



Note: This summary is provided by Rebecca Boslough, the executive director of the Montana Association of Conservation Districts. Members of the EQC Sen. Lang, Rep. Marler, Mr. Hamlett attended the meeting and requested a summary be provided to the Council.

HOUSE JOINT RESOLUTION 27

KEY POINTS AND INFORMATION FROM THE ANNUAL MACD CONVENTION 18TH NOVEMBER 2021

→ BACKGROUND

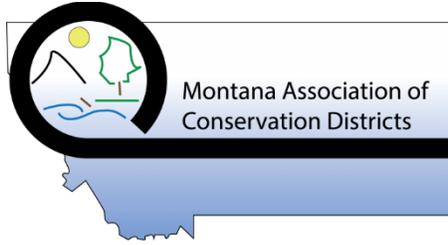
The State of Montana's 67th Legislature met from January 4, 2021 through April 29, 2021. HJ 27, a Resolution "REQUESTING AN INTERIM STUDY ON FUNDING OPTIONS FOR MONTANA'S CONSERVATION DISTRICTS; AND REQUIRING THAT THE FINAL RESULTS OF THE STUDY BE REPORTED TO THE 68TH LEGISLATURE" passed 50-0 in the Senate and 87-11 in the House, indicating a very strong desire by the Legislature to move forward to explore this issue. HJ 27 was assigned for action to the Montana Environmental Quality Council.

The Montana Association of Conservation Districts (MACD) has held an annual statewide convention for more than 60 years. At the November 2021 MACD Convention, a time was set aside for the approximately 150 attendees, as well as three members of the EQC and one staff member of the Legislature's Office of Research and Policy Analysis, to address and give background to the issues raised by HJ 27. This session was called "#FutureSoBright." The 2021 hosting district, Cascade Conservation District, and MACD were honored to host Senator Mike Lang, Chairman of the EQC; Representative Marilyn Marler; Mr. Bradley Hamlet, a public member of the EQC and the Vice Chairman; and Mr. Joe Kolman, the Legislative Environmental Analyst who manages the activities of the EQC.

The three-hour session addressed three topics that were designed to give the honored guests more details about the roles of Montana's Conservation Districts. Specifically, the topics included:

1. A Day in the Life of a Conservation District
2. Cost/Benefits for Montana to have Conservation Districts
3. Potential Funding Mechanisms

The room was set up with 20 tables and convention participants were randomly assigned to assure a thorough mixture of statewide perspectives. Our guests from EQC moved from one table to another to get a taste of the variety in statewide operations and differing needs of the Districts. The detailed summary from each table is available if requested, and a summary of the discussion by the three topics is included below.



1. A DAY IN THE LIFE OF A CONSERVATION DISTRICT

Day to day activities vary across Montana's conservation districts, who carry out their mission to conserve Montana's natural resources through a variety of restoration projects, permitting processes, educational activities, demonstrations, landowner and technical assistance, and research. In addition to these activities, Districts also require day to day management of their operations and finances, regular and noticed public meetings, local elections, and more generally consistent compliance with Conservation District laws. This list includes both routine items and program management tasks.

Not all Districts carry out every one of these tasks, and although this list provides a good picture of district activities, it is not exhaustive.

Board Operations

1. Setting up and administering monthly or more frequent public meetings (including following open meeting laws, pandemic protocols, proper noticing, preparing agendas, minute recording and distribution);
2. Follow up on tasks set by the Board in the monthly minutes;
3. Coordinating board elections;
4. Preparing, (board) approving, and carrying out annual work plans;
5. Recruiting replacement CD staff due to high turnover (The attrition rate of CD staff is around 24% annually);
6. Preparing and enacting local ordinances as voted on by the Board of Supervisors

Financial

7. Financial Management for the District (Financial reports, invoicing, payment, monthly monitoring and accounting requirements etc.)
8. Annual budgets (preparation, board review and approval, reporting);
9. Grant writing for projects needed in individual Districts that do not have a direct funding source (searching for grants, finding partners, preparing budgets, the actual writing of the grant proposal, attending review sessions);
10. Completing Reporting requirements for operational and project funding (Ex. Reporting for DNRC CDB Administrative Grants; reporting on project funding from state, federal, and private sources)



Communications, Coordination, and Partnership

11. Answering inquiries from the public (in person, emails, letters, text messages, telephone calls);
12. Managing district websites;
13. Publish newsletters;
14. Weekly and at times daily communications with core partners at DNRC, NRCS, and MACD (including preparing financial and operational reports for DNRC);
15. Communications with other partners (such as the Bureau of Land Management, USDA Forest Service, US Army Corps of Engineers, Extension Service, US Fish and Wildlife Service, Montana Watershed Coordination Council, etc.);
16. Coordinating local working groups;
17. Coordinating with regional conservation district groups (MACD, Yellowstone River Conservation District Council, Missouri River Conservation District Council, Milk River Watershed Alliance, Montana Salinity Control Association, etc).
18. Coordinating with local watershed groups;
19. Coordination with Tribes;
20. Serving as CD Representative on state, federal, MACD, and partner groups/committees (Ex. Nutrient Work Group, State TMDL Advisory Group, DNRC Rangeland Resources Committee, DNRC Resource Conservation Advisory Council, Montana Invasive Species Council, etc).
21. EIS and EA comments and participation, representing a local perspective;
22. Staying updated on new state and federal natural resource programs;
23. Commenting on proposed federal or state actions that would impact natural resources;
24. Preparing draft resolutions to be considered by CDs across the state at the MACD Convention;

Programs & Additional Services

25. Providing technical support regarding erosion, soil, vegetation management, beaver dams;
26. Administering the 310 Permit Program (In a given year approximately 1100 permits are issued by conservation districts, with around 54 of the 58 districts issuing at least one permit).
27. Preparing court cases for 310 violations (Districts have been to the Montana Supreme Court three times)
28. Providing technical support regarding erosion, soil, vegetation management, beaver dams;
29. Carrying out irrigation projects;
30. Septic systems (Ex. Managing a septic seep cost share program, monitoring, addressing urgent issues impacting water quality, etc); and,
31. Stream monitoring and TMDLs (Total Maximum Daily Load);
32. Manage water reservations established by the Legislature (36 of the districts have water rights and manage water reservations)
33. Assisting with federal grant programs, especially NRCS;
34. **Administering existing programs, which include but are not limited to →**

EXAMPLES OF CONSERVATION DISTRICT PROGRAMS

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| -Equipment rentals (ex. No-till drill) | -Various seminars, workshops, and educational materials for the public (range, noxious weeds, water, flooding, fires, small acreage, soil health, cover crops, grazing) | -Wildfire and flood restoration efforts |
| -Aquatic Invasive Species (AIS) boat inspection stations | -Range Days | -Fuels Mitigation |
| -Invasive species awareness programs (mussels, snails, plants, frogs, feral pigs, etc.) | -Manage Community Garden | -Stream restoration |
| -Conifer encroachment program | -Educational lessons, events, and materials for students (ex. Envirothon, Range Camp, classroom lesson kits) | -Stream monitoring and TMDLs (Total Maximum Daily Load); |
| -Shelterbelts | -Coordinating Rolling Rivers Trailer | -Stormwater Runoff and rain barrels |
| -Tree and fabric and map sales | -Farmers Market | -Aquifer monitoring |
| -Forest Action Program | -Composting Program | -Native plant restoration projects, weed management |
| -Legacy management, etc. | -Women in Agriculture | -Septic systems (Ex. Managing a septic seep cost share program, monitoring, addressing urgent issues impacting water quality, etc) |
| -Pollinator Programs | -Educational and outreach events (general) | -Missouri River test flows |
| -Native seed distribution | | -River clean ups |
| -Trail Signs | | |



2. COST / BENEFIT OF MONTANA'S CONSERVATION DISTRICTS

The first conservation districts were formed in Sheridan and Wibaux Counties in 1939. Today most land in Montana is within a boundary of our 58 conservation districts. Conservation Districts are critical to both our small, rural communities as well as our larger towns and cities that are undergoing rapid growth. Montana's top industries are agriculture and tourism, which both depend on healthy natural resources. Despite a relatively small statewide investment in conservation districts, they serve as hubs of local leadership and have a significant conservation impact across Montana. Districts work shoulder to shoulder with landowners and communities to conserve our state's soil, water, and other natural resources.

Since their formation eight decades ago, districts have developed well-worn pathways to and from our farms and ranches. The farmers and ranchers bring ideas, clever solutions, problems, questions, and a love of the land to us. We bring information, technical assistance, new ideas, advice, problem solving, group-based local knowledge, programs and funding, and a spirit of cooperation that is set on a stage of voluntary conservation.

The #FutureSoBright session tried to capture the benefits described by CD staff and supervisors, as listed in the bullet points below. *(Items from the previous section will, such as tree sales and septic management, will not be repeated here.)*

1. Provide a general awareness of and concern for Montana's natural resources that transcends generations with local as well as statewide knowledge. Districts have a willingness to take action to conserve natural resources. With all the urbanization today, in a state that is larger than two-thirds of the nations on Earth, someone needs to pay attention in a structured manner to natural resource issues.
2. Enable local management of our streams and rivers by an elected group that knows the rivers and the people who live by them. That elected group works without pay.
3. Education young Montanans about the role of agriculture in our state, preparing them to be good stewards of the land and waters they will inherit.
4. Serve as a local contact for Montanans to initially address natural resource issues impacting their lands and waters.
5. Provide a way to address natural resource issues by involving local people with local solutions, as opposed to a one-size-fits-all approach.
6. Local coordination for disasters such as fires and floods, with technical and sometimes financial assistance for the community to move forward.
7. Work with partners to bring new discoveries and research to farms and ranches. Soil health and cover crops are two cases in point. No-cost assistance and demonstration projects.
8. Promote best management practices.
9. Orchestrate meetings with local communities and the federal government to address natural resource and agriculture issues and opportunities.
10. Bring state, federal, and other grant dollars to local communities to address natural resource issues.
11. Create a central source of local natural resource skills and knowledge and make it available to the community at little cost to them.
12. Community building through educational activities, workshops, and demonstration projects.
13. Frontline defense in the battle against invasive species, especially aquatic invasive species (AIS).

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14. Recruit new people to our smaller towns, such as the Big Sky Watershed Corps, CD Employees, and Sage Grouse Initiative partner employees
 15. Free proven technical advice to road builders and homebuilders regarding floodplains and river banks.
 16. CDs are not afraid to take violators to court if natural resources are damaged. In that way they are the eyes and ears of communities to do what is right for natural resources.
 17. Big picture items include:
 - a. Cleaner streams and rivers
 - b. Health soil, better retention of topsoil
 - c. Healthier rangelands
 - d. Restored habitat
 - e. Restored riparian areas
 - f. Enhanced wildlife and pollinators
 - g. Recreational opportunities enhanced
 - h. Flood damage repairs working with local landowners
 - i. Fuel mitigation and fire restoration
 - j. Cleaner air
 - k. Irrigation efforts
 - l. Public awareness and input into local conservation issues

3. POTENTIAL FUNDING MECHANISMS

Existing funding mechanisms for the conservation district operations are primarily mill levy dollars and administrative grants from DNRC. Districts access additional sources for project funding. During this session, Districts also highlighted a number of funding issues that Districts have to deal with, including lack of health insurance, turnover, surviving on inconsistent grant income, etc.

The list below includes ideas for new funding sources that were generated at the 2021 MACD Convention by CD supervisors, staff, and partners in attendance.

1. 1 cent tax on every bottle of water sold in Montana.
2. 10 cents on every ton of logs.
3. Require every landowner in Montana to pay \$15 per year.
4. Add a fee to hunting licenses that would be earmarked for Districts.
5. Combine Districts to stretch existing dollars.
6. Share District employees so they can have a full-time job.
7. Cannabis tax money to Districts.
8. Increase equipment rental fees.
9. Leverage AIS fees for Districts.
10. More funding from the Legislature to manage the 310 permit law.
11. Increase partnership funding from NRCS.
12. PILT (Payment in Lieu of Taxes) money
13. Real estate transfer fee.
14. More training from DNRC and MACD that helps Districts identify and apply for grants.
15. Conservation stamp.
16. Establish a conservation trust fund that is initially funded by state budget surpluses when they are over X million dollars. For example, if the state budget surplus at the end of a fiscal year is more than \$300 million, the amount over \$300 million up to \$40 million would go into the trust, every year that there is a surplus, until the trust fund reaches \$100 million.
17. All landowners, even those living in towns and cities, benefit from conservation efforts. Expand the borders of the tax base so that lands currently not included in the District mil levy are included. Prepare a formula so that urban areas with large tax revenues share with adjacent Districts. Those Districts either send clean air and water into the urban areas or receive air and water from those urban areas (upwind/downwind; upstream/downstream).
18. Conservation fee on closing costs for real estate transactions.
19. Conservation fee on second home purchases in Montana.
20. Conservation fee added to on-line purchases for goods purchased from outside Montana.
21. Alternative energy tax.
22. Use gambling or lottery funds.
23. Explore regional Conservation Districts as a cost savings (they have a huge 'bang for their buck!')
24. Tax tourists with a conservation/recreation fee.
25. Railroad tax or Public utilities tax.
26. Combine all mil levies received statewide and distribute via an approved formula.
27. Use General Fund dollars as all Montanans benefit from conservation measures.



→ SUMMARY / CONCLUSION

Conservation Districts have survived the many changes Americans have seen over 80+ years. What Conservation Districts have done over the last eight decades is serve generations of land stewards, helping them conserve natural resources, improve their soil, and maintain clean water. They, in turn, have passed on their assets to each succeeding generation in better shape than they found it. Our next generation of Conservation Districts are ready and willing to help—with new ideas, technical knowledge, and in some cases project funding. We hope that will continue.

Each generation has the opportunity to improve the land and water, to make it better for the next generation of stewards. The District's main job is to assist landowners so that they can produce food, fiber, and other products not only for Montana, but for communities across the US and other parts of the world.

The Conservation District funding problem has been building for a number of years, and the CD community has been thinking about ways to address it. The #FutureSoBright session was an opportunity to bring people from across the state to share what we do and how we do it. We hope the ideas and thoughts generated at that session will be of value to you as you look for solutions. We remain willing and able to help as needed.