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AT A GLANCE

- 3,153,000 residents in the seven-county area in 2019 (56% of total state population)
- 82.5 million transit rides provided by Metro Transit in 2019 [(91.6 million rides provided by all transit providers in region, including Metro Transit)]
- 2.4 million rides on Metro Mobility in 2018
- 250 million gallons of wastewater treated daily
- 110 communities provided with wastewater treatment service in 2019
- Nine treatment plants and 600 miles of regional sewers
- 63.3 million regional park visits in 2019
- 63 regional parks, park reserves, and special recreation features, totaling 55,000 acres, plus 400 miles of interconnected trails
- 7,200 low-income households provided affordable housing by the Council's Metro HRA in 2019
- From 2020 to 2040 the Council forecasts the region will grow by:
 - 485,000 more people
 - 210,000 more households
 - 213,000 more jobs

PURPOSE

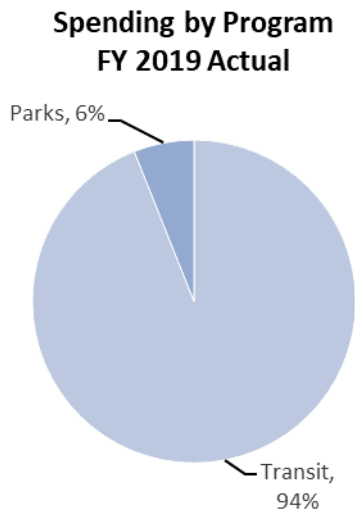
The Metropolitan Council is the regional policy-making body, planning agency, and provider of essential services for the Twin Cities metropolitan region. The Council's mission is to foster efficient and economic growth for a prosperous region in partnership with more than 180 communities and seven counties. We provide cost-effective transit and wastewater services, assist households with low and moderate incomes to find affordable housing, and support communities as they plan for anticipated growth.

As our region grows and its demographics change, the Council is working in partnership with communities to ensure we are prepared to support the continued growth of our region. As the economic engine of the state, the metro region's health and vitality has a statewide impact. Through our planning activities and the provision of regional services, we contribute to the following statewide outcomes:

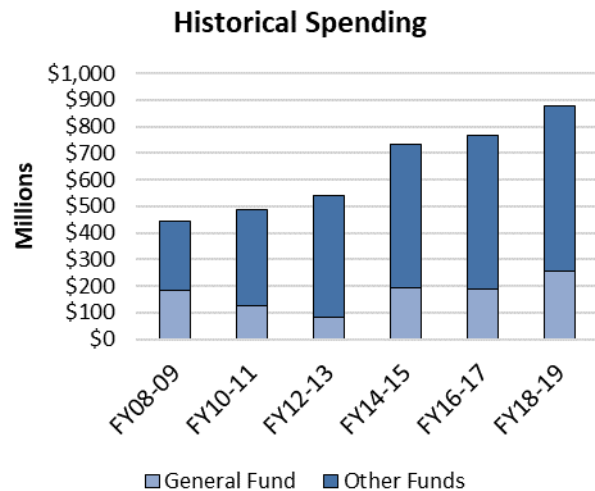
- A thriving economy that encourages business growth and employment opportunities
- A clean, healthy environment with sustainable uses of natural resources
- Sustainable options to safely move people, goods, services, and information
- A livable and attractive place for people of all races, ethnicities, incomes, and abilities to call home and prosper.

The charts on the next page show appropriations to the Metropolitan Council recorded in SWIFT. The Council's unified operating budget for calendar year 2020 is \$1.1 billion. State appropriations for transit and parks operations and water supply planning provided approximately 38% of agency funding in CY20. The majority of our operating funding comes from charges for services (wastewater fees and passenger fares), federal funds, property taxes and local funds.

BUDGET



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

STRATEGIES

Our governing body – the 17-member Metropolitan Council – plays a key convening role, bringing together communities to develop policies and a shared vision for the region. To achieve our mission, we carry out planning initiatives and provide essential services to the region.

Planning Initiatives

- Our Thrive MSP 2040 initiative engaged residents to create a framework for a shared vision for a prosperous, equitable, and livable region.
- Our regional planning initiatives encompass transportation, parks, water resources, community planning, and housing.

Transportation

- Our Metro Transit bus and rail systems provide more than 80 million rides every year, getting people to work, school and services, and managing road congestion so businesses can move their goods efficiently.
- Our Metro Mobility and Transit Link services transport people who are unable to use regular-route transit service.
- Our Transportation planners play a key role in collaborating with thriving communities to create our vision for roads, airports, and transit, to ensure effective and cost-efficient investments.

Parks

- We partner with 10 park implementing agencies to plan, acquire land, and develop facilities for regional parks and trails, preserving natural resources and providing recreational opportunities throughout the region.

Clean water and wastewater treatment

- We foster a safe and healthy environment through our award-winning and cost-effective wastewater treatment services, water supply planning and water quality monitoring initiatives.

Planning and development

- Our Livable Communities grants help fund affordable housing; clean polluted land for redevelopment; and create new models for livable, walkable, connected neighborhoods and transit-oriented developments, stimulating and leveraging private investment and increasing communities' tax base.
- We coordinate local communities' local comprehensive plans, providing technical assistance and resources, to ensure coordinated, orderly and efficient development in the region.

Housing

- Our Housing Policy Plan identifies regional housing needs and priorities, connects housing to other Council system plans, and provides guidance for local housing planning.
- Our Metro HRA provides housing stability through rent assistance for more than 7,200 low-income residents in nearly 100 communities

The Metropolitan Council supports the following priorities by:

Children and families

- Assists families with Housing Choice Vouchers to find housing in areas of opportunity, while providing them with supportive services to help achieve self-sufficiency and success in their new neighborhoods.
- Through Metro Transit's bus pass program, provides students with a convenient and affordable way to get to jobs, internships, classes, and education events before or after school hours.

Equity and inclusion

- Designates a portion of its regional parks bonds that support regional park implementing agencies to carry out capital projects that strengthen equitable use of regional parks and trails by all our region's residents – across age, race, ethnicity, income, national origin, and ability.
- Provides more than 2 million rides to people with disabilities through the Metropolitan Council's Metro Mobility service.
- Through its urban scholars program, provides summer internships that enable students from diverse backgrounds to gain critical real-world experience through mentorship, guided projects, and leadership-development workshops.

Thriving communities

- Provides cities with grants, totaling \$400 million over the life of the program, that support innovative development and redevelopment that links housing, jobs, and services and demonstrate efficient and cost-effective use of land and infrastructure.
- Provides more than 80 million rides annually through its Metro Transit operations on a combined network of regular-route buses, light rail and commuter rail, thereby supporting the travel needs the region's residents and local economies.
- Awards funding and develops an overall plan for the metropolitan area's system of 63 regional parks, park reserves and special recreation features, totaling 55,000 acres, as well as 400 miles of interconnected trails – all of which attract more than 63 million visits annually.

Fiscal accountability and measurable results

- Receives the highest possible ratings from Moody's and Standard and Poor's credit ratings agencies.
- Has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for 36 consecutive years.

Minnesota's environment

- Treats and cleans an average of 250 million gallons of wastewater from 2.7 million residents daily at rates 40% lower than peer regions across the country, while earning state and national awards for environmental achievements.
- Develops a climate vulnerability assessment to help the region plan for a changing environment that consists of a set of data and tools to help plan and manage public infrastructure to increase its life span and reduce costs.

- Continues to advance solar energy through the Council’s subscriptions to community solar gardens on and off Council land, with solar capacity under contract equivalent to the energy needed by 3,000 homes for a year.

The Metropolitan Council supports achievement of the following goals by:

Housing stability for all Minnesotans

- Provides affordable housing opportunities to more than 7,000 households in the Twin Cities region through its Metropolitan Housing and Redevelopment Authority.

Creating an inclusive workplace

- Has completed a self-evaluation of Council facilities to identify barriers to its programs and services for people with disabilities.

Hiring and workforce development

- Conducts the Metro Transit Mechanic-Technician Program, in coordination with Twin Cities Rise!, which provides a customized degree program at Hennepin Technical College for participants, who continue to work full-time as mechanic-technician interns at Metro Transit.
- Provides summer internships under the Council’s urban scholars program, which enable students from diverse backgrounds to gain critical real-world experience through mentorship, guided projects, and leadership-development workshops

Advancing equitable public contracting

- Conducts a sheltered-market program under the Council’s underutilized-business program and establishes internal purchasing goals for the Council organization.
- Engages an expanding pool of eligible firms through certification under the Council’s underutilized business program and increases access to capacity-building resources for firms owned by women, people who are African American, Hispanic, Native American, Asian-Pacific, subcontinent Asian Americans, veterans, and people with disabilities.
- Increases the participation of women and minority owned businesses in the award of federally assisted contracts through the disadvantaged business enterprise program.

Minnesota Statutes, Chapter 473 (<https://www.revisor.mn.gov/statutes/?id=473>) provides the legal authority for Metropolitan Council.

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	2,540	2,540	2,540	2,682	2,540	2,540	2,540	2,540
2050 - Environment & Natural Resources	31	860	617	2,111				
2108 - Metro Pks & Trls Lott In Lieu	6,000	6,000	6,600	6,600	6,600	6,600	6,600	6,600
2302 - Clean Water	950	950	1,375	1,188	187		1,731	1,544
2303 - Parks and Trails	16,584	18,891	19,819	17,654	2,623		24,322	22,130
Total	26,105	29,241	30,951	30,235	11,950	9,140	35,193	32,814
Biennial Change			5,841		(40,096)		6,821	
Biennial % Change			11		(66)		11	
Governor's Change from Base							46,917	
Governor's % Change from Base							222	

Expenditures by Program

Environment	26,105	29,241	30,951	30,235	11,950	9,140	35,193	32,814
Total	26,105	29,241	30,951	30,235	11,950	9,140	35,193	32,814

Expenditures by Category

Grants, Aids and Subsidies	26,105	29,241	30,951	30,235	11,950	9,140	35,193	32,814
Total	26,105	29,241	30,951	30,235	11,950	9,140	35,193	32,814

Metropolitan Council - Environment

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Direct Appropriation	2,540	2,540	2,540	2,682	2,540	2,540	2,540	2,540
Expenditures	2,540	2,540	2,540	2,682	2,540	2,540	2,540	2,540
Biennial Change in Expenditures			142		(142)		(142)	
Biennial % Change in Expenditures			3		(3)		(3)	
Governor's Change from Base							0	
Governor's % Change from Base							0	

2050 - Environment & Natural Resources

Balance Forward In	743	3,587	2,728	2,111				
Direct Appropriation	1,500							
Balance Forward Out	2,212	2,728	2,111					
Expenditures	31	860	617	2,111				
Biennial Change in Expenditures				1,838		(2,728)		(2,728)
Biennial % Change in Expenditures				206		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

2108 - Metro Pks & Trls Lott In Lieu

Direct Appropriation	6,000	6,000	6,600	6,600	6,600	6,600	6,600	6,600
Expenditures	6,000	6,000	6,600	6,600	6,600	6,600	6,600	6,600
Biennial Change in Expenditures				1,200		0		0
Biennial % Change in Expenditures				10		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

2302 - Clean Water

Balance Forward In					187		187	
Direct Appropriation	950	950	1,375	1,375	0	0	1,544	1,544
Transfers In					187		187	
Transfers Out					187		187	
Balance Forward Out				187				
Expenditures	950	950	1,375	1,188	187		1,731	1,544
Biennial Change in Expenditures				663		(2,376)		712

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Biennial % Change in Expenditures				35		(93)		28
Governor's Change from Base								3,088
Governor's % Change from Base								

2303 - Parks and Trails

Balance Forward In					2,623		2,623	
Direct Appropriation	16,584	18,891	19,819	20,277	0	0	21,699	22,130
Transfers In					2,623		2,623	
Transfers Out					2,623		2,623	
Balance Forward Out				2,623				
Expenditures	16,584	18,891	19,819	17,654	2,623		24,322	22,130
Biennial Change in Expenditures				1,998		(34,850)		8,979
Biennial % Change in Expenditures				6		(93)		24
Governor's Change from Base								43,829
Governor's % Change from Base								

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Direct				
Fund: 1000 - General				
FY2021 Appropriations	2,682	2,682	2,682	5,364
Base Adjustments				
All Other One-Time Appropriations		(142)	(142)	(284)
Forecast Base	2,682	2,540	2,540	5,080
Total Governor's Recommendations	2,682	2,540	2,540	5,080
Fund: 2108 - Metro Pks & Trls Lott In Lieu				
FY2021 Appropriations	6,600	6,600	6,600	13,200
Forecast Base	6,600	6,600	6,600	13,200
Total Governor's Recommendations	6,600	6,600	6,600	13,200
Fund: 2302 - Clean Water				
FY2021 Appropriations	1,375	1,375	1,375	2,750
Base Adjustments				
One-Time Legacy Fund Appropriations		(1,375)	(1,375)	(2,750)
Forecast Base	1,375	0	0	0
Change Items				
Clean Water Legacy - Water Supply Sustainability Program		919	919	1,838
Clean Water Legacy - Water Efficiency Grant Program		625	625	1,250
Total Governor's Recommendations	1,375	1,544	1,544	3,088
Fund: 2303 - Parks and Trails				
FY2021 Appropriations	20,277	20,277	20,277	40,554
Base Adjustments				
One-Time Legacy Fund Appropriations		(20,277)	(20,277)	(40,554)
Forecast Base	20,277	0	0	0
Change Items				
Parks and Trails Legacy Appropriation		21,699	22,130	43,829
Total Governor's Recommendations	20,277	21,699	22,130	43,829
Revenue Change Summary				
Non-Dedicated				
Fund: 2108 - Metro Pks & Trls Lott In Lieu				
Forecast Revenues	6,723	6,538	6,644	13,182
Total Governor's Recommendations	6,723	6,538	6,644	13,182

Metropolitan Council

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - Water Supply Sustainability Program

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	919	919	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	919	919	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$919 thousand each year from the Clean Water Fund for the Metropolitan Council's Water Supply Sustainability Program.

Rationale/Background:

- The Twin Cities metropolitan area is home to three million people, over half of Minnesota's population. 74% of the region's population relies on groundwater resources for their source of water supply. Securing their safe and plentiful drinking water, while protecting the region's diverse water resources, requires coordinated and ongoing effort.
- Although the seven-county region is relatively water-rich, the region's steady population growth, increased groundwater pumping, changing land use, and variable weather and climate is challenging some communities' ability to meet current and future demand.
- Our rising dependence on groundwater for drinking water, particularly since 1980, has become a significant issue. In parts of the region, groundwater levels are declining. In some cases, it is affecting, or has the potential to affect, lake and wetland levels. Additionally, groundwater quality is a challenge that many cities are trying to address.

Proposal:

- Met Council will continue to support communities implementing projects that address emerging drinking water supply threats, provide cost-effective regional solutions, leverage inter-jurisdictional coordination, support local implementation of wellhead protection plans, and prevent degradation of groundwater resources.
- These Activities will provide communities with:
 - Potential solutions to balance regional water use through utilization of surface water, storm water, wastewater and groundwater
 - Analysis of infrastructure requirements for different alternatives
 - Development of planning level cost estimates, including capital cost and operation cost
 - Identify funding mechanisms and equitable cost-sharing structure for regionally beneficial water supply development projects

Through established and proposed workgroups, the Council will collaborate with local units of government, state agencies and other stakeholders' groups to collaboratively address local, and regional water supply issues.

Equity and Inclusion:

The program goal is to ensure that all residents of the Metropolitan Area have access to reliable, clean and affordable water supply now and in the future. This program did not exist before 2010. Since FY10, the Clean Water Fund has been the only source of funding for this program to support studies, tools, and projects. Metropolitan Council's Master Water Supply Plan (2015) identified goals and strategies to ensure drinking water supply sustainability for 2040 in the metro area. To achieve these goals, water supply sustainability studies, tools, and projects supported by this program are essential to ensure the reliability and protection of water supplies.

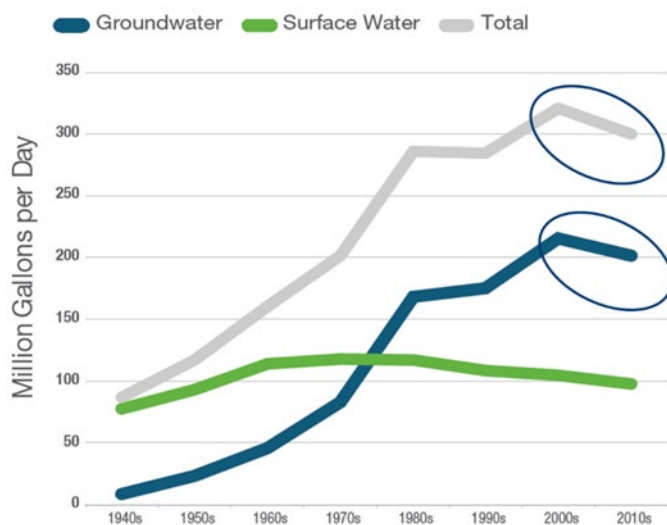
IT Related Proposals:

Not applicable.

Results:

- This proposal will support efforts to ensure supplies of drinking water are adequate for the region's current and projected population; ensure uninterrupted economic growth and prosperity; avoid competition and conflict over water supply; and foster regional collaboration to address water supply challenges and limitations in a manner that takes advantages of regional and sub-regional economies of scale.
- The activity outcomes will recommend measures to improve groundwater use, to reduce impacts on aquifers, groundwater quality and surface water features, highlight groundwater-surface water interaction risk factors for all communities in the Metro area and provide recommendations to prevent and address these risks and achieve the drinking water security through improved water use, conservation and reuse. These ultimately will help the Council to:
 - Protect groundwater from degradation (both quantity and quality)
 - Protect drinking water sources
- Success Indicators:
 - From 2005 to 2020, the number of communities that received technical support from the council through facilitated sub-regional workgroups increased 65%.
 - Improve groundwater use: currently 74% of the Metropolitan area population relies on groundwater; the intended long-term outcome is to sustainably use groundwater in the metro area in addition to other available resources.

Figure 1. The 2011-2018 average groundwater use is less than the 2007-2010 average by 15 million gallons per day.



Statutory Change(s): None.

Metropolitan Council

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - Water Efficiency Grant Program

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	625	625	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	625	625	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$625 thousand each year of state funding from the Clean Water Fund to the Metropolitan Council's Water Efficiency Grant Program.

Rationale/Background:

- Although the seven-county region is relatively water-rich, the region's steady population growth, increased groundwater pumping, changing land use, and variable weather and climate is challenging some communities' ability to meet current and future demand. Our rising dependence on groundwater for drinking water, particularly since 1980, has become a significant issue. In parts of the region, groundwater levels are declining. In some cases, it is affecting, or has the potential to affect, lake and wetland levels
- One important factor to improve water supply management practices is to reduce water use in communities through implementation of demand reduction measures. There is a need to provide financial assistance to incentivize communities to implement water demand reduction measures in municipalities to reduce reliance on groundwater which will help prevent groundwater degradation in locations around the region
- State regulators require water suppliers to reduce water use and increase water conservation and efficiency. Funding for this requirement has not been provided through other means. This grant program uses matching funds from local water suppliers to incentivize wise use of our precious water resources.

Proposal:

Met Council will continue passing through this funding, as grants, to encourage implementation of water demand reduction measures by municipalities in metro area. This grant program uses matching funds from local water suppliers. The Council will encourage communities to implement measures that have proven to reduce water use. Some of these measures would include but not limited to:

- Municipal, commercial and residential water use audits,
- indoor water use such as old washing machines and old inefficient toilet swap; Woodbury which is relatively a new suburb has about 10,000 old toilets, replacing these old toilets with new efficient ones would save about 50 Million Gallons per year.
- Summer peak use reduction mainly targeting irrigation water use.

The Council will collaborate with local units of government, state agencies and other stakeholders' groups to collaboratively use this fund to address local, and regional water use issues.

Equity and Inclusion:

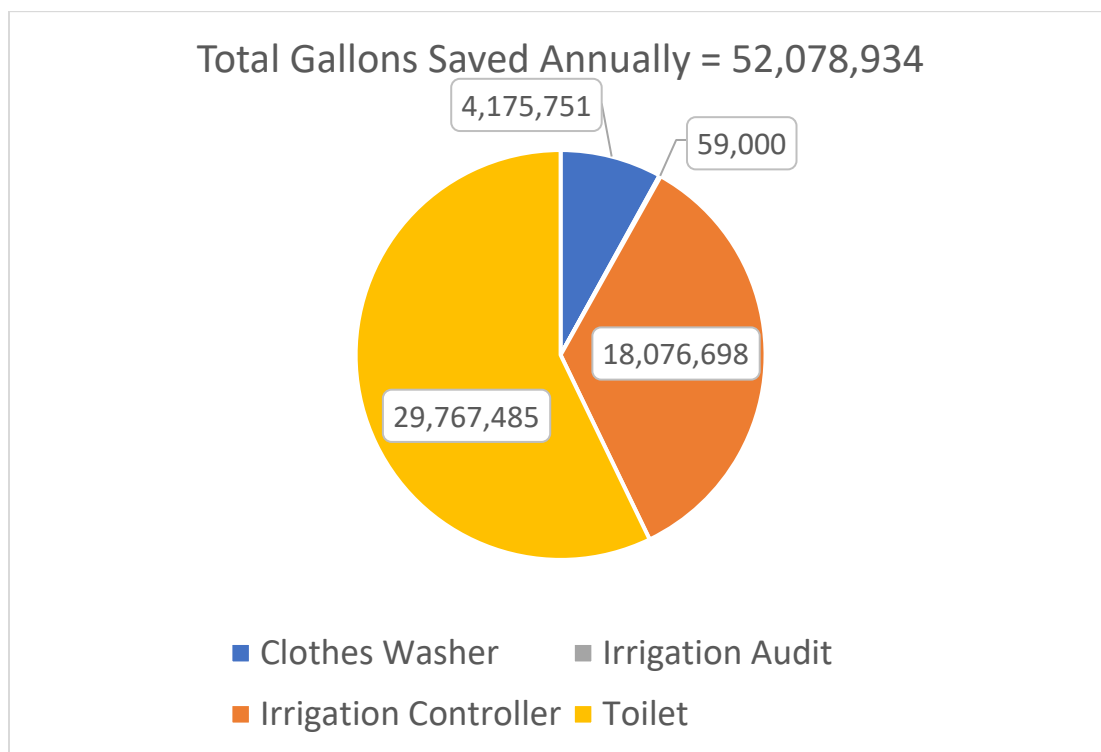
The program goal is to ensure that all residents of the Metropolitan Area have access to reliable, clean and affordable water supply now and in the future. This program did not exist before 2016. The Council efficiency Grant program was designed to equitably address needs of single-family homes (targeting outdoor water use) and multi-family units (targeting indoor water use)- economic equity. Since FY16, Clean Water Fund has been the only source of funding to provide grants to LGUs to reduce water use. Metropolitan Council’s Master Water Supply Plan (2015) identified goals and strategies to ensure drinking water supply sustainability for 2040 in the metro area, one of these goals is to reduce residential water use from 95 gallons per person per day to 75 gallons per person per day. To achieve these goals, water demand reduction grants supported by this program are essential to ensure the reliability and protection of drinking water supplies.

IT Related Proposals:

NA

RESULTS:

- Grants have been used to reduce water use by communities resulting in reduced reliance on groundwater and reduced impacts on aquifers, groundwater quality, and surface water features.
- A total of 38 communities are participating in the current Water Demand Reduction Grant Program in comparison to 19 communities that participated in the first round of the program in 2016. Activities from the 2016 grants have resulted in the following water savings:



Statutory Changes:

None

Metropolitan Council

FY 2022-23 Biennial Budget Change Item

Change Item Title: Parks and Trails Legacy Appropriation

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Parks and Trails Fund				
Expenditures	21,699	22,130	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	21,699	22,130	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends 40 percent of the Parks and Trails Legacy Fund each fiscal year be appropriated to the Metropolitan Council to finance grants to ten regional park implementing agencies to advance goals from the 25-year Parks and Trails Legacy Plan. The focus of the work includes:

- Connecting people to the outdoors through environmental education, recreation programming, volunteer coordination, and outreach efforts to inform the public about outdoor recreation opportunities.
- Acquiring land for regional parks and trails.
- Creating opportunities by constructing new park and trail facilities.
- Taking care of what we have by replacing worn-out facilities and restoring degraded natural resources areas.
- Coordinating with partners through shared planning and research work.

Funds in SFY22 and SFY23 are based upon the February 2021 forecast of Parks and Trails Legacy funds.

Rationale/Background:

The Clean Water, Land and Legacy Amendment created the Parks and Trails Fund to supplement traditional funding sources in support of park and trails of regional and statewide significance. Grants are made to the ten regional park implementing agencies and will continue to advance the four strategic directions associated with the 25-yr Parks and Trails Legacy Plan. The four strategic directions are:

- **Connect People to the Outdoors.** This work helps park agencies attract new park users and retain existing ones. Through recreational programs, environmental education programs, increased use of volunteers, and enhanced access and information about parks and the natural environment, people are connected to regional parks and trails.
- **Acquire Land, Create Opportunities.** Ten percent of the appropriation will be spent to acquire land for regional parks and trails as required by Minnesota Statute 85.53, Subdivision 3. Additionally, this appropriation will be spent to develop new recreation facilities and trails and redevelop aging facilities and infrastructure.
- **Take Care of What We Have.** Significant public investments have been made to establish and develop the Metropolitan Regional Parks System. These funds will go to reinvest in the system to ensure that there are safe, high-quality experiences for current and future users, including restoration of high-quality natural resources.
- **Coordinate with Partners.** The Metropolitan Council helps coordinate work across park agencies, including shared planning and research services to advance the four strategic directions.

Proposal:

The Clean Water, Land and Legacy Amendment created the Parks and Trails Fund to supplement traditional funding sources in support of park and trails of regional and statewide significance. In 2019, the State Legislature directed the Metropolitan Council, Minnesota Department of Natural Resources (DNR) and Greater Minnesota Regional Parks and Trails Commission (GMRPTC) to appoint a working group to review the apportionment of Legacy funds among the agencies. The three agencies recommend that the Governor's budget include the following apportionment of the Parks and Trails Legacy fund for the FY22-23 biennium, and potentially the FY24-25 biennium. This agreement is consistent with the past four-biennia agreement:

- 1% before apportionment, for collaborative projects and partnerships between the entities;
- 40% to the Metropolitan Council for Regional Parks and Trails;
- 40% to the DNR for State Parks and Trails; and
- 20% to Greater Minnesota Region Parks and Trails Commission for their regional parks and trails.

Based on the current state revenue forecast, the Metropolitan Council's share of the funding would be \$21.699 million in state fiscal year 2022 and \$22.130 million in state fiscal year 2023. The Metropolitan Council disburses the appropriations to ten regional park implementing agencies upon receipt of funding.

Minnesota Statute 85.53, subd. 3 directs 10% of Council Legacy appropriations to be set aside for land acquisition purposes and the Council must provide a match of \$2 for every \$3 of state funds. The remaining 90% is allocated to the ten park implementing agencies according to formula. All Legacy funds are disbursed to the ten implementing agencies: Anoka County Parks, City of Bloomington Parks, Carver County Parks, Dakota County Parks, Minneapolis Park and Recreation Board, Ramsey County Parks, City of St. Paul Parks, Scott County Parks, Three Rivers Park District, and Washing County Parks.

The Metropolitan Council serves as the fiscal agent for this funding source and does not receive a direct allocation of the funds.

Impact on Children and Families:

The Parks and Trails Legacy Fund is a critical source of funding to help ensure the development of a 21st century regional parks system, particularly for children and families. During the pandemic, this funding source has never been more important, with park and trail visitation rapidly growing. With limits on social activities, the provision of close-to-home opportunities for children and families is even more critical. The Parks and Trails Legacy Fund expressly seeks to invest to removal barriers and increase equitable access of recreational opportunities for all our region's residents.

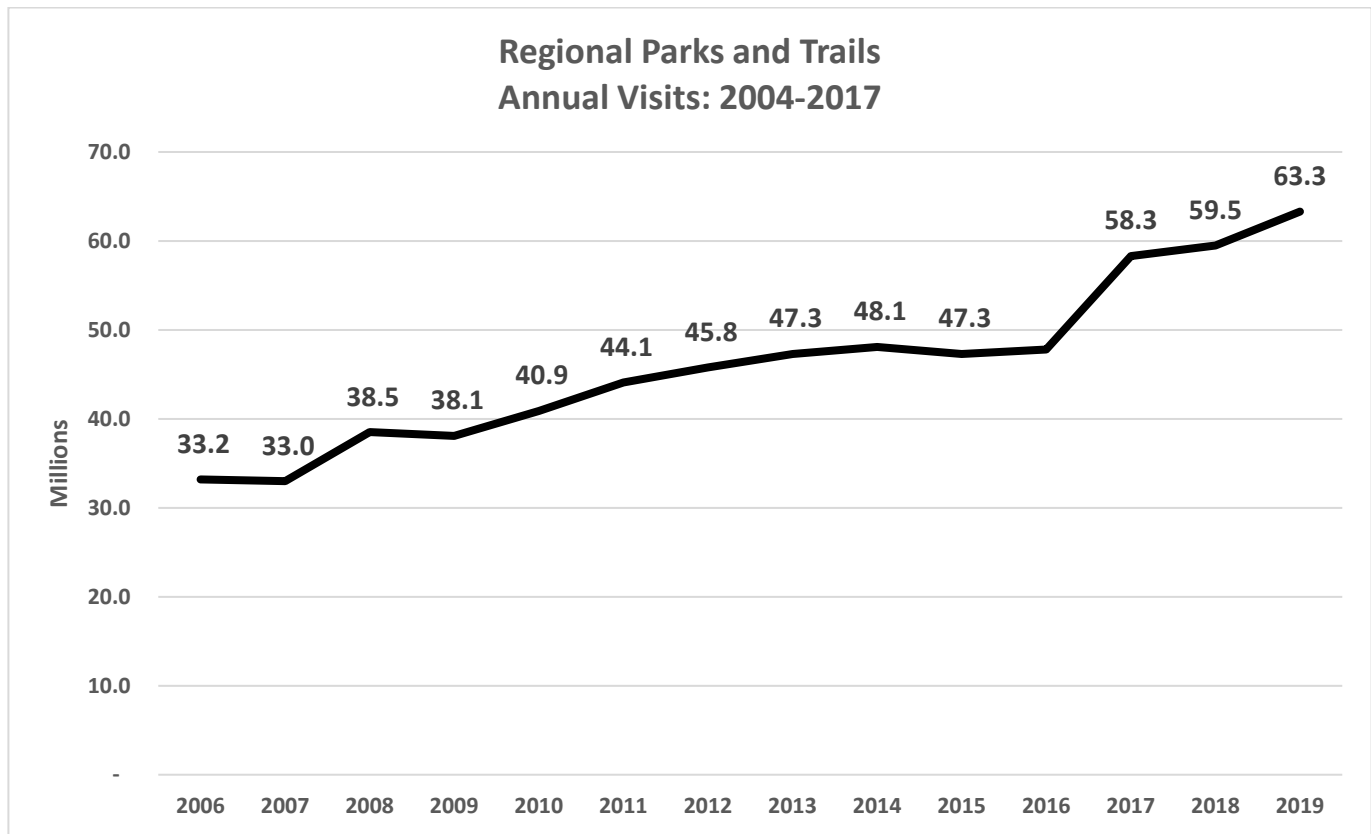
Equity and Inclusion:

This change item will benefit residents across the Twin Cities metropolitan region by improving recreational options through strengthening the metropolitan regional parks and trails system. The metropolitan region is growing and changing; by 2040, approximately 39 percent of residents will be people of color/indigenous peoples. However, our region has among the largest racial/ethnic disparities among peer metro areas. Recognizing that our region cannot compete economically if we are leaving a growing share of our population behind, the Metropolitan Council incorporated an "equity" outcome into *Thrive MSP 2040*, the comprehensive development guide required by state statute. Through *Thrive MSP 2040* equity outcome, the Council is committed to creating real choices in where we live, how we travel, and where we recreate for all residents, across race, ethnicity, economic means, and ability. The Metropolitan Council is also committed to fully engaging communities in decision-making in accordance with the Metropolitan Council's Public Engagement Plan when setting regional parks policy.

Results:

The 2019 annual use estimate was 63.3 million visits, an increase of 6.3% percent from the 2018 estimate. The increase is due in part to new, more accurate attendance estimates that demonstrate that more visits are happening in off-peak times of the year (winter) than previously thought.

Park surveys done in 2016 showed that respondents have very positive impressions of regional parks and trails facilities in terms of the quality of facilities, services and recreational opportunities. Ninety five percent of respondents rated the quality of facilities, services and recreational opportunities very good (64%) or good (31%). Less than one percent rated quality as poor or very poor. There are no longitudinal surveys on regional park quality or visitor satisfaction.



Metropolitan Council

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy – Appropriation Extension due to COVID

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
Clean Water Fund				
Revenues	0	0	0	0
Expenditures	0	0	0	
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends that appropriations temporarily reduced to prevent a clean water fund deficit in July 2020 have their availability extended for one year beyond their original date of cancellation. The table provided under the Proposal section identifies the impacted appropriations and the year of appropriation.

Rationale/Background:

In 2020, Minnesota Management and Budget informed several agencies and the legislature that because of a projected deficit in the clean water fund in fiscal year 2021, agencies receiving appropriations from the fund would need to delay some spending until fiscal year 2022. The affected agencies, on average, reduced their fiscal year appropriation by 14 percent. This holdback prevented a deficit in the fund and created a 5 percent reserve in accordance with M.S. Chapter 114D.

The delays in spending from these appropriations impacted the abilities of agencies to conduct water monitoring, issue grants, and complete other important work. Extending their availability by one year will allow agencies to follow-through with planned spending.

Proposal:

The Governor recommends that the below appropriations from the clean water fund in Laws of 2017, Chapter 91, Article 2 and Laws of 2019, First Special Session, Article 2 be extended one year beyond their original availability.

Department of Health

Name	Appropriation ID	Legal Cite
Contaminants of Concern	H12161P	191 002 02 08a 000
Contaminants of Concern	H12151P	17 091 02 008 00a
Source Water Protection	H12152P	17 091 02 008 00b
Virus Study	H12157R	17 091 02 008 00f
Drinking Water & Lead Study	H12156P	17 091 02 008 00g

Public Facilities Authority

Name	Appropriation ID	Legal Cite
Point Source Implementation Grants	B241270	191 002 02 004 a
Small Community Wastewater Treatment	B241280	191 002 02 004 b

Department of Agriculture

Name	Appropriation ID	Legal Cite
Nitrate in Groundwater	B041W02	17 091 002 03 b
Clean Water Research	B041W03	17 091 002 03 e
Technical Assistance	B041W06	17 091 002 03 d
Technical Assistance	B041W06	191 002 02 03 d
Research Database	B041W07	191 002 02 03 e
U of M Forever Green	B041W11	191 002 02 03 h
Private Well Pesticide Testing	B041W18	17 091 002 03 j
Private Well Pesticide Testing	B041W18	191 002 02 03 i

Board of Water and Soil Resources

Name	Appropriation ID	Legal Cite
Watershed-based Implementation Funding	R9P CPB9	191 002 02 07 a
Projects and Practices	R9P CPP9	191 002 02 07 b
Watershed Management Transition	R9P C1W9	191 002 02 07 i
Conservation Drainage Management	R9P CDP9	191 002 02 07 j
Shoreland Buffer Compliance	R9P CRB9	191 002 02 07 e
Riparian Buffers	R9P CBE9	191 002 02 07 f
Targeted Wellhead Protection	R9P CWP9	191 002 02 07 g
Conservation Reserve Enhancement Program	R9P CCE9	191 002 02 07 k
Critical Shoreline Protection	R9P CT17	191 002 02 07 l
Tillage and Erosion Transects	R9P CET9	191 002 02 07 m

Pollution Control Agency

Name	Appropriation ID	Legal Cite
Chloride Reduction Efforts	R32D139	191 002 02 005 00I
Drinking Water Protection	R32E105	17 091 02 005 00C
Drinking Water Protection	R32E140	17 091 02 005 00C
Subsurface Sewage Treatment System Programs	R32B103	17 091 02 005 00G
Subsurface Sewage Treatment System Programs	R32D103	17 091 02 005 00G
Subsurface Sewage Treatment System Programs	R32B120	191 002 02 005 00F
National Pollutant Discharge Elimination Systems	R32E103	17 019 02 005 00F
National Pollutant Discharge Elimination Systems	R32B119	191 002 02 005 00E
St. Louis Harbor Restoration	R32R112/G119	17 091 02 005 00D
St. Louis Harbor Restoration	R32G156	191 002 02 005 00D
Total Maximum Daily Load Development	R32R115	17 091 02 005 00B
Total Maximum Daily Load Development	R32R126	191 002 02 005 00B
Voyagers National Park	R32B121	191 002 02 005 00H
Water Quality Assessment	R32E104	17 091 02 005 00A
Water Quality Assessment	R32E139	191 002 02 005 00A

Metropolitan Council

Name	Appropriation ID	Legal Cite
Metropolitan Area Water Supply Sustainability Support Program	T9B2MWS	191 002 02 009 00A
Water Demand Reduction- Efficiency - Grant Program	T9B3050	191 002 02 009 00B

Department of Natural Resources

Name	Appropriation ID	Legal Cite
Aquifer Monitoring for Water Supply Planning	R292K17	191 002 02 006 00e
Buffer Map Maintenance	R292K24	191 002 02 006 00i
Buffer Map Maintenance	R292K25	191 002 02 006 00i
Lake Index of Biological Integrity Assessments	R296199	191 002 02 006 00b
Stream Flow Monitoring	R292K09	191 002 02 006 00a
Watershed Restoration and Protection Strategies	R296169	17 091 02 06d
Watershed Restoration and Protection Strategies	R292K14	191 002 02 006 00d
Applied Research and Tools	R292K20	191 002 02 006 00g
County Geologic Atlases	R292K22	191 002 02 006 00h
Fish Contamination Assessment	R296K01	191 002 02 006 00c
County Geologic Atlases	R292K21	191 002 02 006 00h

Impact on Children and Families:

Maintaining the ability to use these funds as intended supports work to ensure Minnesota's waters meet standards and allow children and families the opportunity to safely fish, swim and ensure clean and safe drinking water.

Equity and Inclusion:

Maintaining the ability to use these funds as appropriated ensures that all Minnesotan's are provided clean water for drinking and recreational uses.

Results:

The Clean Water Council submits a biennial report to the Legislature by December 1 of each even-numbered year on:

- the activities for which money has been or will be spent for the current biennium;
- the activities for which money is recommended to be spent in the next biennium;
- the impact on economic development of the implementation of efforts to protect and restore groundwater and the impaired waters program;
- an evaluation of the progress made in implementing the CWLA and the provisions of Article XI, Section 15, of the Minnesota Constitution relating to clean water;
- the need for funding of future implementation; and
- recommendations for the sources of funding.

IT Related Proposals:

Not applicable.

Program: Environment**Activity: Water Sustainability**<https://metrocouncil.org/Wastewater-Water/Services/Water-Quality-Management.aspx>

AT A GLANCE

- Serve 186 communities and 105 water supply providers
- 74% of residents use groundwater as the source of their water
- Municipal water use is the largest water use in the region:
 - Current: 350 million gallons per day
 - 250 million from Groundwater
 - 100 million from Mississippi River
 - Projected (2040): 450 million gallons per day
 - 330 million from Groundwater
 - 120 million from Mississippi River
 - Average per capita water use per day: 100 gallons

PURPOSE AND CONTEXT

Although the seven-county region is relatively water-rich, the region's steady population growth, increased groundwater pumping, changing land use, and variable weather and climate is challenging some communities' ability to meet current and future demand.

The purpose of the Metropolitan Water Supply Planning is supporting water suppliers in the region to ensure that all residents of the Metropolitan Area have access to reliable, clean and affordable water supply now and in the future. This program supports the efforts of municipalities and industries to address threats to drinking water supplies, provides cost-effective regional solutions, boosts inter-jurisdictional coordination, supports local implementation of water supply reliability and water quality protection projects, and protects groundwater. The program supports Metropolitan Council efforts to bolster the livability of the region, foster economic growth and prosperity and to alleviate competition and conflict over water supply. No other agency or unit of government provides this type of service.

SERVICES PROVIDED

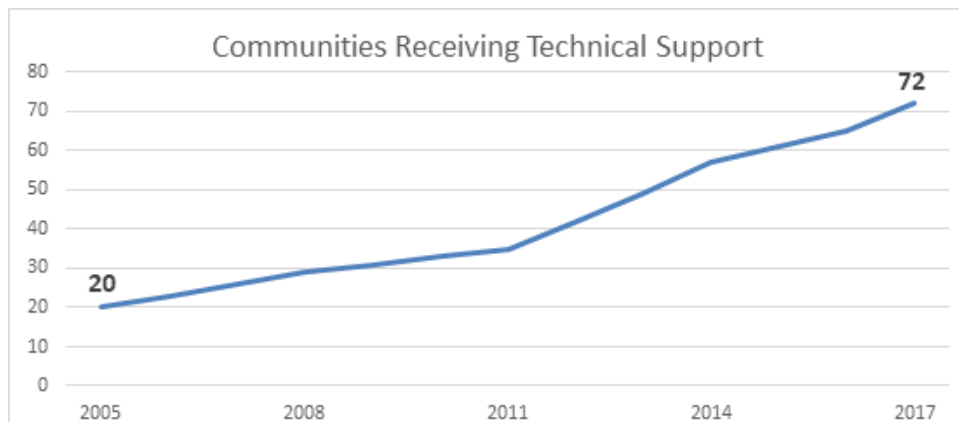
The data and tools generated, and the projects implemented by the Council's Water Supply Planning Program benefit communities by enhancing communities' planning processes and ensuring a more coordinated and regionally sustainable approach to water supply. Cities in the region are the suppliers of water to residents, and the Council provides collaborative support through a coordinating, technical and financial assistance role.

Council Role in Water Supply

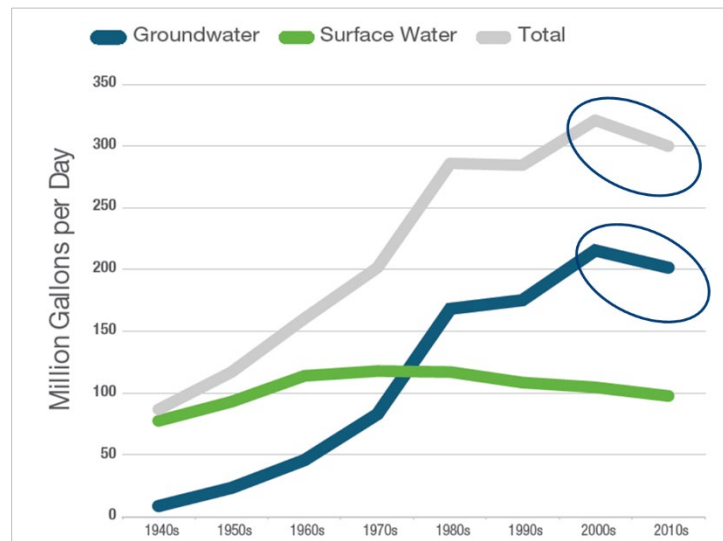
Council Role	Outcome/Goal
Provide technical assistance: information and tools	Better understanding of water supply issues and trends
Develop and update Regional Master Water Supply Plan	Guidance for local water supply systems and regional investments
Provide assistance in plan development and review services to local and state entities	Consistency of local water supply plans with the regional master plan (MS 103G.291, Subd.3(b))
Analyze regional and local water supply emerging issues and providing financial assistance and support local solutions	Local government units make informed and effective water supply decisions
Facilitate cooperation between communities and support local effort	Regional, cost effective, long-term, reliable and sustainable solutions to current and potential problems

RESULTS

Through this program, the Council equitably funded water sustainability projects of municipal water suppliers through competitive contracts. From 2005 to 2020, the number of communities that received technical and financial support from the Council grew substantially, as shown in the chart below.



Sustainable groundwater use in the region is another measure of success for this program. To support communities in the region to thrive, one of the intended long-term outcomes is sustainable use of groundwater in the metro area. The 2011-2018 average groundwater use is less than the 2007-2010 average by 15 million gallons per day, as shown in the chart below.



Minnesota Statutes 73.1565 (<https://www.revisor.mn.gov/statutes/cite/473.1565>) directs the Council to carry out water supply planning activities, including development of a Master Water Supply Plan.

Minnesota Statutes 103G.291 (<https://www.revisor.mn.gov/statutes/cite/103G.291>) requires that all local water supply plans in the metropolitan area, must be consistent with the Master Water Supply Plan (<http://www.metrocouncil.org/Wastewater-Water/Planning/Water-Supply-Planning/Master-Water-Supply-Plan.aspx>).

Water Sustainability

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	FY23	Governor's Recommendation FY22	FY23
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Expenditures by Fund

1000 - General				142				
2302 - Clean Water	950	950	1,375	1,188	187		1,731	1,544
Total	950	950	1,375	1,330	187		1,731	1,544
Biennial Change				805		(2,518)		570
Biennial % Change				42		(93)		21
Governor's Change from Base								3,088
Governor's % Change from Base								

Expenditures by Category

Grants, Aids and Subsidies	950	950	1,375	1,330	187		1,731	1,544
Total	950	950	1,375	1,330	187		1,731	1,544

Water Sustainability

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Direct Appropriation				142	0	0	0	0
Expenditures				142				
Biennial Change in Expenditures				142		(142)		(142)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
2302 - Clean Water								
Balance Forward In					187		187	
Direct Appropriation	950	950	1,375	1,375	0	0	1,544	1,544
Transfers In					187		187	
Transfers Out					187		187	
Balance Forward Out				187				
Expenditures	950	950	1,375	1,188	187		1,731	1,544
Biennial Change in Expenditures				663		(2,376)		712
Biennial % Change in Expenditures				35		(93)		28
Governor's Change from Base								3,088
Governor's % Change from Base								

Program: Environment
Activity: Parks and Trails

<https://metro council.org/Parks.aspx>

AT A GLANCE

- 63.3 million regional park and trail visits in 2019
- Regional parks, special recreation features, and park reserves totaling almost 55,000 acres
- Regional trails total nearly 400 miles
- Ten regional park implementing agencies that own and manage regional parks and trails

PURPOSE AND CONTEXT

The purpose of the Metropolitan Regional Parks System is to meet the outdoor recreation needs of residents and visitors and to preserve natural resources, including green space and wildlife habitat. Regional parks and trails complement State parks and trails in the metropolitan area. Parks are critical to the metropolitan area's current and future livability, sustainability, stewardship, and prosperity. The regional parks system draws more than 58 million visits every year, which is more than the Mall of America and adds untold value to the livability and attractiveness of our communities

SERVICES PROVIDED

Under state law, Metropolitan Council is charged with overseeing the acquisition and development of regional parks and trails. The agency partners that own and operate the parks are called regional park implementing agencies. Together, Metropolitan Council and the ten regional park implementing agencies plan and finance the Metropolitan Regional Parks System. The ten regional park implementing agencies are:

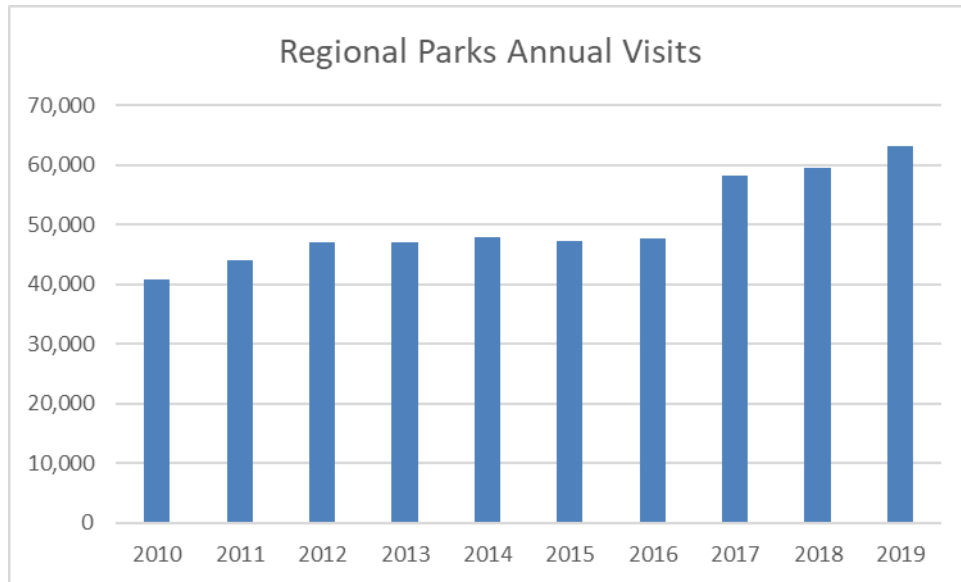
Anoka County Parks	Washington County Parks
Carver County Parks	Three Rivers Park District
Dakota County Parks	Minneapolis Park & Recreation Board
Ramsey County Parks	City of Bloomington Parks (portion of one park reserve)
Scott County Parks	City of St. Paul Parks

Metropolitan Council's responsibilities include:

- Site new regional parks and trails to serve the region's growing population and to protect natural resources.
- Review and approve park and trail master plans, and plan amendments that define a park and trail's location and identify the costs for recreation facilities.
- Survey park and trail visitors to measure what activities they prefer, how far they travel, and how often they visit a park or trail.
- Disburse state and regional funds to park agencies to finance operations/maintenance, recreation facility construction and recreation programs/staff, in accordance with state law and Council allocation plans.

RESULTS

The 2019 annual use estimate was 63.3 million visits across the regional park system. From 2010 to 2019, annual visits to regional parks and trails increased 55%. A new, more accurate attendance estimate methodology was implemented in 2017, which, among other things, showed that more system visits are happening in off-peak times of the year, like winter, than was previously thought.



The Regional Parks System is one of the most iconic park systems in the nation and is frequently cited by residents as one of the most attractive features of the region.

Beyond park visits, the System is an amenity that contributes to the region's quality of life and can help retain and attract businesses and residents. Parks and open green space boost human health and well-being, provide an opportunity for increased physical activity, and provide many social benefits. Parks and open space also have many environmental benefits, including biodiversity conservation, air and water purification, erosion control, and climate regulation.

M.S. 473.351 (<https://www.revisor.mn.gov/statutes/cite/473.351>) and M.S. 297A.94 (e) (3) (<https://www.revisor.mn.gov/statutes/cite/297A.94>) authorize funds for operating and maintaining regional parks and trails.

M.S. 85.53, Subd. 3 (<https://www.revisor.mn.gov/statutes/cite/85.53>) authorize allocations of Parks and Trails Legacy Fund appropriations among 10 regional park agencies.

Parks and Trails

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540
2050 - Environment & Natural Resources	31	860	617	2,111				
2108 - Metro Pks & Trls Lott In Lieu	6,000	6,000	6,600	6,600	6,600	6,600	6,600	6,600
2303 - Parks and Trails	16,584	18,891	19,819	17,654	2,623		24,322	22,130
Total	25,155	28,291	29,576	28,905	11,763	9,140	33,462	31,270
Biennial Change				5,036		(37,578)		6,251
Biennial % Change				9		(64)		11
Governor's Change from Base								43,829
Governor's % Change from Base								210

Expenditures by Category

Grants, Aids and Subsidies	25,155	28,291	29,576	28,905	11,763	9,140	33,462	31,270
Total	25,155	28,291	29,576	28,905	11,763	9,140	33,462	31,270

Parks and Trails

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22FY23		Governor's Recommendation FY22FY23	
1000 - General								
Direct Appropriation	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540
Expenditures	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540
Biennial Change in Expenditures			0		0		0	
Biennial % Change in Expenditures			0		0		0	
Governor's Change from Base							0	
Governor's % Change from Base							0	

2050 - Environment & Natural Resources

Balance Forward In	743	3,587	2,728	2,111				
Direct Appropriation	1,500							
Balance Forward Out	2,212	2,728	2,111					
Expenditures	31	860	617	2,111				
Biennial Change in Expenditures				1,838		(2,728)		(2,728)
Biennial % Change in Expenditures				206		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

2108 - Metro Pks & Trls Lott In Lieu

Direct Appropriation	6,000	6,000	6,600	6,600	6,600	6,600	6,600	6,600
Expenditures	6,000	6,000	6,600	6,600	6,600	6,600	6,600	6,600
Biennial Change in Expenditures				1,200		0		0
Biennial % Change in Expenditures				10		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

2303 - Parks and Trails

Balance Forward In					2,623		2,623	
Direct Appropriation	16,584	18,891	19,819	20,277	0	0	21,699	22,130
Transfers In					2,623		2,623	
Transfers Out					2,623		2,623	
Balance Forward Out				2,623				
Expenditures	16,584	18,891	19,819	17,654	2,623		24,322	22,130
Biennial Change in Expenditures				1,998		(34,850)		8,979

Parks and Trails

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Biennial % Change in Expenditures				6		(93)		24
Governor's Change from Base								43,829
Governor's % Change from Base								