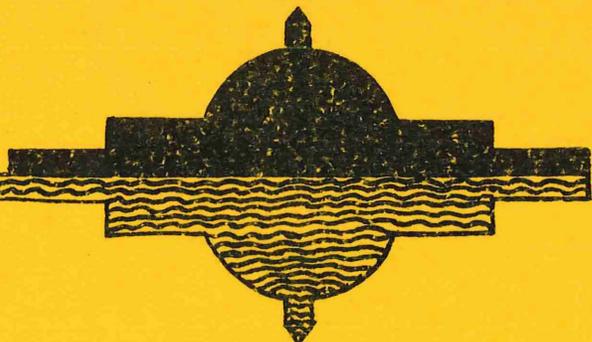
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**MINNESOTA RESOURCES
COMMISSION
1974
REPORT TO THE LEGISLATURE**

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1974

MINNESOTA RESOURCES COMMISSION



MINNESOTA RESOURCES COMMISSION

PRESENT MEMBERS

Senator Jerald C. Anderson - - - - - North Branch
Senator Norbert Arnold - - - - - Pengilly
Senator Robert J. Brown - - - - - Stillwater
Senator John Chenoweth - - - - - St. Paul
Senator Richard Fitzsimons - - - - - Warren
Senator Baldy Hansen - - - - - Austin
Senator Earl W. Renneke - - - - - LeSueur
Representative Irvin N. Anderson - - - - International Falls
Representative Aubrey W. Dirlam - - - - Redwood Falls
Representative Neil S. Haugerud - - - - Preston
Representative Willard M. Munger - - - - Duluth
Representative Thomas W. Newcome - - - - White Bear Lake
Representative Fred C. Norton - - - - St. Paul
Representative Martin O. Sabo - - - - Minneapolis

OFFICERS

Senator Jerald C. Anderson - - - - - Chairman
Representative Irvin N. Anderson - - - - - Vice Chairman
Representative Thomas W. Newcome - - - - - Secretary

COMMITTEE CHAIRMAN

Representative Fred C. Norton - - - - - Legislative Review
Representative Irvin N. Anderson - - - - - Special Studies

STAFF

Robert E. Hansen - - - - - Executive Director
John R. Velin - - - - - Administrative Assistant
Rita C. Winkel - - - - - Executive Secretary

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November 15, 1974

To: Members of the Legislature:

The attached report is submitted as required under MSA 86.11, Subdivision 5, as amended by Chapter 406, Section 61, Laws of Minnesota, 1974.

The 1973-75 biennium has been a period of major re-examination by the Commission of its responsibilities, goals and objectives. As the result of serious self-study, MRC has reaffirmed its basic role as a resource to the Legislature.

Working cooperatively with the appropriate standing committees, the Commission will continue to identify and research emerging resource issues facing the state. The MRC will recommend appropriations from the natural resources account for innovative programs which would not normally be funded as part of regular operating budgets. The Commission will also expand its evaluation of projected funding from the "natural resources acceleration" account.

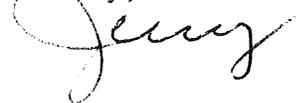
It should also be noted that MRC, as part of its evaluation role, will continue its review of the peripheral planning and management plan for the Voyageurs National Park as well as the legislative responsibilities involved in the copper-nickel studies, which are now underway with funding from the natural resource account.

During the upcoming Session, the Commission may recommend some specific actions relating to payment in lieu of taxes and other study areas under its consideration. The MRC may also prepare an overview, for policy consideration, of the problems faced by the State in the land acquisition and development program.

In order to implement this expanded program, MRC has endorsed the recommendations of its "goals" committee and employed a full-time staff to provide the necessary professional services to the Commission and the Legislature.

In closing, please call on MRC whenever we can "provide the background necessary to evaluate programs proposed to preserve, develop and maintain the natural resources of the state" (MSA 86.02).

Sincerely,



Senator Jerald Anderson,
Chairman

CURRENT ROLE

The role of the original Minnesota Outdoor Recreation Resource Commission was formally changed in 1967 when Chapter 86 MSA was amended to broaden the responsibility of the Commission from "Outdoor Recreation" to simply "Resources."

At the same time, the responsibility of the Commission to make recommendations to the Governor, counties and municipalities was terminated and MRC became a resource to the legislature with the following responsibilities:

1) Review of funding requests for two cents of cigarette tax general fund revenues for innovative and acceleration programs and submission of recommendations for appropriations to the Finance and Appropriation Committees.

2) The Commission shall present, on December 1 of each even numbered year, a report as of that time of its review, a compilation of its data and its recommendations to the legislature. (1)

3) In addition the Commission shall report to the legislature from time to time, setting forth its findings as a result of its investigations and studies and shall make such recommendations as it deems proper to assist the legislature in formulating legislation. (1)

This first responsibility is not necessarily new but the responsibility to look at specific areas has been broadened so that the Commission, before undertaking any study, considers the extent of the problem and determines, within the scope of its budget and total commitments, the priorities and steps which can most efficiently provide the data sought by the Legislature. (The functional roles of the State Planning Agency and Bureau of Comprehensive Planning of the State Department of Natural Resources have eliminated much of the day-to-day gathering of data and research normally undertaken by the Commission in the past.)

(1) Chapter 86 MSA, Sub. 5. (amended to Nov. 15 by M.L. 74, Chapt. 406, sec. 61)

4) Any data compiled by the Commission will be made available to any standing or interim committee of the legislature upon request of the chairman of the respective committee. (1)

The Commission, under this authority, reviews, on behalf of LAC, all requests for funding from the natural resource federal reimbursement account and natural resource grant programs.

COMMISSION PRIORITIES

1963 - 73

Throughout the hearings and discussions in the 1963 session that led to the enactment of the Omnibus Natural Resources and Recreation Act, acceleration and innovation was the dominant objective. This was reflected in the decision to add and dedicate a one-cent-per-pack tax on cigarettes to provide a new source of revenue - to stimulate and speed the preservation, acquisition and development of both the natural and recreational resources of Minnesota.

The Commission has always viewed its responsibility to identify and limit its recommendations for expenditure of natural resources funds to those programs not previously or adequately financed by other sources. This includes acquisition, development, special studies and planning.

As part of the acceleration philosophy, the Commission has given priority time and time again to programs and projects where federal matching dollars have been available (See Appendix A). By constant review of federal legislation and appropriations, the State of Minnesota has been able to use funds available from the Natural Resources Account as matching dollars.

The objective and function of the program has been to provide new dollars to finance projects and programs not supported or adequately financed by other sources. In some instances the Commission committed itself to funding of long range programs including a ten-year historical sites acquisition program, a ten-year mapping acceleration, etc.

GOALS COMMITTEE

The Policy and Goals Committee chaired by Senator Ed Novak recommended that the MRC orient its appropriation recommendations to new and innovative programs.

The following recommendations of the Policy and Goals Committee have been adopted by the Commission:

MRC POLICIES AND GOALS

Adopted May 3, 1974

1. Limit the Commission's role in the appropriation process to an analysis of major policy questions relating to natural resources acceleration, rather than considering every dollar spent for natural resources acceleration. Recommendations of specific appropriation amounts should be made to the House Appropriations and Senate Finance Committees.
2. Review potential problems relating to the state's natural resources protection and management and recommend the same to the standing committees for study.
3. Perform evaluations or critical examinations of current state programs designed to enhance the natural environment where there is a question of whether the benefits derived justify the resources expended.
4. Provide the standing committees of both the House and the Senate any data compiled by the Commission and respond to requests by the standing committees for background information or evaluation of programs related to Minnesota's resources to avoid duplication of efforts.
5. Examine and make recommendations to state agencies or the Legislature for guidelines and priorities regarding the distribution of federal and state funds to local units of government, and their use for natural resources projects and programs.
6. Analyze and develop methods and priorities to achieve a more balanced and systematic approach for the acquisition, disposal, and exchange of state lands and the development of state outdoor recreational facilities.
7. Develop methods and procedures for increasing legislative control over acquisition and development of state outdoor recreational facilities.
8. Recommend to the House Appropriations and Senate Finance Committees the amounts required for the operation of the Commission and make special recommendations for projects which may be of critical importance to the state's resources.
9. Make specific recommendations to the Legislature regarding the continuation, termination or institutionalization of programs in which the Commission has been involved or instrumental.
10. Hire a permanent full-time executive director and the necessary professional staff to carry out the research, program evaluation and other activities and duties of the Commission.

THE COMMISSION

The Commission consists of 14 members appointed as follows: (MSA 86.07, Subd. 1)

(1) Seven members of the Senate to be appointed by the committee on committees to be chosen before the close of each regular session of the legislature and to serve until their successors are appointed;

(2) Seven members of the House to be appointed by the Speaker to be chosen before the close of each regular session of the legislature and to serve until their successors are appointed.

The Commission, its subcommittees and members participated in a total of 24 meetings and 9 field trips and conferences during the period from May 1973 to November 1974.

CURRENT MEMBERSHIP:

<u>House</u>	<u>Senate</u>
Irvin N. Anderson	Jerald Anderson
Aubrey Dirlam	Norbert Arnold
Neil Haugerud	Robert Brown
Willard Munger	John Chenoweth
Tom Newcome	Richard Fitzsimons
Fred Norton	C. R. (Baldy) Hansen
Martin Sabo	Earl Renneke

* Others serving during 1973-75, Senator Edward Novak, Rep. Ray Pavlak.

OFFICERS:

Chairman

Senator Jerald C. Anderson	July 1974	
Representative Raymond Pavlak	July 1973	<u>July 1974</u>
Representative Thomas Newcome	Aug. 1969	July 1973

Vice Chairman

Representative Irvin N. Anderson	July 1974	
Senator Jerald C. Anderson	July 1973	<u>July 1974</u>

Secretary

Representative Thomas Newcome	July 1973	
Senator Edward Novak	Jan. 1967	<u>July 1973</u>

CURRENT OPERATING COMMITTEES:

LEGISLATIVE REVIEW COMMITTEE:

Representative Fred Norton, Chairman
Senator Norbert Arnold
Senator Richard Fitzsimons
Representative Martin Sabo

SPECIAL STUDIES COMMITTEE:

Representative Irv Anderson, Chairman
Senator John Chenoweth
Representative Neil Haugerud
Senator Richard Fitzsimons
Senator Earl Renneke

STAFF

(MSA 86.08, Subd. 1) The Commission is authorized, without regard to the civil service laws and regulations, to appoint and fix the compensation of such additional legal and other personnel and consultants as may be necessary to enable it to carry out its functions, or to contract for services to supply necessary data, including the full or part-time services of a recreation and planning coordinator, except that any state employees subject to the civil service laws and regulations who may be assigned to the commission shall retain civil service status without interruption or loss of status or privilege.

The Commission has implemented the recommendations of its Goals and Policy Committee and hired a full-time executive director, Robert E. Hansen, and supporting staff, effective August 1974.

RELATIONSHIPS TO OTHER COMMITTEES

A good share of the credit for the implementation of the recommendations of MRC can be traced to the strong support and direct relationships of MRC with the standing committees charged with resource responsibilities.

1) Chapter 86 MSA, Subd. 5, gives MRC direct access to the standing committees upon request of their respective chairmen.

2) The Commission members have over the years been made up of the House and Senate Majority and Minority leadership and the chairmen, or subcommittee chairman of the Resource, Environment and Finance and Appropriations Committees.

3) There has been continual interchange and dialogue between the staffs of Finance, Appropriation and MRC in all matters relating to the appropriation and evaluation process.

APPROPRIATIONS

AUTHORITY

"Laws 1963, Chapter 790, directed the Commission to report to the governor, legislature, counties, and municipalities its recommendations 'for the long-range program of development and encouragement herein designated,' and to 'make such recommendations as it deems proper to assist the legislature in formulating legislation.' There was no specific reference to recommendations for appropriations, but developing recommendations for allocation of the money in the natural resources account has been one of the functions of the Commission from its inception." (1)

In 1965, the Commission functioned like a standing committee, reporting its own appropriation bill directly to the floor of each body.

The 1967 amendments to the legislation more clearly spelled out the responsibility of MRC as an advisor in appropriation matters to Finance and Appropriation Committees and since that time, MRC has submitted its recommendations for natural resources acceleration appropriations as a part of the state department's appropriation bill. The Commission's recommendations have been reviewed, with little change, by the Finance and Appropriations Committees.

APPROPRIATIONS 1963 - 73

In reviewing the Appendix B, summarizing appropriations from the resource account for the 1963 - 73 period, it should be noted that additional appropriations have been made from time to time other than those recommended by the Commission during the House and Senate hearing process or through actions of the Conference Committee.

FUNDING SOURCES

CIGARETTE TAX

The Legislature in 1963 dedicated 1¢ of the cigarette tax for natural resource acceleration. In 1969 the Legislature, acting upon the recommendation of the Commission enacted an additional one cent per package tax to finance a major new program of assistance to local units of government for recreational land acquisition and development. Through minor differences in the wording of the two acts, the revenue generated by the 1969 tax differs slightly from the 1963 tax, but they are for all purposes equal. Together these taxes have raised approximately \$16 million per biennium.

(1) Origin and History of the Minnesota Resource Commission.

Cigarette Tax Collections

Fiscal Year

1963 (May and June only)	\$ 233,197.20
1964	3,548,808.73
1965	3,729,330.81
1966	3,816,439.08
1967	3,968,406.30
1968	3,947,390.82
1969	4,175,607.20
1970	7,286,073.07
1971	8,674,396.54
1972	7,337,600.89
1973	8,025,439.74
1974 (First six months)	4,929,700.46

FEDERAL FUNDING

It should be noted that appropriations for natural resource projects for 1973-75 (See chart below) included \$4,159,000 of federal funds expected to be deposited in a special Federal Reimbursement Account. Because there has been some confusion as to the purpose of this account, the following clarification was provided to MRC on August 27, 1973, by the staff of the House Appropriations Committee.

NATURAL RESOURCE ANTICIPATED FUNDS' - 1973-75

CIGARETTE TAX INCOME

1974: 11% of \$75,031,000 = \$ 8,253,000
1975: 11% of 76,545,000 = 8,420,000

Total	\$ 16,673,000
FEDERAL REIMBURSEMENT ACCOUNT	4,159,000
STATE PARK DEVELOPMENT ACCOUNT	1,900,000
UNEXPENDED REGIONAL GRANT FUNDS - ANTICIPATED	1,200,000
TOTAL	<u>\$ 23,932,000</u>

"Major changes were made by the 1973 Legislature with respect to the natural resources federal reimbursement account. Chapter 720, Section 43, subdivision 14 placed a maximum balance of \$1,000,000 that may be retained for expenditure from the account.

"Previously there was no limiting of the amount that could accumulate in this account.

"The purpose for which money can be expended from the account was also changed. Professional services was deleted and restrictive words were added to the types of expenditures for which the appropriation is available... 'when such acquisition or development is deemed to be of an emergency or critical nature.'

"This means that the natural resources federal reimbursement account is not to be looked upon as a vehicle for routine supplementation of certain appropriations made in Section 43.

"Departments should not make commitments for program expansion based on the amount of federal reimbursements accruing to the account."

It should also be noted that MRC consistently gives first priority in its recommendations for funding to projects that are eligible for federal matching. The table which is provided in Appendix A demonstrates the Federal funds earned during 1963 - 71.

EVALUATION

HISTORY

The Commission, as part of its enabling legislation, was given a number of specific evaluation responsibilities, in addition to its special study assignments (MSA 86.11) including, but not limited to public access, control of algae, historic sites, land exchange, timber cutting policies in State Parks, etc.

Generalized evaluation responsibility has been given to MRC under the following statutory directives:

86.10 RESOURCES AND OPPORTUNITIES. Subdivision 1. Appraisal and evaluation. The commission shall obtain and appraise all information available through private organizations and groups, utilizing to the fullest extent possible studies, data and reports previously prepared or currently in progress by public agencies, private organizations, groups, and other pertinent factors and shall determine the amount, kind, quality, and location of such outdoor recreation resources and opportunities as will be required by the year 2000.

Subd. 2. Data from state agencies, availability. The commission may request information from any state officer or agency in order to assist in carrying out the terms of Laws 1963, Chapter 790, and such officer or agency is authorized and directed to promptly furnish any data required.

86.12 COORDINATION OF MULTIPLE USES. The commission in its inquiries, findings and recommendations shall recognize that wherever feasible outdoor recreational facilities may be provided by private enterprise, and that the responsibility of government is to supplement such facilities and opportunities rather than to compete therewith. The commission shall recognize that lands, waters, forests, wetlands, wildlife and such other natural resources which serve economic purposes also serve to varying degrees and for varying uses outdoor recreation purposes, and that sound planning of resource utilization for the full future welfare of this state must include coordination and integration of all such multiple uses.

ACCEPTED REVIEW PROCEDURE

Studies prepared by agencies funded from the resource account have generally been reviewed at Commission meetings, for example, Project 80 reports, the Minnesota River Studies and Voyageurs Park reports. In addition, there have been personal appearances and presentations by agency heads and staff persons when called upon to do so.

MRC has referred all funding requests to appropriate agencies for their review and coordination. In addition, the Special Studies and the full Commission have attempted to evaluate past performance through a hearing process.

During the 1973 - 75 biennium, MRC has concentrated its evaluation activities in the following areas:

- 1) Review of Minnesota's Land Use Planning program.
- 2) Review of Voyageurs National Park Peripheral Land Use Planning.
- 3) Audit of the Federal Reimbursement Account receipts and disbursements.
- 4) Policy Problems involved in State expenditures from Paragraphs "g" and "h" of the Local Government Natural Resource Grant Program.
- 5) Review of the grants made by the Legislature under ML 1973, Chapter 720, Section 43, Subdivision 13.

1. MINNESOTA LAND USE PLANNING

MRC identified its concern with management of Minnesota lands in its 1965 Report on "Land Ownership in Minnesota." Since that time, working cooperatively with the State Planning Agency, the Commission has actively supported Minnesota's efforts to develop a land use planning program that is a model to the nation.

In 1973, the Minnesota Resource Commission recommended the appropriation of \$380,000 to the State Planning Agency for the development of a land use planning program for Minnesota. The State Planning Agency was directed to cooperate with affected state agencies and with local units of government and regional development commissions. For a more detailed review of the progress of this work program, see the discussion under Subdivision 9-9a State Planning Agency, under section V, Status Reports Summary below.

2. VOYAGEURS NATIONAL PARK

MRC involvement in the Voyageurs National Park originated with an endorsement for the creation of the park in Report No. 12, published in 1965. It was subsequently affirmed by a joint resolution of the House and Senate in 1969 and specific requests in 1969 by the Rules Committee of both Houses requesting MRC to proceed with its research activities in relationship to the Park. The Legislature again in 1971 and 1973 directed MRC to continue its evaluation activities in relationship to the Park. It should also be noted the MRC received a Federal grant from the Bureau of Outdoor Recreation to finance a portion of its staff activities and Commission field work in relationship to its park studies.

The 1973 session of the Legislature also, on the recommendation of the Commission, appropriated \$275,000 to the State Planning Agency for studies of perimeter planning, soils surveys and land use controls in cooperation with St. Louis and Koochiching Counties, the Arrowhead Regional Commission, the Department of Natural Resources, Minnesota Geologic Survey and the University of Minnesota.

MRC has held several hearings in northern Minnesota during the biennium relating to the Park, has visited a number of national parks with similar problems to those faced by Minnesota and met in Washington with National Park Service staff. As a result of this effort, MRC has identified three areas of major concern that might require immediate legislative or congressional input or action:

- 1) The proposed management plan for the development of the Park. (The plan has not as of this date been made available for review.)

- 2) The appropriation and re-programming of the \$12.5 million originally made available by the Congress for land acquisition in Voyageurs Park which has been transferred to other parks.

3) Proposed minor boundary changes to provide a new administration area, etc.

A detailed report on problems facing the Voyageurs Park area will be presented by MRC to the Legislature during the 1975 session including recommendations for state involvement in 1975.

3. FEDERAL REIMBURSEMENT ACCOUNT

The Natural Resources Federal Reimbursement Account consists of all those reimbursements and matching funds received from the federal government for expenditures made from the Natural Resource or Natural Resource Acceleration Accounts by any State department or agency, including the Minnesota Historical Society and the University of Minnesota.

Of all the funds received in the above manner, \$1 million is set aside for expenditures for land acquisition for state and local recreation, for resource management purposes and for acquisition and development of historic sites, when deemed to be of an emergency or critical nature. The account has been considered a contingency account. In structuring the account, the Legislature intended to give an incentive to State agencies to apply and qualify for reimbursement under the various Federal programs, thereby extending the benefits received from expenditures of State funds (See Appendix A). The present status of the Natural Resources Federal Reimbursement Account is illustrated in Appendix C, 1973 status.

4. GRANT PROGRAMS

The 1973 session of the legislature appropriated \$2,750,000 for grants in aid to local units of government to pay up to 50% of the local cost of land acquisition and development for certain recreation projects. In addition, \$6,000,000 was made available for regional recreation and natural areas with a requirement that \$2,000,000 of this sum be made available outside of the seven county metropolitan area.

Applications are handled by the State office of Local and Urban Affairs and must be approved by the Legislative Advisory Committee.

The legislative members of the Legislative Advisory Committee have by custom requested review by MRC of any applications under consideration by LAC funded from the Natural Resources acceleration or contingency accounts. The authority for this custom can be traced to MSA 86.11, Subd. 5 - "Any data compiled by the Commission shall be made available to any standing or interim committee of the legislature upon request of the chairman of the respective committee."

MRC reviews grant applications submitted by the State Agency against their understanding of original legislative intent and the Rules and Regulations authorized under MSA Section 86.71 and Minnesota Laws, 1969, Chapter 1139, Section 48, Subd. 76.

During the process of reviewal of the grant applications, MRC has raised questions from time to time about the effectiveness of the program, especially with regard to the administrative regulations promulgated under the 1969 law. In response to an MRC request, the State Planning Agency submitted a revised set of Rules and Regulations in March 1974. After a detailed hearing, however, it was determined that the new policies recommended by the agency required legislative input by the 1975 session and that the new Rules should be held up until the Spring of 1975 to reflect possible legislative changes in the program.

The Commission is also addressing itself to clarification of the grant program Rules as part of Recodification of MRC statutes recommended by the 1973 session of the Legislature.

5. ML 1973, CHAPTER 720, SECTION 43, SUB. 13

MRC has held a series of hearings to receive and review the proposed work programs and progress reports. Additional hearings are scheduled early in 1975 and it is the intent of the Commission to submit to the appropriate Legislative Committees, its evaluation of all Subd. 13 programs before final recommendations for 1975-77 natural resource appropriations.

The final MRC evaluation reports will provide the following information regarding each project:

- 1) Financial Report
- 2) Matching federal funds
- 3) Matching state or local funds
- 4) Personnel assigned to project and compensated from this appropriation
- 5) Documentation of coordination and cooperation, where applicable, with state and federal agencies, local government and educational institutions
- 6) Contracts for services
- 7) Accomplishments and time schedules for project

A summary of subdivision 13 appropriations appears as the next page. The present status of these programs follows the summary page.

Status Reports Required by ML 73, Ch. 720, Sec. 43, subd. 13:

Subd. 2 Dept. Administration

(b) Acquisition of land - Memorial Hardwood Forest	\$350,000
(c) Acquisition of scenic easements - St. Croix recreational waterway	275,000
(h) Grants in-aid for regional recreation and natural areas	6,000,000

Subd. 3 Dept. Economic Development - Innovative Program Funding

50,200

Subd. 4 Dept. Education

(a) FFA Stocking upland game birds	60,000
(b) Mn. Environmental Education Council	100,000

Subd. 6 Dept. Health

(b) Ground Water Quality Program	86,240
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Subd. 7 Minnesota Historical Society

(b) Historic sites program - site engineering and map restoration excluded	345,000
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Subd. 8 DNR

(b) Interpretive Services Program	134,800
(d) Operation Pheasant	200,000
(h) Ground water surveys, sand plains area	50,000
(j) Remote Sensing Program	25,000
(k) Lower St. Croix Management Plan	40,000
(n) Planning, protection and development of scenic rivers and trails	100,000

Subd. 9 State Planning Agency

(a) Land use planning	380,000
(b) VNP peripheral plan	75,000
(c) VNP area soils	40,000
(d) Land use control and protection - St. Louis and Koochiching counties	60,000
(e) Soils, surficial and subsurface data collection and mapping	100,000
(f) Copper Nickel Study	100,000

Subd. 10 State College Board - Southwest College

50,000

Subd. 11 University of Minnesota

(b) Limnological research	35,000
(c) Energy - solid waste	90,000

STATUS REPORTS SUMMARY

The following paragraphs summarize the present status of the "subdivision 13" programs. For each appropriation, the agency was required to submit a detailed work program prior to beginning the intended work. The work program was subjected to MRC review and approval before any expenditures could be made. The agencies were also required to submit semi-annual status reports to the MRC, as stipulated in M.L. 73 Ch 720, Sec. 43, subdivision 13..."the agency or entity receiving the appropriation shall submit work programs and semi-annual progress reports in such form as may be determined by the Minnesota Resources Commission for the following projects: for the projects authorized in subdivisions 2b,2c, 2h, 3, 4, 6b, and 7b, provided that no reports shall be required for site engineering or map restoration, subdivisions 8b,8d, 8h, 8j, 8k, 8n, 9, 10, 11b, and 11c." In those cases where the second 1974 report has not yet been submitted, the words "no report-August 1974" will appear. This summary is organized according to the order of appearance in subd. 13. In many cases, these summaries are adapted from the status reports prepared by the agency conducting the project.

Subdivision 2 Department of Administration

2(b) Memorial Hardwood State Forest - land acquisition and related expenses

Fiscal years 74 + 75 \$350,000

The Memorial Hardwood State Forest (hereinafter referred to as the Forest) was authorized in Minnesota Statutes 89.021, (1961). The initial goal for acquisition was 200,000 acres to be actually included in the Forest. A ten year program was established for 1967-1977 to acquire 70,000 acres.

Acquisition during fiscal years 74-75 2043.34 acres

Total 1967-1974 26,666 acres

Costs

Fiscal years 74-75 \$303,505

Total, 67-74 MRC funding 1,750,000.

Problems and Issues

The Forest was implemented with keen insight to the future, since it now appears that recreational demand is on the rise in Southeastern Minnesota. The recreational potential of the Forest may exceed the original expectations. Private enterprise involvement in meeting recreational needs is limited at this time. This fact may be an indication that: (1) Public actions and plans

serve to compete with and thereby inhibit private initiative, or (2) the recreational demand is satisfied with the current levels of public and private development, or (3) the public, essentially the State, has acquired the lands and access points with the highest potential for recreation use as opposed to other uses; or some combination of the above.

The timber potential of the Forest is fairly high. State management of the land under forest cover may have provided an element of protection otherwise unavailable or at least not assured. With the rising value of timber production and the vastly improved techniques of forest management employed by lumber producers, the feasibility of assuring good management through State oversight in conjunction with increased timber production by private enterprise becomes a salient question.

Proponents of State acquisition of the entire Forest would argue that only by State ownership can the recreation and conservation goals be achieved. Proponents of local economic development and increased tax revenues for the counties would argue that private enterprise be encouraged to take a more substantial role in the management of the Forest.

2(c) Acquisition of scenic easements - St. Croix River

Fiscal years 74-75

\$275,000

The purpose of this program was to attain management goals along the St. Croix River in conjunction with the development of the St. Croix Wild River State Park and the overall protection plan for the St. Croix River. The goals pertain to preservation of the scenic and aesthetic character of the river valley. Parcels of land have been analyzed and designated as having significant effect upon preservation goals. Easements will be purchased from affected property owners. The easements will guarantee maintenance of the natural features and limit developments to those which are compatible with the character of the area. The easement plan is still in preparation stages. As of this writing no expenditure report is available.

Problems and Issues

At this time the only issue to be reported is the innovative aspect of this approach to resource management objectives. Often in the past, the only acceptable method of attaining resource protection was outright purchase of property by the State and consequent public management of the property. The St. Croix River is a somewhat unique case, since the landowners are generally in agreement with the same goals as the State. There is reason to believe, however, that this type of approach might be useful in the future on a broader scale to: (1) avoid the severe conflicts which often arise between the State and private owners and (2) accomplish resource management goals at significantly lower costs to both the public and private sectors.

2(h) Regional recreation and natural area grants-in-aid program for local governments

Fiscal years 74-75

\$6,000,000.

The purpose of this program, administered by the State Planning Agency (SPA) and monitored by the MRC, is to provide State Natural Resource funds to local units of government in order that the local units might meet "regional" recreation needs. The term "regional" has been tentatively defined to apply to an area which serves a substantial number of residents from outside the jurisdiction of the grant applicant. Thus the State assists a local unit by bearing part or all of the costs for providing facilities which are not necessarily within the normal responsibility of a single unit of government to provide. In 1974, M.L. 74, Chapter 563 reappropriated up to \$2 million of these paragraph h "regional" funds which were already allocated for metropolitan use from paragraph 2(h), to the Parks Commission of the Metropolitan Council. These funds were provided for the purpose of allowing for one year's principal and interest on the Metropolitan Park Development bonds authorized to be issued for metropolitan area regional parks. The reasoning behind this action held that the recreation needs of the metropolitan area outstripped the funding available on an annual basis. Without immediately accelerated action, the land costs would have risen to intolerable levels and much of the land suitable for recreation might have been removed from the market for other purposes.

Problems and Issues

A substantial review of this program will accompany the MRC recommendations regarding this program. The term "regional" is difficult to define thus there is no specific working definition in use. There is a definite continued need for a comprehensive and coordinated set of local and state priorities for recreation facilities. The lack of these priorities compounds the problem of evaluating the adequacy and propriety of individual grant applications. The MRC must soon face the basic question of the re- definition of old guidelines and establishment of new guidelines for procedures to be used in evaluation of the grants-in-aid program.

Subdivision 3 Department of Economic Development.

Innovative programs

Fiscal years 74-75

The program consisted of three projects.

The first, "Mississippi Tricentennial Celebration" has concluded at a cost of \$7,000. The activities consisted of promotional expenses to emphasize Minnesota's position as the source of the nation's mightiest river. Regional and national media coverage resulted from the promotion efforts.

The second project consisted of establishment, operation and advertising promotion of a toll free telephone service for residents of the nine adjacent states. The service allowed out of

state residents to call Minnesota's Tourist Information Center for information about availability of fuel, travel arrangements, places to visit, etc. Special emphasis was placed on Chicago, Illinois, which provides most of the out of state tourists for Minnesota's tourist trade. The project was implemented in May, 1974 with expenditures through July of \$5,017.25. The project will carry through May, 1975. The MRC grant stimulated a grant of \$99,640.00 from the Upper Great Lakes Regional Commission. Achievements include a significant increase in the number of potential traveler inquiries. No specific correlation can be drawn between the increase in the number of callers and any increases in tourism. However, the findings generally indicate that with the availability of an information service for use of state travellers and the increase in the number of calls, the program definitely helped to avoid any marked decrease in the number of out of state travellers to Minnesota. This fact is substantial in view of the gasoline shortage and the potentially devastating effects which might have occurred without such a program. The telephone service was augmented by a media campaign to alert people to the availability of information and to Minnesota's attractions in general.

The third project entailed production and distribution of a "Package Tours" manual for use by travel agents in making arrangements for out of state travelers. The manual was used in conjunction with air and other mass transit bookings. The total project cost: \$31,200; funds expended as of August, 1974: \$16,184. The availability of the manual and a central booking service in Minnesota provides a significant inducement to travel agents to route their clients to Minnesota facilities. That manual itself is an informative and useful document for even the casual reader.

Problems and Issues

Tourism is Minnesota's third largest industry. State efforts to maintain and improve the tourist trade are returned in many ways, through sales tax collections, income to local operators, employment, etc. The energy crisis has had and will continue to have significant and wide ranging effects, not the least of which is the potential curtailment of travel by out of state tourists.

Subdivision 4 Department of Education

4 (a) Future Farmers of America (FFA) Massive stocking of Upland Game Birds.

Fiscal years 74-75

\$60,000.

This project consists of a decentralized approach to upgrading the quality and quantity of Minnesota's game bird population. Local FFA chapters were given relatively small amounts of funding for activities ranging from raising and release of birds, to improving habitat through plantings, to purchase and operation of bird rearing pens, to development of observation posts and the data collection needed to upgrade educational curriculum.

Funds expended through August 1974: \$55,000.

Problems and Issues

The MRC insisted upon coordination of this project through the Department of Education, Vocational-Technical Division and upon technical guidance by the Department of Natural Resources in the development and operation of the various sub-projects. The massive stocking of upland game birds has drawn the attention of the Federal Fish and Wildlife Service as well as other agencies. The experience might lead to new approaches to wildlife management at the local level.

The replenishment and in some cases wholesale restoration of habitat runs directly contrary to the needs and desires of some agriculturalists. With farm prices on the rise, wildlife habitat frequently falls victim to the plow.

4 (b) Environmental Education Council

No report - August 1974

Subdivision 6 Department of Health

6 (b) Ground Water Quality Program Analysis

Fiscal years 74-75

\$86,240

The Division of Environmental Health, Analytical Services, has been developing analytical procedures and is nearing completion of the computerized storage of water quality data. The program is being phased in with the water well record reporting data to give accurate information on water quality data with respect to geographical location and geological formation. The rules and regulations for construction of water wells went into effect July 15 of this year. The Department has established rules and regulations for well contractors and well record information forms have been designed to standardize data collection.

Problems and Issues

Ground water contamination through improper disposal of waste materials and other land use practices has become increasingly apparent to many technical and scientific agencies within State government, the Department of Health, and the University of Minnesota.

A ground water quality information system can be most effectively and economically established in conjunction with the program for the regulation of water well construction and retrieval of geological and water resource information. This information is a necessary part of a total water resources information system being established by the Department of Natural Resources as a part of the Minnesota Land Management Information system of the State Planning Agency.

MRC has recognized the important part which ground water quality information plays in over-all land use planning and decision making processes. When added to geologic and socio-economic information, the combination improves those processes significantly.

Several state agencies are involved in a combined effort to provide a Minnesota Land Management Information System (MLMIS). That MLMIS will serve as the base for a much improved process of decision making with regard to resource allocation.

Subdivision 7 Minnesota Historical Society

7(b) Historic Sites Program

Fiscal years 74-75

\$345,000

This MRC appropriation was to provide acceleration to the collection and analysis of information regarding Minnesota's natural resources. Achievements of the program by project in this biennium include:

(1) Historic sites interpretation, which includes development of interpretive programs at Lindberg State Park, Lower Sioux Agency, Fort Ridgely State Park and four major publications relating to Minnesota history

(2) Historic Archaeology which includes survey and excavation of various sites.

Aside from archaeology relating specifically to archaeological development, the demand is ever increasing for the Society to provide archaeological data and findings to be used in the development of the Environmental Impact Statement.

(3) Regional Research Libraries are in operation at six state colleges (Bemidji, Moorhead, Southwest, Mankato, St. Cloud and Winona), plus the University of Minnesota-Morris, and St. Louis County Historical Society. These centers have proved quite valuable in collecting private papers and records of historical value relating to the geographical area in which they are located.

This program was unique in the nation at its inception. Coordinated data collection and availability are highly necessary to avoid duplication in research.

(4) Curriculum materials on Minnesota History. An extensive curriculum has been developed which deals with the Ojibwa Indians, their culture, and their past and present role in society. Another curriculum unit dealing with the interaction between natural resources and political history in Minnesota will be completed by Spring of 1975. The collections of the Minnesota Historical Society offer the raw data for developing educational curriculum materials for elementary and secondary students in Minnesota.

The excellent acceptance these materials are receiving demonstrates the urgent need. Such curriculum units offer a major vehicle for translating Minnesota history into a format that is stimulating and challenging to students.

(5) Traveling historical exhibits. The Society feels that they have come up with an excellent idea in the form of collapsible modular exhibits which can be sent to various county historical societies and schools depicting many aspects of Minnesota history. The funding covers five exhibits and their themes.

Problems and Issues

The historic sites program can be considered as an investment in the legacy of the past. Through acquisition and interpretation, the State can provide a rich opportunity to learn from the past in hopes that such knowledge will contribute to better decision making in the present and the future.

Subdivision 8 Department of Natural Resources

8 (b)	No report-August 1974	
8 (d)	No report-August 1974	
8 (h)	No report-August 1974	
8 (j)	No report-August 1974	
8 (k)	Lower St. Croix Management Plan	
	Fiscal years 74-75	\$40,000

The purpose of this program was to develop a plan for protection of the lower St. Croix River between Taylors Falls, Minnesota and Prescott, Wisconsin. This 52-mile stretch of the St. Croix was designated as part of the national Wild and Scenic River System. That designation required certain action by both Minnesota and Wisconsin as a prerequisite for federal action. The plan delineates the riverway with zones, wherein acquisition of lands in fee will be necessary to accommodate the recreational use. It also sets out lands where scenic easements will be acquired for control of land use.

This plan was developed jointly with Wisconsin and the National Park Service as well as with local units of government involved.

Problems and Issues

The Plan awaits coordinated action by Wisconsin before any implementation can be affected. The amount of land designated for complete (fee title) acquisition by Minnesota is limited to already approved State Parks and boating waysides. The concept of scenic easement acquisition presents a somewhat innovative approach to achievement of resource management goals. The "easement" interest in a piece of valuable property may be more economical to purchase than outright fee title purchase.

8 (n) Planning Protection and Development of Scenic Rivers and Trails

Fiscal years 74-75 \$100,000
No report - August 1974

Subdivision 10 Southwest Minnesota State College - Regional Environmental Program

Fiscal years 74-75 \$ 50,000

The MRC intended to provide funding for a decentralized approach to the analysis of environmental problems. Southwest Minnesota State College (SMSC) provides the technical leadership and assists in the administrative coordination of a "Countryside Council." The Council consists of representatives from nineteen surrounding counties (covering three Development Regions), including government officials, school personnel, general citizens and persons from various agencies with insights to environmental problems. The Council is organized into six task forces, one of which is devoted to environmental problems. The environmental task force considers a wide variety of problems and resolves to address certain of those problems as its work program. The Natural Resources Account (through MRC recommendation) provided \$50,000 to operate 4 major study areas, which are further broken down into sub-elements for a grand total of twelve separate projects. The major areas are: (a) Environmental Analysis, (b) Environmental Education (c) Parks and Recreational Use and (d) Upper Minnesota River Valley Task Force. The final work program was approved in May 1974 thus, all the projects have not been completed at this time.

College personnel, both students and faculty, work with the citizens in conducting studies and writing reports. In this fashion, the SMSC is utilized as a practical, active resource for the entire service region of the college.

Problems and Issues

This work program emphasizes the concept of utilizing the college as a resource for the greater community. Southwest College is applying its institutional talent to community problems.

Citizen involvement in the entire process is stressed heavily. To some extent, the college is limited in its ability to deal with all the potential environmental/recreational problems because of inherent staff and facility limitations. Thus, SMSC can address only those areas which it is presently equipped to deal with.

Subdivision 11 University of Minnesota

11(b) Limnological Research

Fiscal years 74-75

\$35,000

The work during the current biennium has included the continuation of the program of extension services--to provide advice to lake groups concerning problems of lake pollution and restoration--and the initiation of research projects that can be supported eventually by federal grants or other funds. The major emphasis has been to provide an information officer and research assistance to carry out the extension function. This biennium represents the last period of funding for this program.

Preliminary accomplishments: In a program of extension work, about 300 cooperators through the state have been enlisted to make bi-weekly measurements on lake water transparency throughout the open water season with the Secchi disk, which is a white metal disk that can be easily lowered into the water until its visibility diminished to zero. The Secchi disk transparency has been found to be closely related to algal growth and nutrient supply and thus in most cases to the level of pollution of the lake. It is about the most easily obtained and reasonably accurate index of pollution, and it will permit a relatively rapid and low-cost survey of the status of Minnesota lakes in comparison with one another and with lakes elsewhere. Apart from managing the Secchi disk program, the information officer has increased his contact with lakeshore groups, schools, government organizations, and individuals, to provide information on methods of investigation and restoration of problem lakes. Study programs or work projects have been planned in particular with groups from the Thirty Lakes Watershed District (Crow Wing County), Cottonwood, Alexandria, and Waconia, incorporating the latest results obtained from the various other projects of the Limnological Research Center. The information booklet entitled "Improving Lakewater Quality" is being revised and reprinted, and a "Primer on Limnology" is awaiting publication.

As of June 30, 1974 the Limnological Research Center had expended \$24,000 of the \$35,000 available.

Problems and Issues

A significant aspect of this program is the operation of MRC funds as a catalyst in generating \$100,000 from other federal and private sources of funds. The present condition and future status of Minnesota's lakes continues to be an urgent concern. The MRC has insisted that efforts be made to avoid unnecessary duplication and to assure the fullest possible coordination and cooperation among agencies. The Limnological Research Center has coordinated its efforts with PCA, EPA, State Planning and others in an attempt to abide by this requirement.

The quality of the water supply for the citizens of the state, especially in areas of dense urbanization or areas with acute pollution potential continues as an important concern of the MRC. The long range solutions to water quality problems must be discovered and implemented before those problems reach massive proportions.

11(c) Energy Extraction from Solid Waste

Fiscal years 74-75 \$90,000

The purpose of this program was to develop demonstration operations for the extraction of energy from solid waste. A consortium of University staff from various disciplines has engaged in research activities designed to study and test both research models and actual technology for producing usable energy from society's by-products. The general areas of research included:

- (1) optimization of solar energy through various plant species combinations
- (2) biogas generation from crop residue
- (3) biogas reactor design and operation
- (4) improved utilization of chicken manure
- (5) assessment of the economic factors involved with various chemical and biological energy conversion processes.

The major emphasis of this project has been to explore and analyze energy sources which represent alternatives to fossil fuels (oil, coal, natural gas are not produced in Minnesota), in order to establish alternative courses of action for Minnesota energy users. Examples of such alternatives include energy sufficient for agriculture and recycling of human waste for municipal power needs.

The studies are not conclusive, but serve to eliminate some obviously non-useful sources and techniques. The studies also provide some insight to potential problems which might result from use of alternative sources. Examples are: air and water pollution, effects on soil productivity, and the effects of additional costs as opposed to additional benefits gained from changes in agricultural practices.

The Energy Extraction project has expended approximately \$41,000 of the \$90,000 available for the biennium.

Problems and Issues

Minnesota is entirely dependent upon energy imported from out of state. Resource conservation and management efforts by definition include avoidance of wasteful practices in resource usage. Thus it is in the interests of the entire state to pursue programs, technologies and policies which help to conserve available resources and to better utilize the full potential of energy sources. While prices for farm products have increased, so also have the costs of operation. Thus, improvements in farm usage of energy and utilization of crop and animal "waste" products would benefit the entire agricultural sector of the state as well as the general population. Improved efficiency in energy usage might serve to avoid air and water pollution, which has become such a large scale problem.

Subdivision 9 State Planning Agency

9(a) Land Use Planning

Fiscal year 1975

\$380,000

The State Planning Agency was directed to coordinate a variety of components in a work program designed to contribute to the development of a framework for land use decisions. The framework will not be a static land use plan in conventional terms. Rather, it will be a process or set of actions and considerations which will contribute, on an ongoing basis, to improve decision making regarding land use. The land use planning work program itself is complex, because of the wide variety of factors, agencies and situations which must be addressed. Elements of the work program are listed and briefly explained below.

Land use problems and policies: This element includes an analysis of land use authority, laws, procedures and regulations of the various state agencies with regard to the control of land use. To date the analysis shows that a complex web of authority exists within the agencies. It is not yet clear whether the various authorities, regulations, etc. are complimentary or contradictory to each other. Land use problem areas (especially the local perception of problems) are being gathered and analyzed from all over the state.

Resource Data-Acquisition and Analysis

MRC previously approved funding for a computerized information system for storing natural resource data in an acceptable form for a variety of users which was readily available. That concept was expanded in 1973 to include more variables in order to improve decision making. The expansion focuses upon Region 3 as a pilot area for this effort. The appropriation in subdivision 9(e) for soils data collection and mapping compliments this effort by providing compatible soil information for the system. The appropriation in subdivision 9(e) for geologic data collection and mapping also compliments this element of the land use planning program. The outcome of this element is not yet complete. Essentially the element has demonstrated the critical need to establish uniform classifications for data and the great importance of a well coordinated approach to the funding of data acquisition efforts. One significant result of the earlier effort in this field was the world wide exposure at Expo '74, Spokane, Washington, which resulted from the use of a computerized data approach to the analysis of the Black Bear feasibility study. In the future, this type of coordinated, systematic comprehensive data will result in improved land use decisions due to improved and better organized information.

Critical Areas Program

This element involved the selection of criteria for designation of a Critical Area. State Planning assisted in the development of the selection criteria and the subsequent development of rules and regulations for implementation of the 1973 Critical Areas Act.

Coastal Zone Planning

This element involves the initial phase of implementation of the Federal Coastal Zone Management Act of 1972 (which includes the Great Lakes). A work group has been formed which consists of participants from the counties abutting Lake Superior, plus the Arrowhead Regional Development Commission, Department of Highways, Health, Natural Resources, Economic Development, State Planning and Pollution Control. The initial phase will produce a Management Plan for the North Shores Area. State Planning has and will continue to provide staff assistance, coordination and input to development of the plan. It should be noted that the land use data acquisition and analysis element discussed above may prove very valuable in the process of developing the management plan. The availability of the state appropriation made possible a federal matching grant for the conduct of the operations of the Coastal Zone Management work group.

9 (e) Soils, Surficial and Subsurface Data Collection and Mapping

No report-August 1974

9 (f) Copper Nickel Study

Fiscal years 1974-75

\$100,000

The purpose of the Copper Nickel Study was not to provide a conclusive answer as to the desirability of allowing copper nickel mining (abbreviated CU-Ni). Rather the purpose was to evaluate the effects of mining on the social, economic and ecological factors which make up the area with copper nickel potential. The State Planning Agency again was assigned to coordinate the data gathering and report to the legislature. The reports which make up the study are not yet finalized. When all the information has been gathered, it will provide a broad, well informed base for making critical decisions about the role of the State.

Problems and Issues

Some of the potential problem areas which will require decision making are discussed below. The major problem with regard to the study itself was the complexity of the issue. That complexity required many different participants from different fields. At this time it appears that State Planning has succeeded in coordinating the various actions so that the end product will be useful to decision makers. It is hoped that this approach to the copper nickel issue will provide a model of sorts for addressing other major development efforts.

It is obvious that major mineral related development has had significant effects upon the range of goods and services supplied by local and state government. An influx of new workers and families always creates new or increased demands upon retail facilities, water and sewage systems, health, education, energy, housing, transportation facilities. If such services and facilities can be provided in a rational manner, as needed, then the impact upon the people and their governments will be lessened. The study provided a detailed inventory of the sources and facilities available. With such data at hand, serious questions about the adequacy of existing systems and the projected needs can be answered.

The copper nickel issue represents an opportunity to obtain detailed information about the present state of the environment before significant development occurs. When the environmental assessment is completed, decisions can be made regarding the controls which appear necessary to protect the state from

unnecessary environmental degradation. At this time, one significant problem has surfaced. There is not a sufficient amount of information available to properly determine the character of the ecosystem. This problem stems in part from the limited knowledge of the geology of the area. A team of investigators from the University of Minnesota will submit a proposal to the National Science Foundation for funding for a very extensive and detailed study of the ecosystem of the entire Kawishiwi River watershed, which is mainly in and near the Boundary Waters Canoe Area.

A second major problem concerns the structure and content of a system to monitor the effects of CU-Ni mining and related impacts. A draft proposal of the monitoring system has been completed and circulated for comment to a variety of agencies. Many of the comments relate to technical aspects of monitoring. However, some comments urged that monitoring should be done on a region wide basis (Region 3). It is hoped that region wide monitoring needs can be coordinated with the pilot resource data acquisition discussed in subdivision 9(a) above.

The state of Minnesota has a unique opportunity to develop a reasonable balance between economic development and the environmental impact of such development.

WORK PROGRAM
1973 - 75

AUTHORITY

MRC receives its authority to undertake specific studies and projects as follows:

- 1) Enabling Legislation (See MSA 86.10, 86.11)
- 2) Riders to appropriations (Chapter 720, Laws of Minnesota, 1973 Section 43, Subdivision 1, Recodification, Payment in Lieu of Taxes.)
- 3) Request from Committees (Senate Finance, House Appropriations, Legislative Appropriations Committee)
- 4) Requests from Rules Committees of the House and Senate (1969 Voyageurs Park Studies)

VOYAGEURS NATIONAL PARK

In addition to the evaluation responsibilities identified in relationship to Voyageurs National Park, in the Evaluation Chapter of this report the Commission proposes to make two recommendations to the 1975 session of the Legislature for continued MRC involvement with Voyageurs Park.

- 1) Preparation of background studies and reports to the 1975 Legislature to help implement the action recommendations identified in the valuation section.
- 2) A proposal that MRC continue its evaluation studies on the Park perimeter planning, a continuous audit of the Park management plan and an updating of previous studies relating to state financial input into road construction costs and priorities, enforcement, sewerage and health facilities, etc.

PAYMENT IN LIEU OF TAXES

The 93rd Session of the U.S. Congress is expected to implement some of the recommendations of the Public Land Review Commission and revamp the present system of shared revenues with local government.

MRC has been charged by the Legislature to review Minnesota's state system of payment to counties. Despite the fact that each session of the Minnesota Legislature has received numerous proposals for changes in Minnesota statutes, any in-depth proposals for change have been postponed until federal action is taken.

A study of this question during the 1975-77 biennium therefore seems to be a top priority for MRC study as possible background for testimony relating to proposed federal legislation and as background for action by the Minnesota Legislature in 1976 or 1977. The work program which follows was submitted by the Commission to the Legislature in 1971 as the basis for such a study.

To accomplish this objective, the following general procedures will be followed:

1. Review in cooperation with the federal land study, the effects of public land ownership on the financial structure and taxing policies of local governmental units in areas where federal and state holdings make up a substantial part of the land in a particular jurisdiction.

2. Review the effects of isolated state holdings on the financial structure and taxing policies of the local governmental units and particularly the demands for extra services in isolated state holdings such as the Hardwood Forest acquisition, state parks or wildlife areas.

3. Determine the amount of federal and state payments in lieu of taxes and/or other benefits on the financial structure of a local governmental unit.

4. Determine the amount, character and influence of contributions and kind by the federal and state government on the financial structure of the local governmental unit.

5. Determine and chart the appropriate federal and state legislation currently in effect, and proposed, for payments in lieu of taxes and revenue sharing on public lands in Minnesota.

6. Examine the results of the federal study on the effects of revenue sharing on the management of public investment on federal lands and apply this knowledge to the extent of budget and time to the administration of state lands.

7. Update the revenue sharing in payments in lieu of taxes data in MORRC Report, No. 6, Minnesota Ownership.

8. Evaluate from the federal study the contributions and kind, receipts, revenue sharing against the type, use and value of land in private ownership within the same governmental jurisdiction.

9. Using both federal and state data, review alternative procedures for current revenue sharing in lieu of tax payments and contributions and kind identified in the federal study and proposals developed by the state. Furthermore, test the probable effect of each alternate on amounts of payments, distribution and timing of receipts and use and management of resources.

WATER PROBLEMS

MRC has identified two major problem areas relating to the State's tremendous water resource that deserves major legislative review:

1) DUPLICATION OF WATER RESEARCH. In February, 1974, MRC Chairman Ray Pavlak wrote a letter to all major groups involved in protection and management of the water resources of the state as the first step in attempting to identify any duplication of water research activities within the State.

2) WATER RESOURCE COMPREHENSIVE PLANNING. The background study for the Goals Committee on MRC activities during the 1963-73 period has pointed out that the Commission, in Report No. 8, stated that "a long-range water resource comprehensive plan is essential for Minnesota if proper coordination of the various proposed state, local and federal programs is to be accomplished." The Goals report goes on to state "Bills have been introduced, studies and reports completed and recommendations have been made to prepare such a plan; however, there is no long-range water resource plan in Minnesota.

In cooperation with the various affected standing committees, MRC also proposes, during the 1975-77 biennium, to undertake a study of current water resource planning efforts with the objective of legislative recommendations for a single coordinated comprehensive water and land use planning effort in Minnesota.

RECODIFICATION

MRC was authorized by Laws 1973, Chapter 720, Section 43, Sub. 1 to recodify and simplify the laws and statutes pertaining to the Commission and the various programs funded from resource allocations.

Legislation is now being prepared to accomplish the following:

- 1) Repeals of those sections of the statutes no longer applicable, i.e. references to studies completed and appropriations now expended.
- 2) Rewrite of Grant-in-Aid Laws to clarify legislative intent.
- 3) Transfer of appropriate agency statutes those references to agency administrative responsibility; i.e. State Planning responsibility in relation to Federal Land & Water Resource funds.
- 4) Review of all Riders to Natural Resource appropriations.
- 5) Review of MRC evaluation responsibilities in relationship to work programs, contingency and federal reimbursement accounts, grant programs, etc.

GRANT PROGRAM

A complete reworking of the eligibility requirements for local government and regional grant programs from the resource account is being proposed as background for proposed new Rules and Regulations to be issued by the State Planning Agency in 1975. (See Evaluation Section).

It is assumed that this document will also be used by the Appropriations and Finance Committees as background for grant program recommendations submitted by MRC.

LAND ACQUISITION STUDIES

The minutes of Commission meetings during the biennium reflect a desire for a study in-depth in relation to Minnesota's Land Acquisition Priorities and Costs. To date, the Commission has not designed a work program for such a study.

FEDERAL FUNDING GENERATED BY MRC

NATURAL RESOURCE APPROPRIATION

During the past six legislative sessions beginning in 1963, the legislature has appropriated \$71,246,799 from the natural resources acceleration moneys (one cent a pack cigarette tax from 1963 through 1969, and two cents a pack beginning in 1971).

Following somewhat closely the classification of appropriations in the Minnesota Resources Commission biennial reports to the legislature, the amount and percent of the total of the 6 session appropriations are listed below.

The percentage of the total state is listed in the second column.

The total Federal receipts to date and the best estimate of the amount to be received during the biennium is listed in the third column.

	<u>State Amount</u>	<u>Percent of Total</u>	<u>Federal Amount</u>
State Park and recreation land acquisition and development	\$16,741,104	23.5%	\$ 7,923,544.00
Grants-in-aid regional parks	13,075,000	18.4	7,111,962.50
Grants-in aid local parks	11,250,000	15.8	16,333,670.26
State mapping-all kinds (includes all of U of M mapping and topo.)	6,155,000	8.6	5,540,000.00
Historic sites and Historical Society	4,649,861	6.5	300,410.95
Wildlife land acquisition and development	3,665,000	5.1	1,829,300.00
Contingent accounts - general purpose	2,025,000	2.8	
Memorial Hardwood Forest	1,825,000	2.6	287,120.00
Hydrologic and other water studies	1,555,506	2.2	1,255,033.00
Spawning land acquisition and development	1,465,000	2.1	775,000.00

Administrative - tax collection, DNR equip. DNR professional services	1,407,746	2.0%	
Forest roads	1,050,000	1.5	
Tree planting and nursery development	1,000,000	1.4	
State Planning Agency - studies, planning, professional services	936,600	1.3	
University of Minnesota - land acquisition and studies	924,150	1.3	620,800
Minnesota Resources Commission	800,000	1.1	16,000
Park and recreation, studies, planning and interpretive services	661,158	.9	
Conservation work projects	500,000	.7	
Archaeology and paleontology	475,700	.6	239,200
Economic Development projects	408,200	.6	35,000
Scenic easements - Lower St. Croix	275,000	.4	
Anniversary commemoration	205,000	.3	
Environment - Information centers, review, college centers	196,774	.3	
Total	\$71,246,799	100.0%	\$42,267,040.71

APPROPRIATIONS FOR NATURAL RESOURCES ACCELERATION 1963-1973

<u>PROGRAM/PURPOSE</u>	<u>1963 APPROP.</u>	<u>1965 APPROP.</u>	<u>1967 APPROP.</u>	<u>1969¹¹ APPROP.</u>	<u>1971 APPROP.</u>	<u>1973 APPROP.</u>	<u>1963-1973</u>	<u>TOTAL</u>
LAND ACQUISITION								\$17,203,704
1. State parks, recreation areas, monuments, waysides, trails, wild, scenic and recreational rivers, scientific and natural areas, and Sand Dunes state forest	1,657,609 ³	964,445	1,000,000	2,500,000	2,000,000	2,000,000	10,122,054	
2. Minnesota Memorial Hardwood Forest	300,000	200,000	200,000	350,000	350,000	350,000	1,750,000	
3. Acquisition, Development and Easement of Trails			65,000				65,000	
4. Scenic easements on Lower St. Croix recreational riverway						275,000	275,000	
5. Wildlife lands	400,000	400,000	475,000	500,000	500,000		2,275,000	
6. Spawning lands	150,000	300,000	300,000	50,000	50,000	50,000	900,000	
7. Deer yards						30,000	30,000	
8. Historic sites		100,000	158,000				258,000	
9. University of Minnesota								
a. Cedar Creek Natural History Area Land Purchase			103,000	45,650			148,650	
b. Excelsior Landscape Arboretum			30,000				30,000	
10. Contingency - General	50,000		250,000	725,000 ⁹			1,025,000	
Park Land Acquisition		250,000					250,000	
Memorial Hardwood Forest		75,000					75,000	
RECREATION FACILITY DEVELOPMENT								\$23,921,411
1. State parks, recreation areas, etc.								
a. General	944,000	946,450	890,000	1,825,000	1,750,000	1,500,000	7,855,450	
		405,000 ⁴	685,000 ⁴	920,500 ⁴	1,730,000 ⁴	1,900,000 ⁴	5,640,500	
			95,000 ⁷				95,000	

1-8

APPENDIX B

<u>PROGRAM/PURPOSE</u>	<u>1963 APPROP.</u>	<u>1965 APPROP.</u>	<u>1967 APPROP.</u>	<u>1969 APPROP.</u>	<u>1971 APPROP.</u>	<u>1973 APPROP.</u>	<u>1963-1973</u>	<u>TOTAL</u>
1. b. Transferred to Development Account	195,600						195,600	
c. Savanna Portage State Park Development	265,000						265,000	
d. Tower Soudan State Park Development/ Operations	122,000						122,000	
e. Fort Snelling State Park Land Acquisition and Development	400,000	200,000 ⁵					600,000	
f. Development for Parks to be turned back to Local Governments		150,000	76,000	61,500	19,500		307,000	
g. Repairs - Flandrau Park Dam		59,000					59,000	
h. Planning, Development and Protection of Eoating Rivers, Scenic Rivers, and Trails					85,000	100,000	185,000	
i. Cannon River Study					15,000		15,000	
j. Lower St. Croix River Management plan						40,000	40,000	
k. Planning and Development of Bicycle Trails					30,000		30,000	
							<u>14,409,050</u>	
2. State Forests								
a. Forest Roads	300,000	300,000	150,000	100,000	100,000	100,000	1,050,000	
b. Tree Planting	300,000	200,000	100,000	100,000	100,000		800,000	
c. Nursery Development	200,000						200,000	
d. Forest Campgrounds	100,000						<u>100,000</u>	
							<u>2,150,000</u>	
3. Wildlife Lands								
a. Spawning Land Development	300,000		50,000	50,000	75,000	50,000	525,000	
b. Land Development			150,000	250,000	250,000		650,000	
c. Operation Pheasant				200,000	200,000	200,000	600,000	
d. Artificial Spawning Reefs for Walleyes						40,000	<u>40,000</u>	
							<u>1,815,000</u>	

<u>PROGRAM/PURPOSE</u>	<u>1963 APPROP.</u>	<u>1965 APPROP.</u>	<u>1967 APPROP.</u>	<u>1969 APPROP.</u>	<u>1971 APPROP.</u>	<u>1973 APPROP.</u>	<u>1963-1973</u>	<u>TOTAL</u>
4. Historic Sites	80,000	235,704	368,052	594,105	862,500	1,356,500	3,496,861	
5. Public Access	500,000						500,000	
6. Experimental Water Detention Structure - Demonstration Project					40,000		40,000	
7. Iron Range Interpretive Center						500,000	500,000	
8. Clearwater County - First and Second Lake Recreation Project						10,000	10,000	
DEPARTMENTAL OPERATIONS								\$9,328,040
1. Natural Resources								
a. Hydrologic Studies	150,000	150,000	150,000	150,000	150,000	150,000	900,000	
b. Interpretive Services in State Parks						134,800	134,800	
c. Remote Sensing Program						25,000	25,000	
d. Environmental Review						37,500	37,500	
e. Stream Improvement						50,000	50,000	
f. Melrose Dam Repair						100,000	<u>100,000</u>	
							1,247,300	
2. State Planning Agency								
a. Mapping								
(1) Topographic, Geological, Mineral Forest	400,000	200,000	140,000	220,000	232,000		1,192,000	
(2) Topographic		940,000	1,000,000	850,000	750,000	1,060,000	4,600,000	
(3) Soils			60,000	40,000	48,000	100,000	248,000	
(4) Aerial Photos			25,000		25,000		50,000	
b. State Land Use Planning						380,000	380,000	

<u>PROGRAM / PURPOSE</u>	<u>1963 APPROP.</u>	<u>1965 APPROP.</u>	<u>1967 APPROP.</u>	<u>1969 APPROP.</u>	<u>1971 APPROP.</u>	<u>1973 APPROP.</u>	<u>1963-1973</u>	<u>TOTAL</u>
2. c. Voyageurs National Park								
(1) Peripheral Plan						75,000	75,000	
(2) Soils Survey						40,000	40,000	
(3) St. Louis-Koochiching County Land Use Control and Protection						60,000	60,000	
							<u>6,645,000</u>	
3. Minnesota Historical Society								
a. Archaeology		21,500	50,000	50,000	55,000	60,000	236,500	
b. Paleontology		14,000					14,000	
c. Fort Snelling 150th Anniversary Committee			5,000				5,000	
d. Historic Site Publications					25,000	25,000	50,000	
e. Regional Research Libraries					20,000	50,000	70,000	
f. Traveling Historical Exhibits						50,000	50,000	
g. Map Restoration						25,000	<u>25,000</u>	
							<u>450,500</u>	
4. University of Minnesota - Archaeology		58,000	38,000	38,000	45,600	45,600	225,200	
5. Economic Development								
a. Minnesota Natural Resources Folders		25,000					25,000	
b. North Star Patrol				50,000			50,000	
c. Resort Reservation Facility				30,000	23,000		53,000	
d. Iron Range Interpretive Program				75,000			75,000	
e. Mobile Tourist Information Center					50,000		50,000	
f. Innovative Program Funding						50,200	<u>50,200</u>	
							<u>303,200</u>	
6. Education								
a. FFA Stocking Upland Game Birds						60,000	60,000	
b. Minnesota Environmental Education Council						100,000	<u>100,000</u>	
							<u>160,000</u>	

<u>PROGRAM/PURPOSE</u>	<u>1963 APPROP.</u>	<u>1965 APPROP.</u>	<u>1967 APPROP.</u>	<u>1969 APPROP.</u>	<u>1971 APPROP.</u>	<u>1973 APPROP.</u>	<u>1963-1973</u>	<u>TOTAL</u>
7. Health								
a. Abandoned Well Location and Sealing						10,600	10,600	
b. Ground Water Quality Program						86,240	<u>86,240</u>	96,840
8. Minnesota Bicentennial Committee						200,000	200,000	
STUDIES								\$2,130,624
1. Department of Natural Resources								
a. Red River Basin	70,000	70,000	35,000				175,000	
b. Rivers and Streams		50,000					50,000	
c. State Park Feasibility Studies		75,000					75,000	
d. Memorial Hardwood Forest		25,000					25,000	
e. Vegetative Management Study of Park Land in Cooperation with U of M School of Forestry			30,960	60,000	25,000		115,960	
f. Duck Depredation Problem			25,000				25,000	
g. Walkerbrook Creek Recreation Area Study					14,700		14,700	
h. Ground Water Surveys								
(1) Pomme de Terre Ground Water Survey					9,166		9,166	
(2) Douglas, Ottertail, Todd Ground Water Survey					15,500		15,500	
(3) Bonanza Valley Deep Water Survey					15,000		15,000	
(4) Ground Water Survey					5,000		5,000	
(5) Sand Plains Areas						50,000	50,000	
i. Chisago Chain of Lakes Study					10,000		10,000	
j. Dam Inventory and Assessment					30,000		<u>30,000</u>	615,326

<u>PROGRAM/PURPOSE</u>	<u>1963 APPROP.</u>	<u>1965 APPROP.</u>	<u>1967 APPROP.</u>	<u>1969 APPROP.</u>	<u>1971 APPROP.</u>	<u>1973 APPROP.</u>	<u>1963-1973</u>	<u>TOTAL</u>
2. State Planning Agency								
a. Iron Range Planning (701)		16,100					16,100	
b. Water Resources Planning			60,500	50,000			110,500	
c. Impact on Tourist Development			50,000				50,000	
d. Project 80 - Study of Total Environment				50,000	50,000		100,000	
e. Black Bear Recreation Area Feasibility and Master Plan Study					5,000		5,000	
f. Rainy, Kabetogama, Lake of the Woods Corridor Study					5,000		5,000	
g. Mississippi River Metropolitan Area Corridor and St. Croix River Studies					35,000		35,000	
h. Copper-Nickel Study						100,000	<u>100,000</u>	
							421,600	
3. University of Minnesota								
a. Aquatic Nuisance Organisms		30,000	50,000				80,000	
b. Lakeshore Development Trends and Projections			87,400	50,600			138,000	
c. Limnological Research			50,000	75,000	50,000	35,000	210,000	
d. Eagle Lake Pollution Control Project - Morris Campus					35,000		35,000	
e. Energy Extraction from Solid Wastes						90,000	<u>90,000</u>	
							553,000	
4. Minnesota Historical Society - Interpretive Center Research				15,698			15,698	
5. Department of Economic Development				25,000			25,000	
6. Zoo-Planning and Engineering				500,000			500,000	

<u>PROGRAM/PURPOSE</u>	<u>1963 APPROP.</u>	<u>1965 APPROP.</u>	<u>1967 APPROP.</u>	<u>1969 APPROP.</u>	<u>1971 APPROP.</u>	<u>1973 APPROP.</u>	<u>1963-1973</u>	<u>TOTAL</u>
GRANTS IN AID								\$28,665,774
1. Watershed, Soil and Water Conservation Projects	150,000			9,000			159,000	
2. Interim Commissions								
a. Minnesota River Valley Development	15,000	15,000					30,000	
b. Northeast Economic Problems	25,000						25,000	
3. Regional Tourist Promotion Folders		25,000	50,000				75,000	
4. Local Units of Government	1,000,000	1,900,000	2,500,000	2,750,000	2,750,000		10,900,000	
5. Planning - Counties		250,000					250,000	
6. Regional Parks				4,000,000	7,000,000	6,000,000	17,000,000	
7. Southwest State College Environmental Program					50,000	50,000	100,000	
8. Bemidji State College Environmental Center					14,278		14,278	
9. St. Paul Science Museum					7,496		7,496	
10. Minneapolis Public Library - Environmental Information Center						100,000	100,000	
11. Rainy River Junior College - Voyageurs National Park Seminar						5,000	5,000	
ADMINISTRATION								\$2,232,746
1. MORRC	150,000	125,000	125,000	100,000	150,000	150,000	800,000	
2. Other								
a. Tax Collection	55,000	51,000	59,069				165,069	
b. Professional Services (Conservation)	6	184,000		10	10	10	534,500	718,500
c. Equipment		100,000					100,000	

<u>PROGRAM/PURPOSE</u>	<u>1963 APPROP.</u>	<u>1965 APPROP.</u>	<u>1967 APPROP.</u>	<u>1969 APPROP.</u>	<u>1971 APPROP.</u>	<u>1973 APPROP.</u>	<u>1963-1973</u>	<u>TOTAL</u>
2. d. Business Development Planning and IRR Study		25,000					25,000	
e. Unemployment and Employees Compensation		28,505	672				29,177	
f. Professional Services (Administration)			10	10	10	315,000	315,000	
g. Professional Services (State Planning Agency)						80,000	80,000	
							<u>1,432,746</u>	
GRAND TOTAL OF ALL REQUESTS FOR BIENNIUM:	\$7,279,209	\$8,263,704	\$9,136,653	\$17,210,053	\$19,856,740	\$21,735,940		\$83,482,299
Natural Resources Fund	7,279,209	7,858,704	8,356,653	16,228,053	18,107,240	19,835,940	77,665,799	
Reappropriated Balances				61,500	19,500		81,000	
Others - State Parks Development Fund		405,000 ⁴	685,000 ⁴ 95,000 ⁷	920,500 ⁴	1,730,000 ⁴	1,900,000 ⁴	5,640,500 95,000	

FOOTNOTES:

- 1 Appropriation from General Revenue Fund Repaid from Natural Resources Fund \$900,000.
- 2 1963 Chapter 840, Section 1, provides for transfers to state parks development account.
- 3 Excludes land acquisition funds for Fort Snelling State Park.
- 4 Appropriation from State Parks Development Fund.
- 5 For restoration, development of historic sites within Fort Snelling State Park.
- 6 Costs paid in 1963 as part of appropriations for land acquisition and development. Segregated in 1965 to assure adequate accounting, funds for acquisition by Department of Administration, development services (engineering) by Department of Natural Resources.

FOOTNOTES CONT'D:

- 7 Appropriation from General Revenue Fund for state parks capital improvements, Laws of Minnesota, Extra Session 1967, Chapter 48, Section 48, Subdivision 7.
- 8 Professional Services - See detailed list of maximum amounts available under Minnesota Laws 1967, Extra Session, Chapter 48.
- 9 Federal earnings from natural resource funds are deposited to this account in addition to the appropriations, for distribution after approval by L.A.C.
- 10 Appropriations for professional services allocated to each appropriate program.
- 11 Includes the appropriations made in Laws 1969, Chapter 879.

LAWS OF MINNESOTA FOR 1973

Chapter 720, Sec. 43

Subd. 14. Natural Resource Federal Reimbursement Account

Reimbursements and matching funds received from the federal government for expenditures of appropriations made for the purposes described in Minnesota Statutes 1971, Chapter 86, shall in the first instance be credited to a federal receipt account by the state agency receiving such reimbursements and matching funds.

Any state department or agency, including the Minnesota historical society and the university of Minnesota, who receive reimbursements for expenditures made under appropriations in this section; from Laws 1971, Section 48; from Laws 1969, Chapter 879, Section 4, Subdivisions 2, 3, 4 and 5; or from Laws 1969, Chapter 1139, Section 48, shall transfer such reimbursements to the natural resources reimbursement account. Funds so transferred are appropriated for the purpose of that account. This provision shall not apply to federal aid reimbursements received under Minnesota Statutes, Section 6.40.

Any and all federal reimbursements earned under expenditures made from appropriations for natural resources acceleration for the period from July 1, 1963, through June 30, 1969, shall be deposited to the general fund, provided that the state appropriation was used initially to finance the federal share of project costs.

There is established a maximum balance of \$1,000,000 to be retained for expenditure from this account. At any time that the undisbursed balance of the account exceeds the established maximum by an amount equal to or greater than \$100,000, the state auditor is directed to cancel the full amount of the excess to the general fund.

This appropriation is available for the purposes of land acquisition as described in subdivision 2 of this section, state land recreation development as described in subdivision 8 of this section, and acquisition and development of historic sites by the state of Minnesota, the Minnesota historical society, or the university of Minnesota, when such acquisition or development is deemed to be of an emergency or critical nature.

All requests for allocation from the account must be accompanied by a certification signed jointly by the state planning officer and the bureau of planning of the department of natural resources, showing a review of the application against the state recreation plan or project 80. Copies of such certification must be submitted to the appropriate legislative committees and commissions.

The appropriations made under the above paragraphs shall be expended with the approval of the governor after consultation with the legislative advisory committee.

NATURAL RESOURCES FEDERAL REIMBURSEMENT ACCOUNT
The Amounts Available and the Amounts Allocated
and
The Estimated Amounts to be Available for Allocation
The Status as of March 31, 1973

<u>Balances July 1971</u>	
From Natural Resources Contingent Account	\$ 478,498.48
Restored from General Fund Prior Deposits	175,454.59
	\$ 653,953.07
<u>Receipts - Federal Funds - Deposited Thru June 30, 1972</u>	342,089.90
<u>Less Allocations Paid Out Thru June 30, 1972</u>	524,742.12
<u>Balance in Account July 1, 1972</u>	\$ 471,300.85
<u>Less Allocations - June LAC Meeting - Paid Out July</u>	297,880.00
<u>Balance Then Available</u>	\$ 173,420.85
<u>Receipts - Federal Funds - After July 1, 1972</u>	
LAWCON Reimbursements thru December 31	\$ 446,243.09
HUD Reimbursements thru December 31	361,915.00
NATIONAL PARKS SERVICE thru December 31	21,351.83
Subtotal thru December 31	\$ 829,509.92
LAWCON Reimbursements - February	106,922.27
LAWCON Reimbursements - March	23,758.01
NATIONAL PARKS SERVICE - March	11,690.67
UPPER GREAT LAKES COMMISSION - March	2,085.00
Subtotal this quarter	\$ 144,455.95
<u>TOTAL RECEIPTS SINCE JULY 1, 1972</u>	973,965.87
<u>Amount Available This Fiscal Year to Date</u>	\$ 1,147,386.72
<u>Less Allocations Paid Out Thru March 31</u>	316,665.00
<u>Amount on Deposit March 31</u>	\$ 830,721.72
<u>Less Allocations - LAC Meeting of March 28</u>	465,750.00
<u>AMOUNT ON DEPOSIT AVAILABLE March 31, 1973</u>	\$ 364,971.72
<u>Anticipated Federal Reimbursements to be Received</u>	
LAWCON - Projects Approved	\$ 3,403,396.83
HUD - Projects Approved	248,085.00
UPPER GREAT LAKES COMMISSION	76,135.00
NATIONAL PARKS SERVICE	66,459.33
Total From Federal Projects Approved to Date	\$ 3,794,076.16
<u>ANTICIPATED TOTAL THAT MAY BE AVAILABLE</u>	
Estimated Amount That Can Be Allocated	\$ 4,159,047.88