

Table of Contents

Minnesota Pollution Control Agency

Agency Profile	1
Agency Expenditure Overview	3
Agency Financing by Fund	5
Agency Change Summary	10
<u>Change Item(s)</u>	16
<i>Business Friendly Data Services</i>	16
<i>St. Louis River Area of Concern</i>	18
<i>Climate Outreach and Engagement</i>	20
<i>Environmental Impact Statement for Karst Groundwater Contaminants</i>	22
<i>Vapor Intrusion and Contaminants of Emerging Concern</i>	24
<i>Streamlined Water Policy and Permitting</i>	26
<i>Electric Vehicle Infrastructure</i>	29
<i>Food Waste Reduction</i>	31
<i>Recycling Market Development</i>	34
<i>Air Appropriation Increase</i>	36
<i>Extend Availability of Freeway Landfill Appropriation</i>	38
<i>Extension of PFA Assistance Appropriation</i>	39
<i>CWF River and Lake Monitoring and Assessment</i>	40
<i>CWF Watershed Restoration and Protection Strategies</i>	42
<i>CWF Groundwater Assessment</i>	44
<i>CWF Enhanced County Inspections/SSTS Corrective Actions</i>	46
<i>CWF Great Lakes Restoration</i>	48
<i>CWF Accelerated Implementation of MS4 Permit Requirements</i>	50
<i>CWF NPDES Wastewater Stormwater TMDL Implementation</i>	52
<i>CWF Chloride Reduction Program</i>	54
<i>CWF Clean Water Council</i>	57
<i>Legal Costs</i>	59
<i>Railroad and Pipeline Safety Assessment Reinstatement</i>	62
<u>Program</u>	64
Env Analysis Outcomes	64
<i>Program Narrative</i>	64
Program Expenditure Overview	66
Program Financing by Fund	67
<u>Program</u>	70
Industrial	70
<i>Program Narrative</i>	70
Program Expenditure Overview	72
Program Financing by Fund	73
<u>Program</u>	76
Municipal	76
<i>Program Narrative</i>	76
Program Expenditure Overview	78
Program Financing by Fund	79

<u>Program</u>	81
Operations	81
<i>Program Narrative</i>	81
Program Expenditure Overview	83
Program Financing by Fund	84
<u>Program</u>	87
Remediation	87
<i>Program Narrative</i>	87
Program Expenditure Overview	89
Program Financing by Fund	90
<u>Program</u>	93
Resource Mgmt Assistance	93
<i>Program Narrative</i>	93
Program Expenditure Overview	95
Program Financing by Fund	96
<u>Program</u>	99
Watershed	99
<i>Program Narrative</i>	99
Program Expenditure Overview	101
Program Financing by Fund	102
<u>Program</u>	104
Environmental Quality Board	104
<i>Program Narrative</i>	104
Program Expenditure Overview	106
Program Financing by Fund	107
<u>Additional Documents</u>	108
<i>Federal Funds Summary</i>	108
<i>2016-17 PCA Program Fiscal Reports</i>	111

<https://www.pca.state.mn.us/>

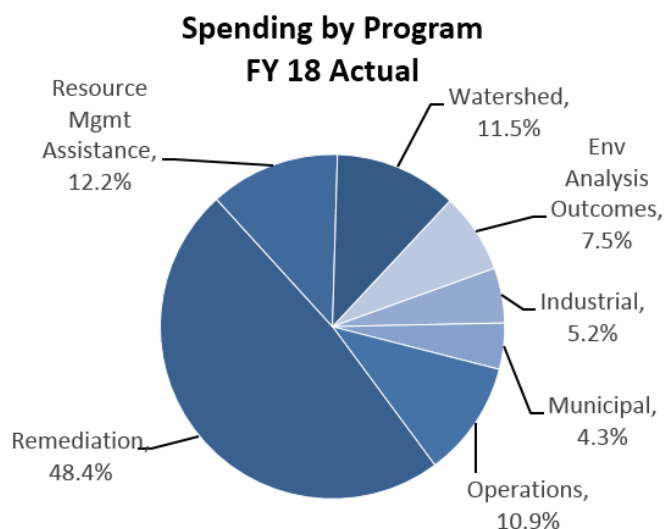
AT A GLANCE

- 875 employees in FY18: 635 in Saint Paul and 240 in seven regional offices; 29 are student workers or seasonal employees
- Protect human health by issuing more than 16,700 permits that include environmental standards to limit pollution
- Monitor the condition of air, ground and surface water, and land at more than 2,320 sites
- Inspect and license more than 40,000 sites that involve hazardous waste, feedlots, and storage tanks
- 2013 Eco Experience exhibit received “People’s Choice Award for Best Attraction” at the Minnesota State Fair
- Offer 20 online services with more launching soon

PURPOSE

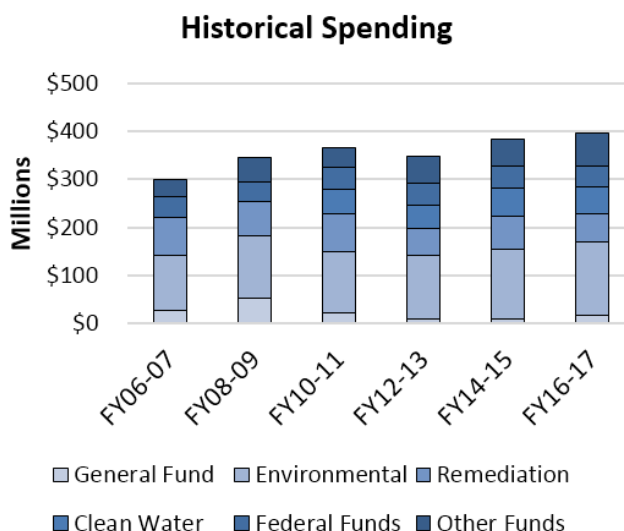
The Minnesota Pollution Control Agency (MPCA) monitors environmental quality, offers technical and financial assistance, and enforces environmental regulations. MPCA finds and cleans up spills or leaks that can affect health and environment. MPCA develops statewide policy, supports environmental education, and helps ensure pollution does not have a disproportionate impact on any group of citizens. MPCA’s mission is to protect and improve the environment and human health. The agency plays a key role in contributing to the following statewide outcome: **A clean, healthy environment with sustainable uses of natural resources.**

BUDGET



Budget structure changed in FY18 from Programs to Divisions

Source: Budget Planning and Analysis System (BPAS)



Source: Consolidated Fund Statement

MPCA’s budget is funded from multiple state government funds and federal grants. The funding MPCA has received from the general fund has decreased over this 12-year timeframe from 9 percent in FY12-13 to 4 percent in FY16-FY17.

In the last biennium, MPCA expenses by fund included environmental (38 percent), remediation (15 percent), clean water (14 percent), and federal (11 percent). All other state funds make up the remaining 18 percent. The clean water fund is one of the legacy funds created when voters passed a constitutional amendment in November 2008.

STRATEGIES

Limiting pollution caused by businesses, organizations, and individuals is fundamental to MPCA's mission. The MPCA develops and enforces regulations and provides education and technical assistance to help meet these regulations. Increasingly, MPCA's focus is on preventing pollution rather than just controlling or cleaning it up.

MPCA works with many partners—citizens, communities, businesses, government, environmental groups, and educators—to prevent pollution and conserve resources. These partnerships allow MPCA to:

- Foster greater commitment and personal responsibility for the environment.
- Work to minimize the use and generation of toxic chemicals in products and materials.
- Protect, restore, and preserve the quality of our waters.
- Develop solutions to Minnesota's climate change challenges.

As a result, Minnesota is a national model for environmental protection. The state's air, land, and water are cleaner now than 40 years ago, even with a growing population and rising industrialization.

MPCA's range of activities includes:

- Testing and researching to identify environmental problems.
- Setting priorities and operating strategies.
- Setting standards and developing rules that protect people and the environment.
- Writing permits to regulate activities that affect the environment (air emissions, toxic, or hazardous materials, water discharges, landfills, etc.).
- Ensuring compliance with and enforcing regulatory requirements to ensure equitable treatment and a level playing field for Minnesota businesses.
- Integrating environmental justice principles into the agency's processes to ensure pollution does not disproportionately impact the health of low income populations or people of color.
- Providing technical assistance, training, outreach, and education to schools, facility operators, permit holders, and the general public.
- Providing access to environmental data and regulatory services through data requests and online systems.
- Publicizing and demonstrating pollution prevention techniques.
- Responding to environmental spills, releases, and other environmental emergencies.

Minnesota Statutes, Chapter, 114D (<https://www.revisor.mn.gov/statutes/?id=114D>), Chapter 115 (<https://www.revisor.mn.gov/statutes/?id=115>), Chapter 115A (<https://www.revisor.mn.gov/statutes/?id=115A>), and Chapter 116 (<https://www.revisor.mn.gov/statutes/?id=116>) provide the agency with its main authorities to provide regulatory, monitoring, and assistance services.

Pollution Control

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	9,289	8,119	6,170	8,320	6,814	6,598	12,034	8,266
1200 - State Government Special Rev	76	80	76	78	78	78	78	78
2000 - Restrict Misc Special Revenue	4,942	4,977	5,567	5,920	4,939	4,839	4,939	4,839
2001 - Other Misc Special Revenue	30,718	29,740	28,184	32,477	29,568	29,404	29,868	29,704
2050 - Environment & Natural Resources	102	212	641	1,159				
2302 - Clean Water	25,532	29,910	22,480	29,694			23,455	23,455
2403 - Gift				10,000	7,800	7,800	7,800	7,800
2800 - Environmental	75,145	77,513	78,452	85,001	82,003	81,786	84,057	84,434
2801 - Remediation	30,890	28,698	157,761	40,699	147,585	191,584	148,190	192,189
2802 - Closed Landfill Investment			620	758		3,600	1,622	3,600
3000 - Federal	21,341	20,423	18,967	21,785	22,850	21,878	22,850	21,878
8200 - Clean Water Revolving	1,564	1,567	1,610	1,610	1,610	1,610	1,610	1,610
Total	199,598	201,238	320,528	237,501	303,247	349,177	336,503	377,853
Biennial Change				157,192		94,395		156,327
Biennial % Change				39		17		28
Governor's Change from Base								61,932
Governor's % Change from Base								9

Expenditures by Program

Water	57,369	61,163						
Air	16,426	16,664						
Land	45,911	40,932						
Environmental Asst & Cross Media	49,249	53,049						
Admin Support	30,642	29,431						
Env Analysis Outcomes			25,089	25,922	16,174	16,174	25,367	25,378
Industrial			17,234	19,559	18,182	18,062	19,035	19,246
Municipal			14,396	17,992	10,399	10,399	16,058	15,910
Operations			36,177	42,027	37,844	37,700	38,734	38,680
Remediation			161,445	45,352	150,989	198,155	153,466	199,494
Resource Mgmt Assistance			40,515	54,775	50,834	50,834	56,108	52,382
Watershed			24,417	30,505	17,551	16,579	26,461	25,489
Environmental Quality Board			1,256	1,369	1,274	1,274	1,274	1,274

Pollution Control

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Total	199,598	201,238	320,528	237,501	303,247	349,177	336,503	377,853

Expenditures by Category

Compensation	78,281	80,741	81,537	86,964	78,183	77,788	89,027	88,840
Operating Expenses	88,076	90,844	211,098	108,520	188,499	235,796	208,461	252,470
Grants, Aids and Subsidies	32,512	29,011	26,769	41,952	36,523	35,551	38,973	36,501
Capital Outlay-Real Property	480	208	219	27	7	7	7	7
Other Financial Transaction	250	435	906	38	35	35	35	35
Total	199,598	201,238	320,528	237,501	303,247	349,177	336,503	377,853

Total Agency Expenditures	199,598	201,238	320,528	237,501	303,247	349,177	336,503	377,853
Internal Billing Expenditures	27,000	28,149	28,771	28,843	23,179	23,040	23,179	23,040
Expenditures Less Internal Billing	172,599	173,089	291,757	208,658	280,068	326,137	313,324	354,813

Full-Time Equivalents

860.47	848.42	841.35	906.53	797.56	793.61	911.71	911.71
---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

Pollution Control

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In	170	1,076	641	1,513				
Direct Appropriation	10,263	8,388	6,543	6,807	6,814	6,598	11,314	7,348
Transfers In		1,167	1,197	115			720	918
Transfers Out	75	1,318	697	115				
Cancellations		553						
Balance Forward Out	1,070	641	1,513					
Expenditures	9,289	8,119	6,170	8,320	6,814	6,598	12,034	8,266
Biennial Change in Expenditures				(2,918)		(1,078)		5,810
Biennial % Change in Expenditures				(17)		(7)		40
Governor's Change from Base								6,888
Governor's % Change from Base								51
Full-Time Equivalents	18.89	20.51	12.31	11.60	10.10	8.75	12.35	9.75

1200 - State Government Special Rev

Balance Forward In		1						
Direct Appropriation	75	75	75	75	75	75	75	75
Open Appropriation	2	4	2	3	3	3	3	3
Cancellations		0						
Balance Forward Out	1		0					
Expenditures	76	80	76	78	78	78	78	78
Biennial Change in Expenditures				(2)		2		2
Biennial % Change in Expenditures				(1)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.60	0.60	0.67	0.77	0.77	0.77	0.77	0.77

2000 - Restrict Misc Special Revenue

Balance Forward In	423	336	1,361	1,038	100		100	
Receipts	4,823	5,983	5,244	4,982	4,839	4,839	4,839	4,839
Transfers In			1,361					
Transfers Out			1,361					
Net Loan Activity	22	8						
Balance Forward Out	326	1,349	1,038	100				

Pollution Control

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Expenditures	4,942	4,977	5,567	5,920	4,939	4,839	4,939	4,839
Biennial Change in Expenditures				1,568		(1,709)		(1,709)
Biennial % Change in Expenditures				16		(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	8.30	11.35	12.16	8.28	8.08	7.28	8.08	7.28

2001 - Other Misc Special Revenue

Balance Forward In	5,279	2,321	1,633	2,635	50	15	50	15
Receipts	27,162	28,663	28,878	29,570	29,211	29,067	29,211	29,067
Internal Billing Receipts	27,000	28,149	28,759	28,945	28,607	28,457	28,607	28,457
Transfers In	404	404	2,037	404	404	404	704	704
Transfers Out	48	77	1,731	82	82	82	82	82
Balance Forward Out	2,080	1,571	2,633	50	15		15	
Expenditures	30,718	29,740	28,184	32,477	29,568	29,404	29,868	29,704
Biennial Change in Expenditures				203		(1,689)		(1,089)
Biennial % Change in Expenditures				0		(3)		(2)
Governor's Change from Base								600
Governor's % Change from Base								1
Full-Time Equivalents	95.25	94.77	99.49	114.45	114.45	114.45	116.45	116.45

2050 - Environment & Natural Resources

Balance Forward In	169	67	0	548				
Direct Appropriation		180	1,189	611	0	0	0	0
Cancellations		35	0					
Balance Forward Out	67	0	548					
Expenditures	102	212	641	1,159				
Biennial Change in Expenditures				1,487		(1,800)		(1,800)
Biennial % Change in Expenditures				475		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			1.38	3.00				

Pollution Control

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
2302 - Clean Water								
Balance Forward In		4,778		3,349				
Direct Appropriation	30,150	25,298	25,790	26,290	0	0	23,455	23,455
Open Appropriation	57	75	40	55	0	0	0	0
Cancellations	145	241						
Balance Forward Out	4,531		3,349					
Expenditures	25,532	29,910	22,480	29,694			23,455	23,455
Biennial Change in Expenditures				(3,267)		(52,174)		(5,264)
Biennial % Change in Expenditures				(6)		(100)		(10)
Governor's Change from Base								46,910
Governor's % Change from Base								
Full-Time Equivalents	93.75	90.48	91.50	97.80			99.10	99.10

2403 - Gift

Receipts			10,000		7,800	7,800	7,800	7,800
Expenditures			10,000		7,800	7,800	7,800	7,800
Biennial Change in Expenditures			10,000			5,600		5,600
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			5.05		5.05	5.05	5.05	5.05

2800 - Environmental

Balance Forward In	3,304	4,075	4,160	7,118	3,646	3,638	3,646	3,638
Direct Appropriation	73,480	75,250	78,984	79,678	79,812	79,595	81,866	82,243
Open Appropriation	290	373	261	276	276	276	276	276
Receipts	2,720	2,896	3,020	2,744	2,742	2,743	2,742	2,743
Transfers In	424	11	5,942	2,887	8	8	8	8
Transfers Out	1,208	800	6,810	3,699	820	820	820	820
Net Loan Activity	151	55	16	(357)	(23)	30	(23)	30
Cancellations		192						
Balance Forward Out	4,015	4,156	7,120	3,646	3,638	3,684	3,638	3,684
Expenditures	75,145	77,513	78,452	85,001	82,003	81,786	84,057	84,434
Biennial Change in Expenditures				10,795		336		5,038

Pollution Control

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Biennial % Change in Expenditures				7		0		3
Governor's Change from Base								4,702
Governor's % Change from Base								3
Full-Time Equivalents	414.75	406.38	413.01	443.68	438.08	436.28	443.88	447.28

2801 - Remediation

Balance Forward In	9,975	10,748	3,452	727,250	729,701	627,070	729,701	627,070
Direct Appropriation	11,264	11,434	13,219	13,471	13,505	13,505	14,110	14,110
Open Appropriation	12,473	11,161	14,752	10,998	13,498	11,398	13,498	11,398
Receipts	1,429	1,515	855,869	12,538	16,808	15,538	16,808	15,538
Transfers In	7,029	5,957	7,259	8,178	111,400	163,900	111,400	163,900
Transfers Out	1,144	9,299	9,539	2,035	110,257	165,257	110,257	165,257
Cancellations		16						
Balance Forward Out	10,135	2,802	727,250	729,701	627,070	474,570	627,070	474,570
Expenditures	30,890	28,698	157,761	40,699	147,585	191,584	148,190	192,189
Biennial Change in Expenditures				138,872		140,709		141,919
Biennial % Change in Expenditures				233		71		72
Governor's Change from Base								1,210
Governor's % Change from Base								0
Full-Time Equivalents	84.41	85.73	86.07	94.72	94.42	94.42	99.42	99.42

2802 - Closed Landfill Investment

Balance Forward In			2,380					
Direct Appropriation			3,000	(1,622)		3,600	1,622	3,600
Balance Forward Out			2,380					
Expenditures			620	758		3,600	1,622	3,600
Biennial Change in Expenditures				1,378		2,222		3,844
Biennial % Change in Expenditures						161		279
Governor's Change from Base								1,622
Governor's % Change from Base								

3000 - Federal

Balance Forward In			44					
--------------------	--	--	----	--	--	--	--	--

Pollution Control

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Receipts	21,341	20,466	18,923	21,785	22,850	21,878	22,850	21,878
Transfers In			44					
Transfers Out			44					
Balance Forward Out		44						
Expenditures	21,341	20,423	18,967	21,785	22,850	21,878	22,850	21,878
Biennial Change in Expenditures				(1,012)		3,976		3,976
Biennial % Change in Expenditures				(2)		10		10
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	132.10	125.72	112.01	115.56	114.54	114.54	114.54	114.54

6000 - Miscellaneous Agency

Balance Forward In	2	2				
Cancellations		2				
Balance Forward Out	2					

8200 - Clean Water Revolving

Balance Forward In	11,343	14,138	22,072	17,953	17,953	17,953	17,953	17,953
Receipts	292	284	286	200	200	200	200	200
Transfers In	1,564	1,567	23,682	1,610	1,610	1,610	1,610	1,610
Transfers Out			22,072					
Net Loan Activity	891	(1,703)	(4,405)	(200)	(200)	(200)	(200)	(200)
Balance Forward Out	12,526	12,720	17,953	17,953	17,953	17,953	17,953	17,953
Expenditures	1,564	1,567	1,610	1,610	1,610	1,610	1,610	1,610
Biennial Change in Expenditures				89		0		0
Biennial % Change in Expenditures				3		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	12.42	12.88	12.75	11.62	12.07	12.07	12.07	12.07

Pollution Control

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Direct				
Fund: 1000 - General				
FY2019 Appropriations	6,807	6,807	6,807	13,614
Base Adjustments				
All Other One-Time Appropriations			(216)	(216)
Pension Allocation		7	7	14
Approved Transfer Between Appropriation		0	0	0
Forecast Base	6,807	6,814	6,598	13,412
Change Items				
Climate Outreach and Engagement		250		250
Environmental Impact Statement for Karst Groundwater Contaminants		2,000		2,000
Electric Vehicle Infrastructure		1,500		1,500
Food Waste Reduction		750	750	1,500
Total Governor's Recommendations	6,807	11,314	7,348	18,662
Fund: 1200 - State Government Special Rev				
FY2019 Appropriations	75	75	75	150
Forecast Base	75	75	75	150
Total Governor's Recommendations	75	75	75	150
Fund: 2050 - Environment & Natural Resources				
FY2019 Appropriations	611	611	611	1,222
Base Adjustments				
All Other One-Time Appropriations		(611)	(611)	(1,222)
Forecast Base	611	0	0	0
Total Governor's Recommendations	611	0	0	0
Fund: 2302 - Clean Water				
FY2019 Appropriations	26,290	26,290	26,290	52,580
Base Adjustments				
One-Time Legacy Fund Appropriations		(26,290)	(26,290)	(52,580)
Forecast Base	26,290	0	0	0
Change Items				
CWF River and Lake Monitoring and Assessment		8,000	8,000	16,000
CWF Watershed Restoration and Protection Strategies		8,050	8,050	16,100
CWF Groundwater Assessment		1,182	1,182	2,364
CWF Enhanced County Inspections/SSTS Corrective Actions		3,938	3,938	7,876
CWF Great Lakes Restoration		750	750	1,500
CWF Accelerated Implementation of MS4 Permit Requirements		225	225	450
CWF NPDES Wastewater Stormwater TMDL Implementation		900	900	1,800

Pollution Control

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
CWF Chloride Reduction Program		300	300	600
CWF Clean Water Council		110	110	220
Total Governor's Recommendations	26,290	23,455	23,455	46,910
Fund: 2800 - Environmental				
FY2019 Appropriations	80,051	80,051	80,051	160,102
Base Adjustments				
All Other One-Time Appropriations		(401)	(618)	(1,019)
Pension Allocation		162	162	324
Approved Transfer Between Appropriation		0	0	0
Forecast Base	80,051	79,812	79,595	159,407
Change Items				
Business Friendly Data Services		800	800	1,600
St. Louis River Area of Concern			484	484
Streamlined Water Policy and Permitting		223	448	671
Recycling Market Development		400	400	800
Air Appropriation Increase		258	516	774
Extension of PFA Assistance Appropriation	(373)	373		373
Total Governor's Recommendations	79,678	81,866	82,243	164,109
Fund: 2801 - Remediation				
FY2019 Appropriations	13,471	13,471	13,471	26,942
Base Adjustments				
Pension Allocation		34	34	68
Approved Transfer Between Appropriation		0	0	0
Forecast Base	13,471	13,505	13,505	27,010
Change Items				
Vapor Intrusion and Contaminants of Emerging Concern		605	605	1,210
Total Governor's Recommendations	13,471	14,110	14,110	28,220
Fund: 2802 - Closed Landfill Investment				
Base Adjustments				
Forecast Open Appropriation Adjustment			3,600	3,600
Forecast Base			3,600	3,600
Change Items				
Extend Availability of Freeway Landfill Appropriation	(1,622)	1,622		1,622
Total Governor's Recommendations	(1,622)	1,622	3,600	5,222
Open				
Fund: 1200 - State Government Special Rev				

Pollution Control

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
FY2019 Appropriations	3	3	3	6
Forecast Base	3	3	3	6
Total Governor's Recommendations	3	3	3	6
Fund: 2302 - Clean Water				
FY2019 Appropriations	55	55	55	110
Base Adjustments				
One-Time Legacy Fund Appropriations		(55)	(55)	(110)
Forecast Base	55	0	0	0
Total Governor's Recommendations	55	0	0	0
Fund: 2800 - Environmental				
FY2019 Appropriations	276	276	276	552
Forecast Base	276	276	276	552
Total Governor's Recommendations	276	276	276	552
Fund: 2801 - Remediation				
FY2019 Appropriations	10,998	10,998	10,998	21,996
Base Adjustments				
Forecast Open Appropriation Adjustment		2,500	400	2,900
Forecast Base	10,998	13,498	11,398	24,896
Total Governor's Recommendations	10,998	13,498	11,398	24,896
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	5,920	4,939	4,839	9,778
Forecast Base	5,920	4,939	4,839	9,778
Total Governor's Recommendations	5,920	4,939	4,839	9,778
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	32,477	29,568	29,404	58,972
Forecast Base	32,477	29,568	29,404	58,972
Change Items				
Electric Vehicle Infrastructure		50	50	100
Railroad and Pipeline Safety Assessment Reinstatement		250	250	500
Total Governor's Recommendations	32,477	29,868	29,704	59,572
Fund: 2403 - Gift				
Planned Spending	10,000	7,800	7,800	15,600
Forecast Base	10,000	7,800	7,800	15,600

Pollution Control

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Total Governor's Recommendations	10,000	7,800	7,800	15,600
Fund: 2800 - Environmental				
Planned Spending	2,709	2,727	2,727	5,454
Forecast Base	2,709	2,727	2,727	5,454
Total Governor's Recommendations	2,709	2,727	2,727	5,454
Fund: 2801 - Remediation				
Planned Spending	15,839	120,839	166,938	287,777
Forecast Base	15,839	120,839	166,938	287,777
Total Governor's Recommendations	15,839	120,839	166,938	287,777
Fund: 3000 - Federal				
Planned Spending	21,785	22,850	21,878	44,728
Forecast Base	21,785	22,850	21,878	44,728
Total Governor's Recommendations	21,785	22,850	21,878	44,728
Fund: 8200 - Clean Water Revolving				
Planned Spending	1,610	1,610	1,610	3,220
Forecast Base	1,610	1,610	1,610	3,220
Total Governor's Recommendations	1,610	1,610	1,610	3,220
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	4,982	4,839	4,839	9,678
Total Governor's Recommendations	4,982	4,839	4,839	9,678
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	29,570	29,211	29,067	58,278
Total Governor's Recommendations	29,570	29,211	29,067	58,278
Fund: 2403 - Gift				
Forecast Revenues	10,000	7,800	7,800	15,600
Total Governor's Recommendations	10,000	7,800	7,800	15,600
Fund: 2800 - Environmental				
Forecast Revenues	2,744	2,742	2,743	5,485
Total Governor's Recommendations	2,744	2,742	2,743	5,485

Pollution Control

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Fund: 2801 - Remediation				
Forecast Revenues	12,538	16,808	15,538	32,346
Total Governor's Recommendations	12,538	16,808	15,538	32,346
Fund: 3000 - Federal				
Forecast Revenues	21,785	22,850	21,878	44,728
Total Governor's Recommendations	21,785	22,850	21,878	44,728
Fund: 8200 - Clean Water Revolving				
Forecast Revenues	200	200	200	400
Total Governor's Recommendations	200	200	200	400
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	8	8	8	16
Total Governor's Recommendations	8	8	8	16
Fund: 1200 - State Government Special Rev				
Forecast Revenues	60	60	60	120
Total Governor's Recommendations	60	60	60	120
Fund: 2350 - Petroleum Tank Release Cleanup				
Forecast Revenues	6	6	6	12
Total Governor's Recommendations	6	6	6	12
Fund: 2800 - Environmental				
Forecast Revenues	28,110	28,110	28,110	56,220
Change Items				
Streamlined Water Policy and Permitting		223	448	671
Air Appropriation Increase		258	516	774
Total Governor's Recommendations	28,110	28,591	29,074	57,665
Fund: 2801 - Remediation				
Forecast Revenues	1,875	1,875	1,875	3,750
Total Governor's Recommendations	1,875	1,875	1,875	3,750
Fund: 2802 - Closed Landfill Investment				
Forecast Revenues	3	3	3	6

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Total Governor's Recommendations	3	3	3	6

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Business Friendly Data Services

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Environmental Fund				
Expenditures	800	800	800	800
Net Fiscal Impact = (Expenditures – Revenues)	800	800	800	800
FTEs	4	4	4	4

Recommendation

The Governor recommends appropriation of \$800,000 in FY 2020 and \$800,000 in FY 2021 from the Environmental Fund to the Minnesota Pollution Control Agency (MPCA) Operations Division. This appropriation continues development and maintenance of systems to support permitting and regulatory business processes and agency data.

The recommended appropriation represents a \$400,000 per year increase to one-time appropriation funding levels from Laws 2017. This appropriation represents less than a 1 percent increase to MPCA's Environmental Fund FY 2020-2021 base budget.

Rationale/Background

The MPCA is committed to updating its data services and improving the number of online services that allow timely reporting, improve data quality, and result in more effective interactions for permits, licenses, and certifications. Investing in information and data management systems will result in more efficient methods to manage work, obtain data, and report data to the public.

The MPCA offers 20 online services with another 55 expected by the end of the current biennium. However, more than 400 service activities are needed to meet customer expectations. Current online services support annual licensing of over 6,000 hazardous waste generators, issuance of more than 3,000 construction stormwater permits, and provide online monthly reporting for over 1,400 wastewater operators. Over 10,000 individuals have signed into the current online services with more than 50,000 transactions completed. Funding for FY 2018-19 provided MPCA analysts opportunity to identify innovative improvements including one service that fulfilled 53 separate activities.

Improved online and reporting services would allow the efficient issue of licenses, certifications, and enable users to obtain information for property redevelopment and environmentally-protective permits in a timelier manner. These improvements would result in more timely development decisions, helping maintain the state's strong economy. Good customer service requires modern technology and data systems that allow for easily-entered data and ready access.

Proposal

The Governor proposes to maintain levels of funding and expand work started with the previous one-time appropriations to continue development of online application services and reports in order to meet customer expectations for additional online services and electronic business functionality. This investment will further expand services to meet constituent needs. This funding will maintain two full-time employees (2 FTE @ \$121,000/FTE) and add an additional two new full-time employees (2 FTE @ \$121,000/FTE) dedicated to expanding the types and number of online services. The balance of funding is for contracted services (\$316,000/year) to address costs for maintenance and expansion of electronic services.

This proposal is intended to enable the following system capabilities and improvements into future years:

- Better and faster customer service by creating more online services for regulated parties and partners to submit applications, notifications, data and reports;
- Quicker property redevelopment because of faster responses to applications for assistance and improved response times to record requests;
- Expanded assistance time available to work directly with municipalities, businesses, feedlot owners and the many other constituents needing our services;
- Improved and expanded online access to environmental data and information for all Minnesotans;
- Improved data access for staff to complete daily work effectively and efficiently; and
- Enhanced partnerships with government partners by allowing them to use the data systems.

The MPCA will proactively engage regulated entities and county partners in testing the new online services and system capabilities. Customers helped define design and performance improvements and areas for new services. Involvement by users improves design, improves our understanding of their needs, and strengthens their support. Minnesota businesses have expressed interest in the agency pursuing data management improvements resulting in faster transactions, improved data, and better service that is transparent and reliable.

The following represent existing business needs that will be addressed by expansion of online services:

- 16,000 feedlot owners need the ability to report online, at their convenience, rather than mail requests with limited timeframes. Online services does not require ridged reporting times.
- 80 county feedlot officers and MPCA staff need to assist feedlot owners at their home.
- Low risk permit applications (wastewater general, solid waste permit by rule/recycling, feedlot interim and construction short-form permits) should be processed automatically, if possible.
- 700 certified designers, installers and inspectors for septic systems need credentials from all parts of the state to support the upgrading of individual wastewater treatment systems.

Equity and Inclusion

All Minnesotans deserve to live with clean air, clean water and unpolluted land. Electronic data systems allow MPCA staff to work more closely with project proposers and engage communities. The MPCA provides data to all citizens for decision processes; results must be accessible, usable, and available timely. This proposal ensures every citizen has equal opportunities to participate in the protecting their quality of life.

Results

Online services are promoted through program newsletters, social media, meeting with stakeholders, and unique training opportunities for service users. See complete list is available at: <https://www.pca.state.mn.us/data/e-services>

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY16/17</i>	<i>FY18/19</i>	<i>FY20/21</i>
Quantity	Number of online services	20	75	100
Quality	Performance Rating (Usability Satisfaction	Fair	Fair	Good
Results	% of Data Requests Filled Online	10	15	30

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: St. Louis River Area of Concern Remediation Project

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Environmental Fund				
Expenditures	0	484	363	363
Net Fiscal Impact = (Expenditures – Revenues)	0	484	363	363
FTEs	0	4	3	3

Recommendation

The Governor recommends appropriation of \$484,000 in FY2021 and \$363,000 in FY2022 and 2023 from the Environmental Fund to the Minnesota Pollution Control Agency's (MPCA) Remediation Division. This initiative maintains management oversight for contaminated sediment projects at multiple sites identified in the St. Louis River Remedial Action Plan to restore water quality in the St. Louis River Area of Concern.

The recommended appropriation of \$484,000 for FY 2020-21 represents a \$12,000 increase in annual amounts from those appropriated in Laws 2017 for FY 2018 – FY 2020 for the same purpose. This proposal would increase the agency's FY 2020 – FY 2021 Environmental Fund base budget by less than 1 percent.

Rationale/Background

The St. Louis River Area of Concern program is implementing 68 EPA-approved management actions over the course of almost a decade to restore degraded aquatic habitat and clean-up contaminated sediments at dozens of Minnesota and Wisconsin sites in the St Louis River estuary. The primary, active partners working on this program include about a dozen local, state, tribal, and federal organizations. A combination of state and federal funding sources have been used to complete the studies, administrative tasks, restoration projects, and remediation projects that have been progressing since the 2013 Remedial Action Plan (RAP) was initially prepared.

MPCA requested funding in 2016 for \$25.4M in bond funds to leverage approximately \$47.2M in federal funds for work on Minnesota's ten remediation site projects, with work projected to begin in FY2017. Hiring of staff was delayed for one year because the legislature approved the bond funds in 2017, postponing the start of project work until FY 2018. Because bond funding was for construction and remediation costs only, the Legislature approved annual appropriations to accomplish the following remediation project tasks:

- Coordinator (1.0 FTE). Develop and direct the remediation activities set forth in the MPCA-US Army Corps of Engineers Partnership Agreement; negotiate MPCA-US EPA construction Project Agreements; coordinating with state and federal project managers, consultants, attorneys and other staff; establish goals, objectives, and timelines for implementation; develop and manage financial reporting systems; develop and conduct training sessions; monitor compliance; provide information for legislative committees and public forums; assist with delisting; and, report the status of work.
- Project Manager (2.0 FTE). Provide project management and program leadership for contaminated sediment remediation project sites listed in the RAP; manage contracts and grants; facilitate project team planning and implementation meetings; manage federal and consultant contracts; and coordinate with resource managers at all levels of government and other stakeholders.
- Technical Analyst (1.0 FTE). Provide technical assistance to project managers and coordination with partner agencies for all contaminated sediment remediation project sites listed in the RAP.

When the 2013 Remedial Action Plan was prepared, an optimistic implementation schedule was envisioned, with a goal of implementing all 68 management actions by 2020 so that the site could be delisted by 2025. At that

time, there was an incomplete understanding of how long it would take to implement the management actions and remediation and restoration projects, which involve remedial investigations, feasibility studies, project design efforts, environmental reviews, archaeological studies, tribal consultation, state and federal Section 401 and 404 permitting, coordination with adjacent landowners, and execution of project agreements with EPA. The St. Louis River AOC remedial efforts have unfortunately experienced significant schedule delays.

Proposal

The Governor recommends appropriation of \$484,000 in FY2021 to maintain four FTEs (\$121,000/FTE) and \$363,000 in FY2022 and 2023 from the Environmental Fund for maintaining a reduced number of three FTE's (\$121,000/FTE) to staff the implementation tasks associated with the remediation project sites in the St. Louis River Area of Concern. As described above, this proposal is associated with bond funds for these sites.

Equity and Inclusion

Work is accomplished through communication and collaboration with a variety of community groups in the Duluth area, such as the St. Louis River Alliance, and interests from the greater watershed, including the Fond du Lac Band of Lake Superior Chippewa. The work being performed accomplishes equity inclusion goals as follows:

- Decreasing exposure to harmful legacy pollutants in the St. Louis River Area of Concern sediment and fish and wildlife populations.
- Improved access to recreational uses within the St. Louis River Area of Concern.
- Economic benefit and enhance/restored outdoor recreational opportunities from remediation and restoration projects. See link: <https://www.glc.org/work/blue-economy/GLRI-economic-impact>
- Coordination with the Fond du Lac Band of Lake Superior Chippewa to restore 275 acres of wild rice within the St. Louis River Area of Concern.

Results

To date, more than \$36 million of non-state funds to develop and begin to implement the St. Louis River Area of Concern Remedial Action Plan. Implementation of priority actions to fulfill Minnesota obligations under the Great Lakes Water Quality Agreement and the Great Lakes Restoration Initiative Action Plan Priority 1 have included the following activities:

- Identification and completion of studies needed to support the removal of beneficial use impairments,
- Sediment assessment and characterization,
- Identification of contaminated sediment cleanup sites requiring action and priority habitat restoration sites,
- Feasibility studies,
- Development of engineering designs and plans and specifications for bidding,
- Site construction, and
- Development of a St. Louis River Area of Concern data system.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Climate Outreach and Engagement

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	250	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	250	0	0	0
FTEs	0.5	0	0	0

Request

The Governor recommends appropriation of \$250,000 in FY 2020 from the General Fund to the Minnesota Pollution Control Agency's (MPCA) Resource Management and Assistance Division for public engagement and outreach that supports development and implementation of policies to holistically address climate change.

The recommended one-time appropriation of \$250,000 is a new effort for the agency. This proposal would increase the agency's FY 2020 – FY 2021 General Fund base budget by 2 percent.

Rationale/Background

Climate change impacts all of us. Minnesota's farmers are facing challenges associated with increasing numbers of extreme weather events and our warming summers may lead to increased negative health impacts for individuals living in urban areas. The 2007 Next Generation Energy Act (NGEA) laid out a series of greenhouse gas emissions reductions targets. The NGEA's 2015 target was to reduce greenhouse gas emissions across all sectors by 15 percent of 2005 levels, but through 2016 Minnesota only reduced greenhouse gas emissions by 12 percent across all sectors. By 2025, the NGEA calls for the state reduce emissions by 30 percent of 2005 levels and then 80% by 2050.

The electricity generation sector has made great strides toward reductions and its emissions will continue to decrease as the sector increases its use of renewable energy. The transportation sector is now the largest source of greenhouse gas emissions in Minnesota. Agriculture, forestry and the land use sector also remain a large source of emissions. Without additional, economy-wide efforts and robust public-private collaboration we are not likely to achieve the goals of the NGEA.

Proposal

The Governor proposes appropriating \$250,000 for a new statewide engagement and outreach initiative to support the development and implementation of climate change policies. The initiative will include statewide public meetings, development of environmental justice-sensitive materials and communication, and participation by businesses and non-governmental entities. This effort will be coordinated by the MPCA (0.5 FTE at \$121,000/FTE) and involve cross-agency collaboration to ensure this effort addresses all of the drivers of climate change. This proposal will provide all Minnesotans with a chance to participate in the policymaking process and help position Minnesota as a leader on climate change.

The appropriation will be used to pay for statewide activities that engage the public and stakeholders from industry, non-profits, and academia to better understand their views as they relate to both the opportunities and challenges inherent in climate policy. Costs for public meetings, including facilitation, materials, translation services and meeting costs are estimated at \$190,000. These activities will help build support for climate change policies and initiatives that will help Minnesota achieve its statutorily obligated greenhouse gas emissions reduction targets.

A steering committee made up of state agency leaders will be tasked with developing the scope of work for this effort (facilitation needs, number of meetings, meeting locations, etc.). In addition to engagement activities, this proposal will also yield a summary report/climate change roadmap outlining potential climate change policies that cut across all sectors and how those policies are viewed by the public and stakeholders. The roadmap will be informed by public meetings, current work of Minnesota's state agencies, and initiatives being pursued by private and non-profit sectors.

Equity and Inclusion

Climate change is affecting our health, well-being, way of life, and natural resources. While all Minnesotans feel these impacts, not everyone is affected equally. Often communities of color, indigenous communities, and low-income communities are disproportionately affected by climate change and other environmental issues.

The MPCA defines environmental justice as "the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies." This proposal would hold engagement meetings in identified environmental justice communities across Minnesota and would also work with the MPCA's Environmental Justice Advisory Committee to inform the content of all the outreach and engagement activities conducted under this proposal.

Results

This proposal will help inform the climate policies of the state and ensure that all people have access to the decision-making processes that impact their lives. Additionally, this process will help Minnesotans better understand the implications of climate policy and the state's governing process.

Metrics regarding public meeting attendance will be tracked and surveys will be given out to individuals who participate in engagement activities to understand how the agency can improve its engagement efforts.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Environmental Impact Statement for Nitrates in Karst

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	2,000	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,000	0	0	0
FTEs	.75	0	0	0

Recommendation

The Governor recommends an appropriation of \$2.0 million in FY 2020 from the General Fund to the Minnesota Pollution Control Agency's (MPCA) Resource Management and Assistance Division. This proposal will support preparation of an interagency Generic Environmental Impact Statement (GEIS) at the direction of the Environmental Quality Board (EQB) to study and address nitrate pollution of groundwater in the sensitive karst region of southeastern Minnesota. The GEIS will compile information about sources of nitrate; evaluate programs, policies and regulatory requirements to see if changes are needed to prevent and address nitrate contamination; and inform the development and review of new projects. In addition, the GEIS will evaluate the social, economic and health impacts from current nitrate levels in the region as well as engage community members to identify their concerns.

The recommended appropriation represents a one-time \$2.0 million increase to funding levels from Laws 2017. This appropriation represents a 14 percent increase to MPCA's General Fund FY 2020-2021 base budget.

Rationale/Background

Per Minnesota Rules chapter 4410.3800, a GEIS may be ordered by the Environmental Quality Board to study types of actions that are not adequately reviewed on a case-by-case basis. A GEIS benefits the public by helping ensure complete information is available for government decision making. The GEIS process is not a substitute for project specific environmental review. Rather, it is a means of providing a more comprehensive analysis of a given region, issue or type of activity. The procedures for implementing the GEIS process are described in Minnesota rules. This GEIS will:

- Help Minnesota citizens, businesses, and decision-makers better understand the nature, extent and sources of the nitrate contamination in the region;
- Provide insight into any policy, program and rule changes needed to address the existing nitrate levels that are the cumulative effect of current practices and activities; and
- Inform approval decisions of new projects.

Proposal

The Governor proposes completion of a Generic Environmental Impact Statement for nitrates in the karst region of southeastern Minnesota. Much of the needed data and expertise for assessing these issues is already available and will ensure that the process is timely and effective. The Minnesota Department of Agriculture (MDA) recently compiled extensive data on nitrate contamination of drinking water wells. MDA's data compiled via the MDA Township Testing Program indicates that numerous townships in the karst region with private wells are at or above the 10 milligrams per liter health risk limit for nitrate.

According to existing studies, the following are sources of nitrogen most likely contribute to the current nitrate levels in groundwater, surface water and drinking water and their respective significance in the karst region will be evaluated as part of the GEIS study:

- Commercial fertilizer and manure application applied to row crops
- Aging septic systems
- Biosolids from wastewater treatment
- Animal agriculture and feedlots
- Natural background and atmospheric deposition

The following additional technical information may be gathered as part of the GEIS process to better understand the environmental effects of cross-jurisdictional regulatory decision-making:

- Improved understanding of how nitrates reach groundwater and contribute to contamination of wells, and improved understanding of alternatives to prevent, mitigate, and remediate such contamination.
- a complete inventory of all sources of nitrogen, including natural, and the level of contribution of each source to the existing problem

In addition, existing state policies, programs and regulatory requirements will be evaluated to determine if refinements are needed to better prevent and reduce nitrate contamination of drinking water in the sensitive karst region.

The proposal includes two years of technical effort from state agency staff (3.5 FTE at \$121,000/FTE = \$423,000/year); MPCA (0.75 FTE) and collaborating agencies of Minnesota Department of Health (0.5 FTE), Minnesota Department of Natural Resources (0.5 FTE), Minnesota Department of Agriculture (0.5 FTE), the Board of Water and Soil Resources (0.25 FTE) and Environmental Quality Board (1.0 FTE). Additional costs include \$1.05 million for community assessment and GEIS development by a contractor, \$54,000 in public engagement, and \$50,000 in technical expert panel review.

The first step in this effort will involve a scoping phase to more specifically identify the issues and geographic areas to be addressed in the generic EIS. Per Minnesota Rules Chapter 4410.2100, the scoping process will include at least one public meeting to inform the scope of the GEIS.

Equity and Inclusion

The GEIS process is outlined in Minnesota Rules 4410.3800, and is designed to be transparent and inclusive. It may be augmented with civic engagement best practices that promote the principles of equity and inclusion.

Results

The GEIS process will bring together technical experts, interested parties and members of the affected community to consider the results of the analyses and identify any policy and program changes needed for more effective decision-making in the identified geographic area. A regional assessment will provide better information for identifying which programs, policies and regulatory requirements may need to be refined to better protect the karst region of southeastern Minnesota from nitrate contamination of groundwater.

A complete GEIS and supporting documents provide a ready source of information for decision-making and will allow the public to participate in those approval decisions and processes in a more knowledgeable and meaningful way. The GEIS will provide valuable information for state and local decision makers on the past, present and future effects (environmental, public health and economic impacts) of nitrate contamination in the region.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Closed Contaminated Sites: Vapor Intrusion and Contaminants of Emerging Concern

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Remediation Fund				
Expenditures	605	605	605	605
Net Fiscal Impact = (Expenditures – Revenues)	605	605	605	605
FTEs	5	5	5	5

Recommendation

The Governor recommends an appropriation of \$605,000 in FY 2020 and FY 2021 from the Remediation Fund to the Minnesota Pollution Control Agency's (MPCA) Remediation Division. The initiative will address needed investigation and cleanup of known contaminated sites in order to reduce potential health risks to humans and negative impacts to the environment.

The recommended appropriation of \$605,000 in FY 2020 and FY 2021 represents an increase in MPCA's Superfund administration costs by \$363,000 each year from similar efforts in FY 2018-2019, and increase MPCA's closed landfill administration costs by \$242,000 each year from similar efforts in FY 2018-2019. This represents a 1 percent increase to the agency's FY 2020 – FY 2021 Remediation Fund base budget.

Rationale/Background

Minnesota's Superfund (SF) programs includes management of more than 4,300 closed sites. Of those, 1,429 sites have the potential for vapor intrusion – the migration of vapor-forming chemicals from a subsurface source into an overlying building – and 200 of those sites are located near sensitive populations (schools and day care facilities). These sites were closed prior to knowledge of health risks posed by vapor intrusion. Additionally, 626 groundwater sites used for drinking water have the potential to be contaminated by trichloroethylene (TCE), which is a toxic chemical used as an industrial cleaning/degreaser solvent. Since these sites' closure the health values have become more stringent and the sites reviewed again.

The estimated non-staff cost to investigate contamination at the 2,055 closed SF sites is estimated at approximately \$10.6 million. Without additional funding, reviews to determine whether the sites are contaminated will not be completed until sometime after 2061. Based on historic closed site reviews, at least 25% of the reviewed sites will require systems to be installed for management of the contaminants. Mitigation is estimated to cost at least \$18 million and will not address cleanup of the underlying contamination source.

The Closed Landfill Program's (CLP) 110 closed landfills (and another four eligible) have a similar need for additional analyses and sampling for pollutants. When the sites were initially investigated, the health risks posed by vapor intrusion and contaminants of emerging concern (CECs) such as PFAS, and 1,4 dioxane to drinking water were unknown.

Proposal

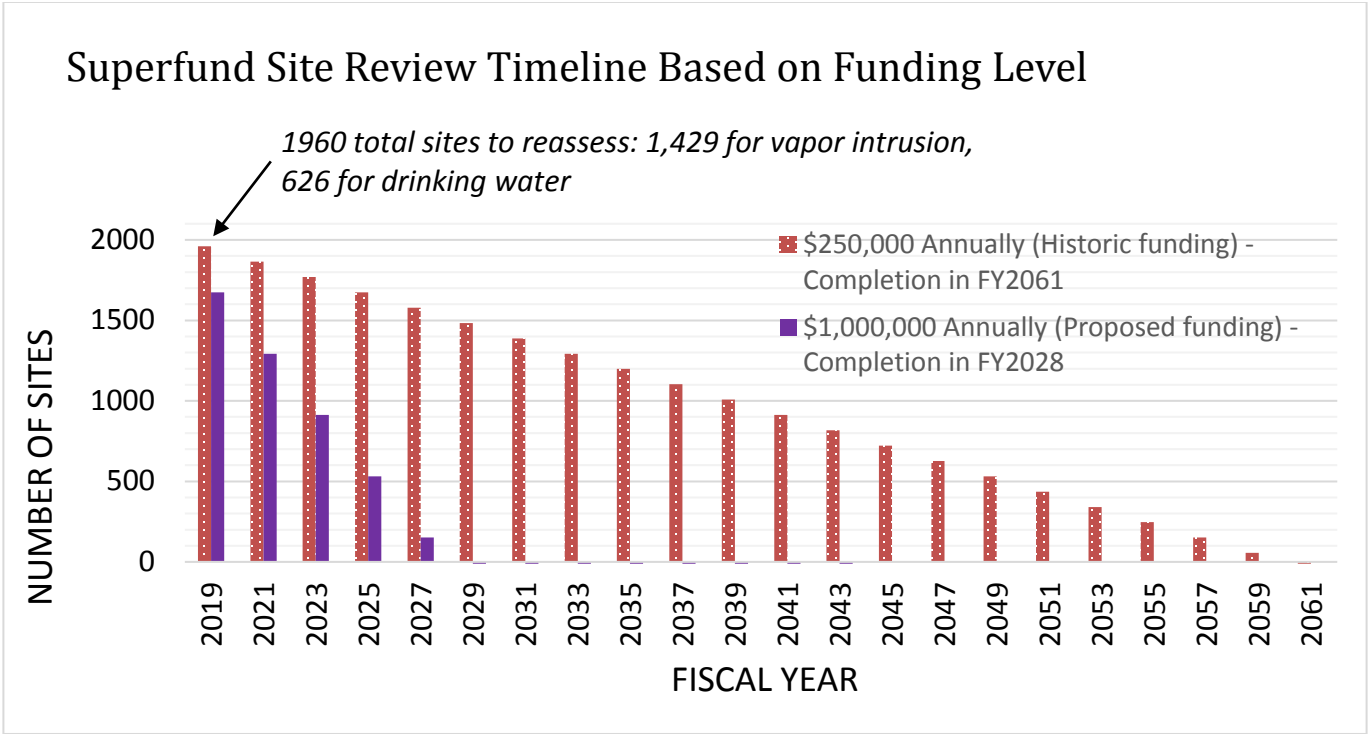
The Governor proposes \$605,000/year for five new staff (\$121,000/FTE), three for Superfund and two for Closed Landfill to expedite MPCA's investigation at the contaminated Superfund sites and closed landfills. Additional Superfund staff will accelerate the review completion timeline for the remaining 1,980 sites from FY 2061 to FY 2028. The staff will also be able to assist with human health risk mitigation necessary to address discovered vapor intrusion and drinking water contamination. Closed Landfill Program staff will work on sites impacted by CEC and

vapor intrusion, which include quantifying risks and assisting with mitigation efforts. In both cases, the necessary project resources are supported through the statutory appropriation process for the Remediation Fund.

Equity and Inclusion

Several metro and Greater Minnesota communities in the State that are characterized by a legacy of industrial use will see additional investigations and cleanups occur to address public health and environmental risks. As many closed landfills were located at time of construction either in densely populated areas or in rural areas where there is a higher economic disparity, those communities will receive risk identification and mitigation.

Results



- Number of closed landfill sites investigated and reviewed for vapor intrusion and/or CEC
- Changes in the risk scores for each of our closed landfills sites. Risk scores increase once a risk is found and then decrease once actions are taken to address them, so they are a barometer of how our working is progress once the investigation and review.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Streamlined Water Policy and Permitting

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Environmental Funds				
Expenditures	223	448	1,195	1,657
Revenues	223	448	1,195	1,657
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	1.8	3	8	10

Recommendation

The Governor recommends appropriation of \$223,000 in FY 2021 and \$448,000 in FY 2022 from the Environmental Fund to the Minnesota Pollution Control Agency's (MPCA) Municipal Division. The initiative will address municipalities' requests for more technical assistance, provide a faster wastewater plant operator training and certification process, and modify policy for water quality fees.

The recommended appropriation of \$671,000 for FY 2020-21 represents a 6 percent increase in annual amounts from the \$11.778 million appropriated in FY 2018 – FY 2019 for the same purpose. This proposal would increase the agency's FY 2020 – FY 2021 Environmental Fund base budget by less than 1 percent.

Rationale/Background

Fees to support water permitting have not been raised comprehensively since 1992. In 2017 Commissioner Stine established the Water Fee Advisory Committee (Committee) comprised of water permit holders from the agency's seven permitted water programs: Municipal Wastewater, Municipal Stormwater, Industrial Wastewater, Industrial Stormwater, Construction Stormwater, Feedlots, and Subsurface Treatment Systems. In August 2018, the Committee recommended that permittees should pay 30 percent of agency program operating costs to provide permitting services, unless permittees for a given water program are already paying more than 30 percent, in which case fees should remain as presently established. The Committee also recommended that fee increases should be phased in.

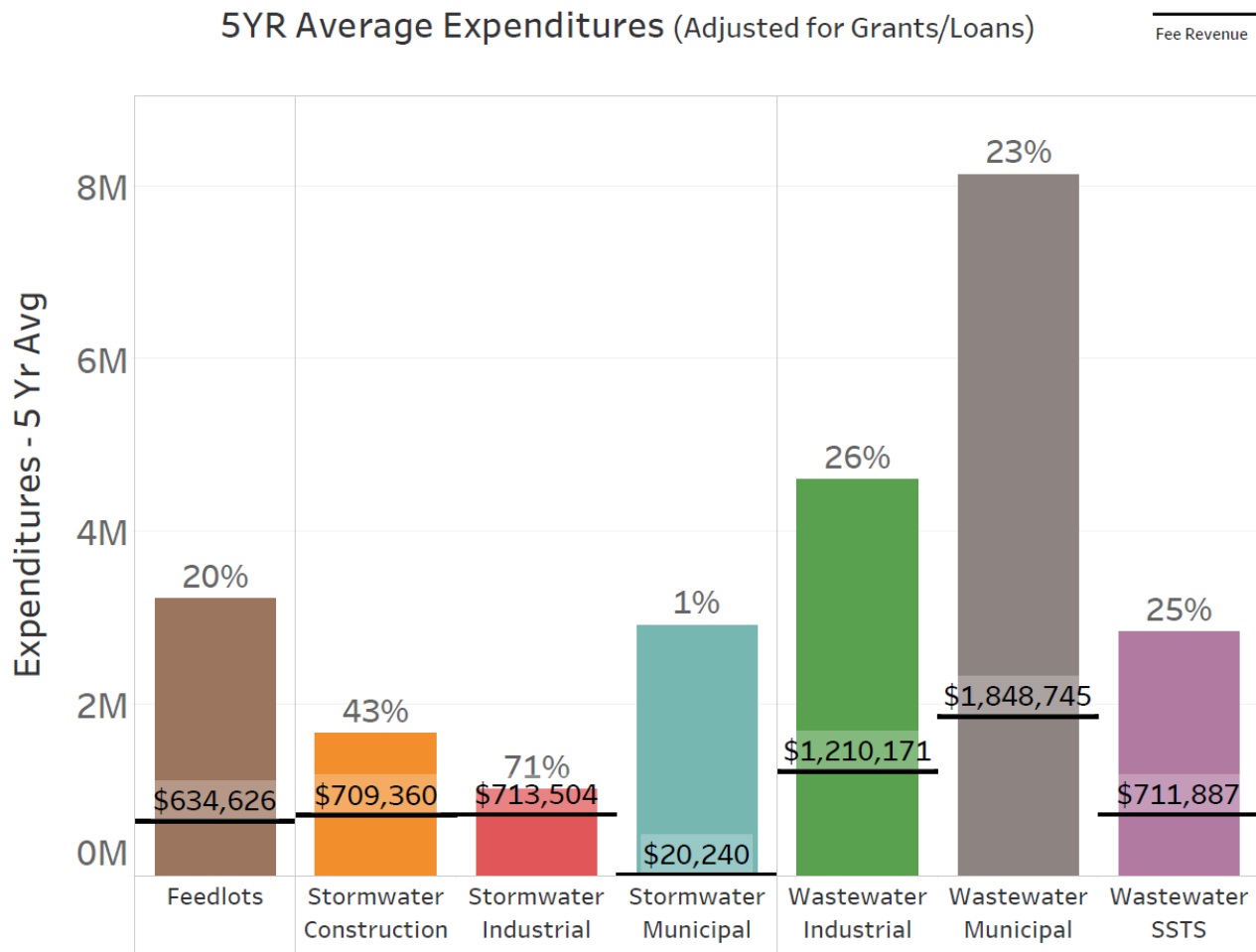
Proposal

The Governor proposes to implement the Committee's recommendations. Those recommendations include an increase to application fees for feedlots (delayed by a biennium), industrial wastewater, and municipal wastewater programs. The following policy parameters around water quality fee increases are proposed, acknowledging that rulemaking and legislative processes may result in different outcomes:

- Require a three biennia phase-in of increases for application fees (paid once every 5 years) and annual fees
- Require a legislative report each biennium on the status of water permit fees collected and related water permitting costs
- The current \$400 price of a five-year municipal stormwater permit will be adjusted based upon population size, ranging from between -28 and 785 percent next biennium
- The price of an industrial wastewater application and annual permit, which ranges in cost based upon million gallons of discharge, will increase by 7 percent next biennium
- The price of an annual municipal wastewater application and annual permit, which ranges in cost based upon discharge volumes from less than 100,000 gallons per day at \$505 to annual discharges of over 50 million gallons per day will increase by 16 percent next biennium

- The price of a subsurface wastewater specialty license will increase by 18 percent to \$470 next biennium
- Postpone the increase for feedlot annual and application fees until FY 2022-2023, due to economic difficulties of fee payers in this sector
- The construction stormwater application fee and industrial stormwater application fee and permit costs are not recommended to be adjusted

Using preferences expressed by the Water Fee Advisory Committee, permit application fees will be increased over a period of three biennia so each program permittee pays at least 30 percent of the MPCA's operating costs for that program. Programs that will experience an increase in fees beginning in FY 2020 include: Municipal Wastewater, Municipal Stormwater, Industrial Wastewater, and Subsurface Treatment Systems. Feedlots fees will increase beginning in FY 2022. Construction Stormwater and Industrial Stormwater fees will not increase under this proposal. The chart below presents the five-year average for existing fee payments against the cost of MPCA program operations.



The proposed increase of 1.8 FTE (\$121,000/FTE) for FY 2020, cumulative 3 FTE for FY 2021 and balance of funds for program operating materials and costs will provide increased program capacity, customer service and satisfaction, the reduction or elimination of the water quality permitting backlogs, faster issuance of permits, and a corresponding improvement in water quality.

Equity and Inclusion

This proposal will benefit all Minnesota citizens, as regulated entities are distributed around the state.

Improvements in service to permitted programs will result in implementation of additional Best Management

Practices, which not only improve water quality, but also can be an aesthetic benefit to the community. Water quality related permittees will receive technical assistance and review in a timely manner, and permits will be issued in a manner that more fully provides protection of water for residents of communities adjacent to permitted facilities and protection of statewide water resources.

Results

1. The timeliness of water quality permit issuance and their backlogs (see chart below)
2. The increasing compliance rates for all water quality regulatory programs
3. The increase in number of wastewater plant operator certifications on an annual basis
4. The increase in number of provided technical assistance opportunities



Statutory Change(s)

M.S. 116.07, subd. 4d(a)

Minn. R. Ch. 9400.0700 subp. 5 and subp. 6

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Electric Vehicle Infrastructure

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures (MPCA)	1,500	0	0	0
Highway Users Tax Distribution				
Revenues (DPS)	50	50	50	50
Transfer Out (DPS)	50	50	50	50
Special Revenue Fund				
Transfer In (MPCA)	50	50	50	50
Expenditures (MPCA)	50	50	50	50
Net Fiscal Impact = (Expenditures – Revenues)	1,500	0	0	0
FTEs	0	0	0	0

Request

The Governor recommends appropriating \$1.5 million from the General Fund in FY2020 to the Minnesota Pollution Control Agency (MPCA) and dedicating an ongoing \$25 electric vehicle (EV) registration fee increase to grants from MPCA for EV charging infrastructure. The annual registration fee for EVs will increase from \$75 to \$100, and the Department of Public Safety (DPS) will transfer the additional revenue from the Highway Users Tax Distribution Fund to the Other Miscellaneous Special Revenue Fund at the MPCA. MPCA's Resource Management and Assistance Division will distribute the grants. The one-time \$1.5 million increase in spending represents an 11 percent increase to MPCA's General Fund FY 2020-2021 base budget. The ongoing transfer of \$50,000 from the fee increase is new to the MPCA.

Rationale/Background

The transportation sector has eclipsed the electricity generation sector as the largest emitter of greenhouse gases (GHG) in Minnesota. Light-duty vehicles account for nearly 70 percent of the total GHG emissions for the transportation sector, representing a significant opportunity to realize the climate benefits of electrification in the transportation sector. Additionally, the EV market is at a tipping point where consumers other than early adopters are considering making the switch to an EV. However, a barrier to further EV adoption for many consumers is the current state of the charging network. While Minnesota's EV infrastructure is growing, demand for increased charging options remains high among EV owners and potential EV owners. Potential EV owners want to know they can travel to and from their favorite places in Minnesota without having to worry about range.

As part of its Volkswagen Settlement agreement the MPCA engaged in a robust stakeholder process, conducting nine public meetings and four stakeholder meetings to discuss use of the settlement funds. During these meetings one of the most common comments the agency heard was the desire for increased EV charging infrastructure. However, the MPCA is only allowed to spend 15 percent of Volkswagen Settlement funds on EV charging infrastructure.

In 2018 the MPCA issued Requests for Proposals (RFP) for both Direct Current Fast Chargers (DCFC) and Level 2 chargers. Under the RFPs, MPCA will provide grants to entities that will install charging infrastructure. Proposals seeking DCFCs were required to provide a 20 percent cash match and proposals seeking Level 2 chargers were required to provide a 20 percent or 40 percent cash match depending on the location of the Level 2 charger. The MPCA received requests for approximately \$3.2 million for DCFCs, greatly exceeding the available \$1.4 million.

Additionally, the agency received approximately \$500,000 in requests for Level 2 chargers while only \$158,000 was available.

Proposal

This proposal will increase financial support needed to accelerate deployment of EV charging infrastructure. The proposal will leverage funding from grant recipients through grant match requirements. This approach ensures that more funds are available for EV infrastructure buildout and users also contribute.

The \$1.5 million one-time appropriation of General Funds and \$50,000 annually from the fee increase will be distributed via the agency's existing EV charging infrastructure grant program. Use of MPCA's existing programs will ensure use of the funds is solely for infrastructure development and that monies are distributed in a timely manner to the public. The DCFC grants will be distributed along highway corridors previously identified for infrastructure buildout by the MPCA and Minnesota Department of Transportation. Alignment with these corridors will ensure EV infrastructure is deployed to Greater Minnesota and the Metro.

Using the \$1.4 million distributed by the MPCA's Phase 1 Volkswagen EV Infrastructure Grants as a benchmark, the \$1.55 million in appropriations will provide grants for approximately 45 Level 2 chargers and 20 DCFCs in FY 2020 and approximately one Level 2 charger and one DCFC in FY 2021.

The fee increase requires changes to the Minnesota Licensing and Registration System (MNLARS). Costs associated with MNLARS changes are accommodated in the Department of Public Safety's MNLARS budget recommendation.

Equity and Inclusion

All Minnesotans would benefit from cleaner air under this proposal, including communities of color, low-income communities, and indigenous communities. Low-income communities, communities of color and indigenous communities are more likely to be near higher levels of air pollution. In these communities, high levels of traffic often contribute to the air pollution and any reduction in air pollution along high-traffic corridors will be an important step.

Additionally, points are awarded during the grant evaluation process for small businesses that are certified as veteran-owned, economically disadvantaged, or targeted group businesses in Minnesota based on ownership by a woman, a minority, or a person with a substantial physical disability.

Results

This proposal will accelerate the deployment of EV charging infrastructure and hopefully help spur the adoption of EVs. Even when charged on the electric power grid EVs are much cleaner than gasoline-powered vehicles. On average a gasoline-fueled car will emit (based on a well-to-wheel analysis) 11,000 pounds of carbon dioxide equivalent, 6.5 pounds of nitrogen oxides, and 0.4 pounds of particulate matter 2.5 annually. An EV charged on the grid will emit 4,000 pounds of CO₂ equivalent, 2.3 pounds of NO_x, and 0.4 pounds of PM_{2.5}.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Food Waste Reduction

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	750	750	750	750
Net Fiscal Impact = (Expenditures – Revenues)	750	750	750	750
FTEs	0.5	0.5	0.5	0.5

Recommendation

The Governor recommends appropriation of \$750,000 in FY 2020 and \$750,000 in FY 2021 from the General Fund to the Minnesota Pollution Control Agency's (MPCA) Resource Management and Assistance Division to reduce the amount of food waste going to landfills, divert food waste away from the waste stream by redirecting edible food to feed people and food scraps to feed animals, and to remove barriers to building a large-scale collection and recovery of organics waste.

This \$1.5 million request is new effort to the agency in FY 2020-2021, and would increase the agency's General Fund base budget by 11 percent.

Rationale/Background

Food waste and other organic materials, including yard waste, wood and additional items, compose 31 percent of the waste stream in Minnesota; the biggest single source of trash flowing into our landfills. Organics programs in the state also have capacity to handle soiled paper and compostable plastics which would allow for nearly 40 percent of what we throw away to be composted.

In addition, less organics in landfills reduces the release of methane, a high potency greenhouse gas. In general, food waste is a significant contributor to climate change, responsible for at least 2.6 percent of all U.S. greenhouse gas emissions. That's equivalent to more than that of 37 million cars, or 1 in 7 cars on the road. When food is wasted, so are the resources that go into producing it.

Unmet food needs across the country would be met if we could redirect just one-third of the food from the trash, and give it to people in need¹. As donations to food shelves and donations of prepared food increase, less Minnesotans would be food insecure. Additionally, building infrastructure for food rescue and for composting will encourage the creation of new markets and new jobs.

Proposal

The Governor proposes support Minnesota's efforts to address food waste. Funding will be used to expand efforts to reduce the quantity of food wasted, improve the effectiveness of food rescue programs, and to remove barriers to expanding organics recycling programs. It includes a number of policy changes designed to support increased food rescue and organics recycling programs.

The proposal offers Minnesotans new resources for keeping as much food/organic waste as possible out of our landfills. This reduction in volume to the waste stream would help "bend the curve" on the need for future landfills and make new environmental, economic, public health and social benefits possible. Reducing the

¹ Natural Resources Defense Council's second release of Wasted 2017, <https://www.nrdc.org/sites/default/files/wasted-2017-report.pdf>

necessity for overall numbers of landfills translates to less spending for their operation and maintenance in the decades after they close. And the state through the MPCA's Closed Landfill Program is currently responsible in perpetuity for maintaining the 110 and growing number of closed landfills in Minnesota.

The initiative includes:

- \$500,000 per year for grants supporting increased retail and prepared food rescue and to expand adoption of proven methods for business and residential food waste prevention
- \$189,000 per year for analysis of emerging technologies (e.g. anaerobic digestion, pyrolysis, etc.), address issues regarding contaminants of emerging concern (e.g. PFAS) and other barriers
- \$61,000 per year for one-half FTE (\$121,000/FTE) for grant administration and policy support associated with the food rescue and food waste reduction efforts

Grant funding will be made available to local units of government, nonprofit organizations and private businesses. The policy and budget items will work in tandem to ensure the project is successful.

Policy items supported by the initiative include:

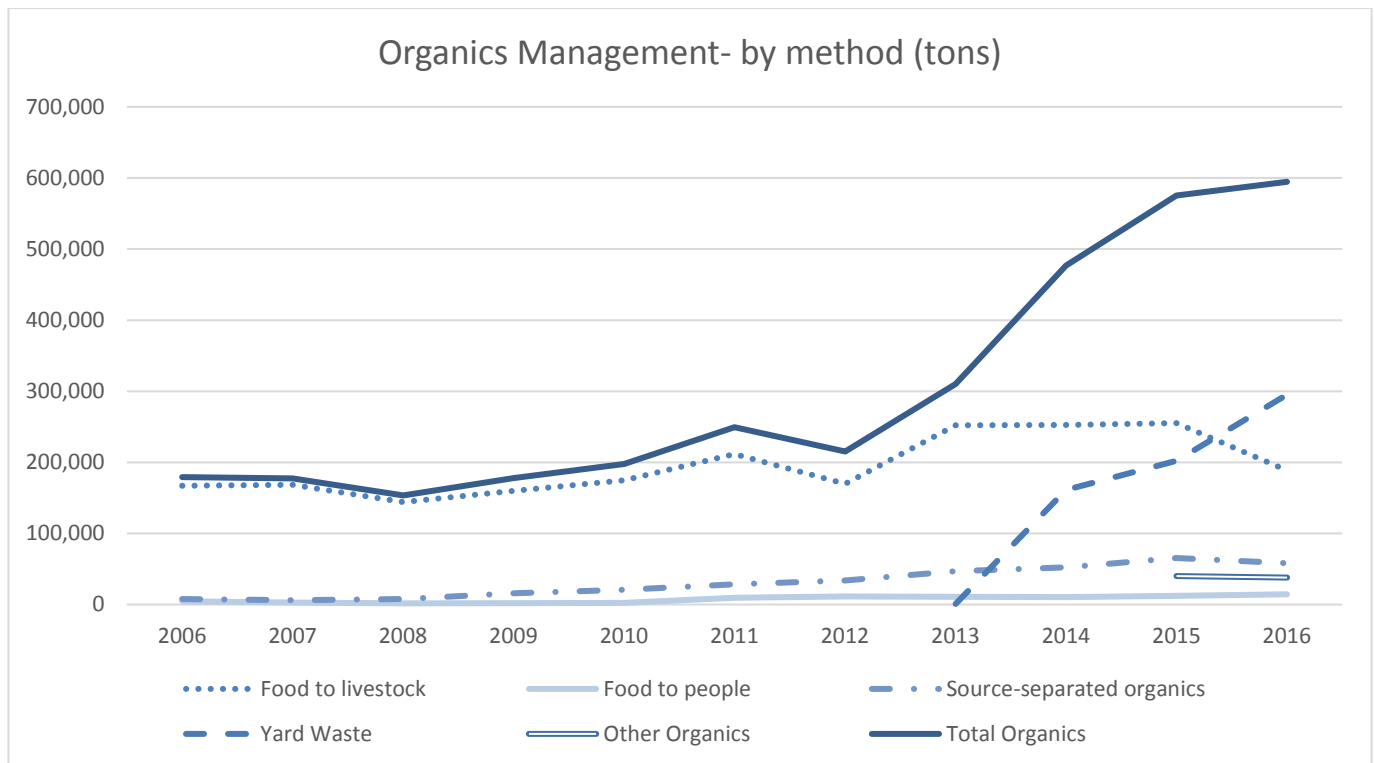
- Education on Good Samaritan law and food safety regulations for handling prepared and perishable foods
- Designation of a state food waste hierarchy
- Revising the compostable product labeling requirements to ensure compostable plastics meet industry standards and improve quality of the compost from professional composters
- Require waste composition studies from solid waste facilities to measure progress

Equity and Inclusion

More food donations to food shelves and shelters would assist lower-income families that need access to more and a greater diversity of healthy food. The increase in donated food addresses food insecurity across Minnesota. Lower-income families would benefit to the extent they can reduce the amount of food wasted, given that the average St. Paul household spends \$1,200 per year on food they never eat. Extra effort will be made to ensure that traditionally-underserved communities have knowledge of and access to grant applications. Technical and financial assistance would be provided to a diverse set of entities and organizations that represent underserved communities, so this proposal would seek to address inequities in that regard as well.

Results

The chart on the following page illustrates the current amount of organics being captured and how they are managed. The MPCA will monitor progress using this and other existing metrics noted below.



Food waste makes up about 18 percent of waste disposed. The MPCA has a goal of reducing the amount of food that ends up in the waste stream by 50 percent (down to 9 percent) by 2030. According to the last waste composition estimate we received from the Hennepin Energy Recovery Center facility food waste was at 17.1 percent.

Currently an estimated 17 percent of Minnesota’s residents have access to curbside organics recycling. The MPCA tracks the percentage of the population with access to curbside organics recycling under its strategic plan standard operating procedure.

Statutory Change(s)

The new policy initiatives would be introduced under chapter 115A the Waste Management Act. The compostable product labeling standard would amend M.S. 325E.046.

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Recycling Market Development

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Environmental Fund				
Expenditures	400	400	400	400
Net Fiscal Impact = (Expenditures – Revenues)	400	400	400	400
FTEs	0	0	0	0

Recommendation

The Governor recommends appropriation of \$400,000 in each FY 2021 and FY 2022 from the Environmental Fund to the Minnesota Pollution Control Agency's (MPCA) Resource Management and Assistance Division. This initiative supports development and expansion of recycling markets for Minnesota businesses.

The recommended appropriation of \$800,000 for FY 2020-2021 represents development of a new MPCA program area. This proposal would increase the agency's FY 2020-2021 Environmental Fund base budget by less than 1 percent.

Rationale/Background

In July 2017, China announced its intent to stop accepting many types of recyclable material since much of it contained contamination above greater than 0.5 percent. An example of contamination is broken glass pieces littered through a bale of recycled paper. Recycled materials are difficult for businesses to use in the manufacturing process without having to spend more on attempts to remove contamination of non-homogenous materials. Recyclable materials from the United States are generally unable to meet this standard.

As a result, domestic markets are flooded with minimally contaminated recyclable materials, resulting in record-low prices for items such as plastic, glass and paper. Recycling processors and brokers are increasingly concerned about their ability to find enough manufacturers to use the supply of recycled material that is available domestically, including in Minnesota. They have expressed concern about how they are going to sell their material and for what price. Market prices are at all-time lows, with some materials having little or no value at all on the open market. There is a growing concern that material collected for recycling may have to be stored long-term and ultimately disposed of if there are not markets for the materials.

Proposal

The Governor proposes providing \$400,000 per fiscal year in grants to develop additional recycling markets that will help prices bounce back and keep a robust recycling economy in Minnesota. This is an opportunity for Minnesota to again be a leader in developing new markets for recycled material. The proposal will seek to increase the number of businesses that use recycled materials in their manufacturing processes.

Grant dollars will be used to fund a portion of costs on recycling projects that banks or financial lenders generally do not finance. Example include: leasehold improvements and other physical improvements to building that enable efficient operation of businesses, engineering studies and installation of equipment. Allowable grant costs will also include development of project applications for private and public funding, such as for support from DEED's business assistance programs.

The proposal's goal is to increase the price of recycled material and create jobs that provide upward economic mobility and an entry point into manufacturing jobs. It is estimated that this proposal could create 100+ good

paying jobs. The recycling community will have more stable markets and therefore jobs will be saved. These jobs are located throughout Minnesota as the companies that use recycled materials are located in every part of the state.

Recycling is important to Minnesota's economy. More than 260 Minnesota companies use recycled materials to manufacture their products. Minnesota's value-added recycling manufacturers employ about 18,000 people, and these companies generate approximately \$3.2 billion in wages and \$665 million in federal and local tax revenue. Recycling adds nearly \$8.5 billion to Minnesota's economy overall.

Equity and Inclusion

All Minnesotans are indirectly impacted by the development of recycling markets in the state. By increasing the demand for recyclables, living wage jobs will be created that will be accessible locally to Minnesotans of all backgrounds. All Minnesotans have access to recycling opportunities as well and can participate in these programs. Representatives of these groups have been engaged on some specific projects and are likely to be involved as projects progress. In addition, these funds will be disbursed via our grant/contracting process and will incorporate our policies and procedures to ensure equity and inclusion.

Results

Minnesota's value-added recycling manufacturers' employs about 18,000 people, and these companies generate approximately \$3.2 billion in wages and \$665 million in federal and local tax revenue. Recycling adds nearly \$8.5 billion to Minnesota's economy overall.

We will be able to track the amount of capacity created for the recycled material for each facility that receives assistance. In addition, we will use the annual the Governor's Select Committee on Recycling and the Environment (SCORE) report process to measure the overall amount of material recycled in Minnesota.

Also, we will measure jobs created with each new facility and new expansion of current facilities. The MPCA uses the Regional Economic Models, Inc. economic model to measure the economic activity. The model has been used since 1996.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Air Appropriation Increase

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Environmental Fund				
Expenditures	258	516	516	516
Net Fiscal Impact = (Expenditures – Revenues)	258	516	516	516
FTEs	0	0	0	0

Recommendation

The Governor recommends appropriation of \$258,000 in FY 2020 and \$516,000 in FY 2021 from the Environmental Fund to the Minnesota Pollution Control Agency's (MPCA) Air Program. The increase will be distributed to the following Divisions: Resources Management and Assistance \$24,000/\$48,000; Environmental Analysis and Outcomes \$90,000/\$180,000; Operations \$11,000/\$22,000; and, Industrial \$133,000/\$266,000. The appropriation increase will maintain service levels provided by the Air Program.

The recommendation would increase the agency's similar funding in FY 2018-2019 of \$15,148,000 by 5% and the MPCA's Environmental Fund base budget by less than 1 percent.

Rationale/Background

The federal Clean Air Act (CAA) includes a requirement for states to charge air emission fees to cover the cost of issuing permits to facilities that emit air pollutants. The CAA also requires air permit fee increases to cover inflation and ensure that adequate resources are available to meet the requirements of the Act. Salaries, benefits, and program support costs are all projected to increase modestly in FY 2020-21.

Minnesota Statute 116.07, subd. 4d (b) directs the MPCA to increase air permit fees to cover the costs of delivering the air quality program, including permitting, regulatory and monitoring activities. However, the agency must request an increase in spending authority equal to the incremental increase in fees. If program costs increased by the consumer price index rate while appropriations remained at FY 2018-19 levels, it would force the MPCA to reduce program service levels in FY 2020-21 by the amount of that increase.

Proposal

The Governor's proposal accounts for program cost increases in FY 2020-21. The MPCA is directed by state and federal law to increase annual air emission fees to cover the increased costs of delivering program services to our regulated parties. Air emission fees, including this incremental increase, are deposited to the Environmental Fund. This proposal would increase the agency's authorized appropriation to the Air Program from the Environmental Fund equal to the increase in emission fees that will be generated in FY 2020 and FY 2021 under the cost provisions in statute. As established in statute, calculation of the increase includes identifying the total cost of the Air Program (\$15,148,000), identifying the consumer price index increase for the last biennium (1.7 percent) and distributing that calculated increase – \$258,000 in FY 2020 and \$516,000 in FY 2021 – across agency Air Program appropriations.

This requested funding increase allows sustained provision of Air Program services at the FY 2018-19 delivery levels. Several measures within Air Program operations will demonstrate the success of this proposal. These include whether the agency is able to maintain: the same level of program staffing; the pace of processing permit applications; site inspections and enforcement routines; and, prompt responses to requests for technical

assistance; and, review of complex operational plans and applications, particularly from companies in mining, energy and manufacturing sectors.

Equity and Inclusion

The initiative will ensure the agency is able to maintain service levels for the Air Program. This program provides services that positively impact heavily-populated areas and/or areas where high concentrations of many air pollutants are typically found by completing permitting and related air monitoring to ensure that regulated entities are conforming to established limits. Populations that benefit from this request include those located in communities experiencing economic disparities, the larger urban centers with higher population densities, historic inequitable pollution burdens and persons who tend to be more vulnerable to the health effects of air pollution.

This initiative will allow impacted communities to be engaged and meaningfully involved in decisions much earlier in permitting processes; when the completed permit applications are received by the MPCA, or earlier if possible. We will improve and enhance communication and engagement around permitting activities through use of plain language, translating services where appropriate, and more diverse sources of communication such as local newspapers and newsletters, and hold public meetings in places and at times that are more accessible. Further, we will encourage facilities to improve and increase their own engagement with their surrounding communities.

Results

The primary outcome is the maintenance of service levels from biennium to biennium. The increased costs addressed by this request cover all aspects of the Air Program related to permitting activity, including regulatory work and air quality monitoring.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Extension of Freeway Landfill and Dump Appropriation

Fiscal Impact (\$000s)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Closed Landfill Investment Fund					
Expenditures	(1,622)	1,622	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,622)	1,622	0	0	0
FTEs	0	0	0	0	0

Recommendation

The Governor recommends extending availability of the 2017 Freeway Landfill and Dump appropriation through June 30, 2021 to allow for the completion of initial investigation and engineering design work.

Rationale/Background

Freeway Landfill (150 acres) and Freeway Dump (28 acres) in Burnsville are next to the Minnesota River, just upstream from its confluence with the Mississippi River. Groundwater under the landfill and dump naturally flows towards the river. Kraemer Quarry, to the south of the landfill, has been pumping water out of the quarry to be able to mine. It has altered the flow of groundwater and kept groundwater levels under the landfill and dump artificially low.

When Kraemer Quarry stops production and pumping out water, groundwater will return to its regular level and flow towards the Minnesota River. The quarry site will fill with water and become a lake. The buried garbage at Freeway Landfill and Dump will come in contact with the groundwater and the groundwater will become contaminated with chemicals, metals and other pollutants. The contamination will flow to the river and new lake.

Burnsville and Savage residents get their drinking water from the quarry/new lake and groundwater in this area. Failing to clean up these sites now will pose risks to public health and the environment in the future.

The MPCA received a one-time appropriation in 2017 for settling obligations with the federal government, remedial investigations, feasibility studies, engineering, and cleanup-related activities for purposes of environmental response actions at the Freeway Landfill and Dump. However, due to delays in ability to complete investigation and design work, all intended and essential activities will not be completed by the appropriation's present expiration date.

Proposal

The Governor recommends extension of the 2017 appropriation to allow for successful completion of initial investigation and engineering design work at Freeway Landfill and Dump in Burnsville. This appropriation is from Laws of Minnesota 2017, Chapter 93, Article 1, Section 2, Subdivision 6 (e) and currently expires at the end of FY2019.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Extension of PFA Assistance Appropriation

Fiscal Impact (\$000s)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Environmental Funds					
Expenditures	(373)	373	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(373)	373	0	0	0
FTEs	0	0	0	0	0

Recommendation

The Governor recommends extending availability of the 2016 appropriation for technical assistance and review of Public Facilities Authority capital assistance projects through June 30, 2021 to enable continued review of municipal water infrastructure projects.

Rationale/Background

The Public Facilities Authority's (PFA) municipal water infrastructure projects require technical assistance review of design documents by wastewater treatment staff prior to plans being approved and projects moving forward toward implementation. This review is accomplished through continuing interagency effort by MPCA staff.

In anticipation of a capital budget bill in the 2016 session that included a greater than normal amount of bonding monies for water infrastructure projects, the MPCA received an appropriation sufficient to cover the costs for review of the increased number of projects. However, a bonding bill did not pass in the 2016 session. Instead, a capital budget bill was passed in 2017 that included the increase in municipal water infrastructure projects bonds; one year after monies had been appropriated to the MPCA. Due to the delay in PFA receiving bonding monies, engineering review of the increased number of municipal water infrastructure projects will not be completed prior to expiration of the appropriation for that purpose.

Proposal

The Governor proposes extension of the 2016 Environmental Fund appropriation to meet the increased demand for technical assistance and review of municipal water infrastructure projects that were generated by increased grant funding through the Public Facilities Authority. This appropriation is from Laws of Minnesota 2016, Chapter 189, Article 3, Section 2, Subdivision 2 that currently expires at the end of FY 2019.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: CWF River and Lake Monitoring and Assessment

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Clean Water Fund				
Expenditures	8,000	8,000	0	0
Net Fiscal Impact = (Expenditures – Revenues)	8,000	8,000	0	0
FTEs	43.8	43.8	0	0

Recommendation

The Governor recommends appropriation of \$8 million in FY 2020 and \$8 million in FY 2021 from the Clean Water Fund (CWF) to the Minnesota Pollution Control Agency's (MPCA) Environmental Analysis and Outcomes Division. This recommendation continues the systematic progress of monitoring and assessing lakes, rivers and streams to detect long-term changes over time in water quality; and to identify waters to restore, those requiring protection from future degradation, and those that have been restored due to recent efforts. The monitoring data generated are foundational to other CWF-funded activities, such as targeting watershed restoration and protection plans to ensure greatest effectiveness, and supporting One Watershed-One Plan and local implementation.

The recommended appropriation of \$16 million for FY 2020-21 is a 2 percent reduction from the FY 2018-19 appropriation. The amount requested for FY 2020-21 reflects a lower level of monitoring effort and will cover higher costs of compensation for staff and many local partners who conduct monitoring through this appropriation. Full-time staffing funded by this request will continue at current levels, although slightly fewer seasonal staff will be needed.

Rationale/Background

To be successful preventing and fixing problems, Minnesota requires good information about the condition of the state's water resources, including problems and threats, options for addressing the problems and threats, and data on how effective management actions have been. The surface water monitoring and assessment program is focused on providing that critical information.

To fulfill the requirements of the state Clean Water Legacy Act (CWLA) and the federal Clean Water Act (CWA), Minnesota has a strategy to assess the condition of Minnesota's waters on a 10-year cycle via a combination of MPCA monitoring; monitoring by other local, state and federal agencies; citizen monitoring; and remote sensing. An outcome of this monitoring is the identification of waters that are impaired (i.e., do not fully support uses such as swimming and fishing and therefore need restoration) and those in need of protection to avoid impairment. As actions are taken, re-sampling of impaired waters is needed determine if impaired waters have been restored. Over time, this monitoring also identifies trends in water quality. This helps determine whether water quality is improving or worsening, and identifies the overall effectiveness of management actions.

This proposal for surface water monitoring funding will enable the MPCA to continue its work toward the goals of the CWLA. In 2015-2017, the MPCA worked with partner agencies and local governments to refine the monitoring approach to meet the needs of the next 10 years of CWLA implementation. The refinements, which were fully implemented in 2018, shift the emphasis from establishing the baseline condition of Minnesota's lakes and streams to:

- Revisiting a subset of sites to track changes over time and collect data for delisting purposes, and
- Targeted monitoring to fill in data gaps identified by local and state resource managers as critical to effective local implementation.

Fewer monitoring sites are necessary to meet the goals for the second round of monitoring, and therefore the recommended funding for this activity has been reduced.

Proposal

The Governor proposes continuation of funding for FY2020-21. Appropriations from the Clean Water Fund may only be authorized as one-time funding.

Monitoring includes biological, chemical, and habitat monitoring at lakes, streams and rivers. Data are evaluated to determine if waters are impaired and if previously impaired waters have been restored, and to inform solutions to watershed problems. Chemical monitoring is also conducted at watershed outlets to further inform implementation efforts and track changes over time. Additionally, the MPCA monitors a representative subset of surface waters for contaminants of new and emerging concern and develop risk-based screening values to evaluate the risks to fish, and other aquatic life important to the food chain, associated with these contaminants. Monitoring data are used to help prioritize the development of tools to evaluate the potential risk to human health and aquatic life posed by the presence of these contaminants in the environment.

This proposal would fund monitoring in at least 17 major watersheds. Funding would support both a continuation of MPCA monitoring and assessment staff (\$121,000/FTE x 43.8 FTE = \$5.3 million), monitoring equipment and supplies of approximately \$700,000 and \$2.0 million to local partners that conduct monitoring. If this request is not funded, we will be less effective at targeting restoration efforts, have no way to evaluate whether or not restoration efforts are successful, and we will not be able to delist restored waters.

Equity and Inclusion

This proposal would ensure that data on water quality is collected and analyzed statewide. These data are critical to meeting the goals of the CWLA and CWF, and ensuring that Minnesotans are able to enjoy the benefits of clean and healthy lakes and streams. The MPCA employs a number of student workers and interns each summer to help conduct this monitoring effort, and has been actively recruiting seasonal and permanent employees among under-represented groups. Eligible applicants for the lake and stream monitoring solicitation process include local units of government, tribes, non-profits, and educational institutions.

Results

Since the advent of the CWF, the MPCA and its partners have monitored and assessed the baseline water quality of Minnesota's major watersheds. Monitoring progress is routinely communicated via MPCA publications and web sites and through the biennial Clean Water Fund Performance Report. The 2018 Clean Water Fund Performance Report is available on the Legacy website at <https://www.pca.state.mn.us/water/report-clean-water-fund-spending>. Watershed-specific monitoring and assessment reports are available at: <https://www.pca.state.mn.us/water/watersheds>. Watershed Pollutant Load Monitoring Network results can be found at: <https://www.pca.state.mn.us/water/watershed-pollutant-load-monitoring-network>.

More than 220 grants have been awarded to local units of government, colleges and universities, nonprofits, and tribal governments for local monitoring activities that contribute to the watershed monitoring approach.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: CWF Watershed Restoration and Protection Strategies

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Clean Water Fund				
Expenditures	8,050	8,050	0	0
Net Fiscal Impact = (Expenditures – Revenues)	8,050	8,050	0	0
FTEs	36.9	36.9	0	0

Recommendation

The Governor recommends an appropriation of \$8.050 million in each FY 2020 and FY 2021 from the Clean Water Fund (CWF) to the Minnesota Pollution Control Agency's (MPCA) Watershed Division to continue the systematic progress in developing protection and restoration strategies for the state's watersheds. The funding will enable the development of strategies to address point and nonpoint sources of pollution. This recommendation supports the agency's work with local partners to guide restoration of impaired watersheds and protect unimpaired watersheds.

The recommended appropriation of \$16.1 million for FY2020-2021 is a 15 percent decrease from the amount appropriated in FY 2018-19 due to program operational maturity and efficiencies. Staffing funded by this request will continue at current levels.

Rationale/Background

The state Clean Water Legacy Act (CWLA) and the federal Clean Water Act (CWA) require the state to make reasonable progress in assessing waters of the state for impairments and in developing plans for restoring waters to their intended uses. In 2002, the Office of the Legislative Auditor (OLA) noted the requirement to identify, evaluate, and restore waters was significantly underfunded. In 2003, the Legislature directed us to engage stakeholders in developing an efficient and accountable path to clean water. In 2005, court rulings cited the impaired waters section of the federal CWA in blocking the issuance of a wastewater permit to the cities of Annandale and Maple Lake. This action added momentum for passage of the state's CWLA in 2006. In 2008, Minnesotans approved the Clean Water, Land and Legacy Amendment that provides 25 years of constitutionally dedicated funding—an increase in the state sales tax—for clean water, habitat, parks and trails, and the arts.

This proposal enables the MPCA to continue work toward the goals of the CWLA. That law directs the agency to identify impaired waters in 10 years and to complete 10% of total maximum daily load (TMDLs) studies and watershed restoration and protection strategies (WRAPS) each year. The MPCA works with other state agencies on an inter-agency team to coordinate programs related to this Clean Water effort, and with local partners to ensure local conditions are understood and local water implementation plans are properly targeted.

Collectively, state agencies use a watershed approach by first identifying the health of Minnesota's water resources, then identifying impaired waters and those in need of protection, developing watershed-specific restoration and protection strategies based on this information, and incorporating them into their local water plans. The watershed approach is holistic, addressing the chemical, physical, and biological needs of the watershed. Working at a watershed scale is more efficient and effective.

Proposal

The Governor proposes continuation of funding for FY2020-21 for WRAPS, including TMDLs, to be developed with local partners to set strategies for restoring impaired waters and protecting unimpaired waters by setting

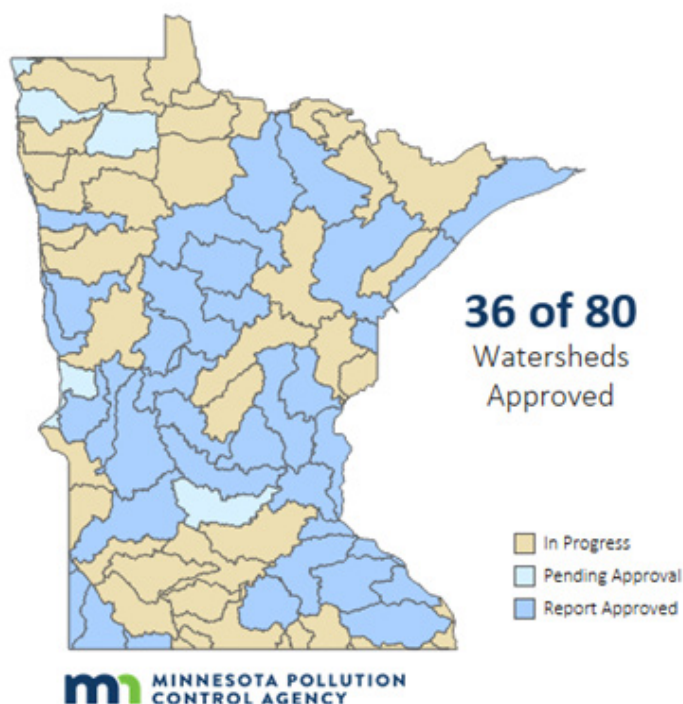
reduction and protection goals, milestones, and measures to guide state and local government implementation efforts. WRAPS and TMDLs are foundational to the development of science-based, efficiently targeted local water plans. The proposal includes maintaining 36.9 FTE (\$4.465 million) and other operating costs and contracts of \$3.585 million. Clean Water Fund may only be one-time appropriations.

Equity and Inclusion

WRAPS are developed with robust public participation opportunities, inclusive of all watershed citizens that choose to participate.

Results

This funding will enable the MPCA to continue its progress on the development of WRAPS and TMDL studies. EPA has approved 2,346 TMDLs and all Minnesota watersheds have WRAPS development projects underway. Thirty-six (45 percent) of the state's 80 watersheds have completed WRAPS. With this funding, at least 85 percent of the state's WRAPS will be completed by the end of the FY20-21 biennium, with the rest scheduled to be completed by the end of the FY2022-23 biennium. Thirty-seven lakes and streams have been restored to date.



The MPCA reports projects and funding on the Legislative Coordinating Commission's website, <http://www.legacy.leg.mn/funds/clean-water-fund/clean-water-fund-performance-reports>, which includes all recipients of the funds. The 2018 Clean Water Fund Performance Report is available on the MPCA website at <https://www.pca.state.mn.us/sites/default/files/lrp-f-3sy18.pdf>. This performance report uses Outcome, Action, and Financial Measures to gauge progress on protecting and restoring the state's water resources. The MPCA has also developed an on-line reporting tool to share progress on what is being done in Minnesota's watershed to protect and improve water quality; see <https://www.pca.state.mn.us/healthier-watersheds>.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: CWF Groundwater Assessment

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Clean Water Fund				
Expenditures	1,182	1,182	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,182	1,182	0	0
FTEs	4.8	4.8	0	0

Recommendation

The Governor recommends appropriation of \$1.182 million in each FY 2020 and FY 2021 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Environmental Analysis and Outcomes Division. This appropriation maintains the operation of Minnesota's groundwater monitoring network, ensuring continued assessment, monitoring and protection of the state's groundwater.

The recommended appropriation of \$2.364 million for FY 2020-2021 represents no increase from the amount appropriated in FY 2018-19. Staffing funded by this request will continue at current levels.

Rationale/Background

Clean Water Fund (CWF) monies are dedicated to protect, enhance, and restore water quality in lakes, rivers, streams, and groundwater; with at least five percent targeted to protecting drinking water sources. The majority of Minnesota's citizens receive their drinking water from groundwater. To be successful in protecting and restoring groundwater quality requires clear data concerning about the status of Minnesota's groundwater resources. Groundwater monitoring and assessment helps the MPCA and local and state partners understand groundwater quality and investigate potential sources of contamination.

The CWF provides support to the MPCA's groundwater assessment program, which includes: monitoring of non-agricultural pollutants in groundwater, including contaminants of emerging concern; modeling the interaction between groundwater and surface water; and, evaluating MPCA's progress protecting groundwater from contamination by non-agricultural chemicals. The MPCA's ambient groundwater monitoring network serves as an early-warning system of contaminants reaching groundwater. The program provides data and information to understand the quality of Minnesota's groundwater, including trends over time, and evaluate progress in protecting groundwater quality. Groundwater quality data, modeling, and information about surface water and groundwater interactions also inform restoration and protection strategies developed by the MPCA and its partners. The groundwater data generated through this appropriation provides essential information for decisions on other CWF-funded activities involving groundwater and drinking water protection.

Proposal

The Governor proposes continuation of funding for FY 2020-2021 for continued operation of the monitor network of about 270 wells across the state. The network targets aquifers that are most vulnerable to pollution by non-agricultural chemicals, typically shallow aquifers that underlie urban areas of the state. Monitoring data are analyzed to evaluate groundwater conditions and trends. This information is shared with state and local partners and the public to inform drinking water protection activities.

MPCA staff also work with the US Geological Survey and others to better understand the relationships among groundwater recharge, precipitation, streamflow, and lake levels and water quality. This work informs protection efforts for both groundwater and surface water.

The funding will also continue to support the evaluation of potential sources of concern for groundwater contamination to ensure requirements and best management practices (BMPs) are protective of groundwater resources. Costs include maintaining 4.8 FTE (\$121,000 x 4.8 FTE = \$580,000) and \$602,000 of other operating costs. Appropriations from the Clean Water Fund may only be authorized as one-time funding.

Equity and Inclusion

This proposal will ensure that data on groundwater quality is collected and analyzed statewide. This data can be used by Minnesotans to plan for their communities' future, particularly in terms of what is needed to ensure clean and safe drinking water for all. The MPCA is currently evaluating our network design for its ability to detect any disproportionate impacts to groundwater quality. The requested funding will not adversely impact racial or ethnic groups in any way.

Results

Since the advent of the CWF, MPCA has established the groundwater quality monitoring network and is beginning to have sufficient data to calculate trends in groundwater quality for vulnerable aquifers. Monitoring results are routinely communicated via MPCA reports and web materials and through the biennial Clean Water Fund Performance Report available online at <https://www.pca.state.mn.us/water/report-clean-water-fund-spending>. Additional information about groundwater monitoring efforts and the data collected can be found in the "2015 Groundwater Monitoring Status Report" at <https://www.eqb.state.mn.us/2015-groundwater-monitoring-status-report>.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: CWF Enhanced County Inspections/SSTS Corrective Actions

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Clean Water Fund				
Expenditures	3,938	3,938	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,938	3,938	0	0
FTEs	3.3	3.3	0	0

Recommendation

The Governor recommends appropriation of \$3.938 million in each FY2020 and FY 2021 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Municipal Division. This appropriation continues technical assistance efforts and funds county implementation of subsurface sewage treatment system (SSTS) program requirements (M.S. 115.55) including issuing permits, conducting inspections, identifying and resolving non-compliant SSTS, and revising and maintaining SSTS ordinances.

The recommended appropriation of \$7.876 million for FY2020-2021 is a 19 percent increase from the amount appropriated in FY 2018-19. This will allow an increase in grants available to low-income homeowners to upgrade SSTS's. Staffing funded by this request will continue at historic levels.

Rationale/Background

This proposal enables the MPCA to continue its work toward Clean Water Legacy Act (CWLA) goals. That law directs the agency to achieve compliance with federal Clean Water Act requirements in Minnesota, to support effective measures that prevent the degradation of groundwater according to the groundwater degradation prevention goal under M.S. 103H.001; and to support effective measures to restore degraded groundwater. The Subsurface Sewage Treatment Systems (SSTS) program works with the Implementation and Enforcement Task Force (M.S. 115.55), the Advisory Committee, Local Governmental Units and the industry to ensure that the approximately 537,000 SSTS's in the state protect human health and Minnesota's waters.

Prior to the Legacy Amendment, funding was insufficient to ensure new and existing SSTS's throughout the state did not result in illegal discharges to surface waters or to groundwater. Through this initiative, counties receive \$1.6 million per year by formula for local level implementation and enforcement of the SSTS program. This approach has proven effective in systematically addressing compliance across the state. An additional \$1,000,000 of this funding is given to and granted out from counties as assistance for low-income households to upgrade or replace their SSTS's when they are failing. The requests from counties for these low-income targeted funds is always much greater than the amount of money available. In 2018 the MPCA received requests totaling \$1,833,650 but only \$1,144,000 was available. The recommended appropriation for FY20-21 will more fully address the needs expressed by counties for low-income households.

Proposal

The Governor proposes continuation of funding for FY 2020-21 to support technical assistance and county implementation of SSTS program requirements (under M.S. 115.55), including issuing permits, conducting inspections, identifying and resolving non-compliant SSTS, and revising and maintaining SSTS ordinances. Incentive grant funding is based on several program aspects, including inspection requirements for point of sale, inspection requirements for any county permit, specific plans to improve compliance and specific plans to address unsewered areas. As noted above, the proposed increase in this appropriation from that provided in FY18-19 will allow an increase in the grants available to low-income homeowners to upgrade SSTS's. This proposal includes

maintaining 3.3 FTE (\$121,000 x 3.3 FTE = \$399,000), operating costs (\$439,000) and grants to counties (\$3.1 million). Appropriations from the Clean Water Fund may only be authorized as one-time funding.

Equity and Inclusion

All counties that manage an SSTS program are eligible for base funding through this initiative. In addition, any county can apply for low-income grants to fix non-compliant septic systems and incentive grants. All funding is distributed equally to all qualified counties that apply. Counties that receive funding are required to report on activities conducted in the program, allowing review of the performance of each county. The data from the report are used to determine if changes to the program are warranted and where those changes are appropriate.

Results

Over the past ten years, counties have estimated the following:

- The percent of systems in compliance to have increased from 65 percent to 82 percent
- The percent of systems failing to protect groundwater to have decreased from 25 percent to 12 percent
- Septic systems that pose an imminent threat to public health to have decreased from 11 percent to 4 percent
- Over 15,000 compliance inspections of existing systems were done in 2017

In 2017:

- 158 SSTS were connected to a centralized sewer
- 497 SSTS were abandoned or removed
- 10,906 SSTS systems were new or replaced

Approximately 700 septic systems have been fixed using low-income fix-up funds since FY13.

The MPCA provides annual reports of the local governmental efforts and funding on the Legislative Coordinating Commission's website, Clean Water Fund Performance Reports webpage <http://www.legacy.leg.mn/funds/clean-water-fund/clean-water-fund-performance-reports>. The 2018 Clean Water Fund Performance Report is available on the Legacy website at <https://www.pca.state.mn.us/sites/default/files/lrp-f-3sy18.pdf>. This report uses a number of factors to gauge progress on protecting and restoring the state's water resources. The 2017 SSTS Annual Report is available at <https://www.pca.state.mn.us/sites/default/files/wq-wwists1-58.pdf>.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: CWF Great Lakes Restoration Project

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Clean Water Fund				
Expenditures	750	750	0	0
Net Fiscal Impact = (Expenditures – Revenues)	750	750	0	0
FTEs	2.3	2.3	0	0

Recommendation

The Governor recommends appropriation of \$750,000 in each FY2020 and FY2021 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Remediation Division for implementation of the Great Lakes Water Quality Agreement priority actions identified in the St. Louis River Area of Concern Remedial Action Plan. This work will leverage federal money to restore the St. Louis River Area of Concern located in the lower reaches of the St. Louis River Watershed in the Lake Superior Basin to improve water quality in the River and Lake Superior. The St. Louis River Area of Concern is a source of drinking water and economic development for the City of Duluth and other communities in the region, in addition to being an important ecological resource for the state.

The recommended appropriation of \$1.5 million for FY 2020-21 is equal to the amount appropriated in FY2018-FY2019. The amount will be utilized to continue implementation of the federal Environmental Protection Agency (EPA) approved management actions listed in the Remedial Action Plan, including those tasks outlined in the US Army Corps of Engineers (USACE)-MPCA partnership agreement. Staff funded by this request will continue at current levels.

Rationale/Background

The St. Louis River Area of Concern Remedial Action Plan describes the State of Minnesota's commitment to meet the goal of restoring this Area of Concern as called for by the 2012 Great Lakes Water Quality Agreement and the current federal Great Lakes Restoration Initiative Action Plan. Major actions in Minnesota address reducing risk from contaminated sediments at 12 sites and restoring approximately 1,700 acres of aquatic habitat to support the recovery of fish and wildlife populations. Importantly, these actions are needed to ensure drinking water resources remain available for surrounding communities.

Continued implementation of the St. Louis River Area of Concern Remedial Action Plan will ultimately result in the removal of the eight remaining beneficial use impairments. Once the management actions are completed, an application for formal delisting can occur, with a target of 2025 for delisting.

Proposal

The Governor proposes continuation of funding for FY 2020-21, including 2.3 FTE (\$121,000/FTE x 2.3 = \$278,000), operating costs and contracts (\$472,000). Appropriations from the Clean Water Fund may only be authorized as one-time funding.

This funding supports continued work to implement the Remedial Action Plan for the St. Louis River Area of Concern, completed with the assistance of several local and federal partners. This includes the activities completed under the USACE-MPCA Partnership Agreement that require at least a 35 percent state match to leverage the federal 65 percent share. In addition to the CWF, the St Louis River Area of Concern management actions have had funding support from various accounts in the federal Great Lakes Restoration Initiative fund, EPA's Office of Research and Development funding, the USACE's technical assistance funding, the Duluth-Superior

Harbor Maintenance Trust Fund, the Lessard-Sams Outdoor Heritage Fund, and the Environment and Natural Resources Trust Fund. Continued financial support from the CWF and the other funding sources will be needed to complete the management actions listed in the Remedial Action Plan and move forward with an application for formal delisting. Any permitting or construction delays will necessitate a schedule extension.

Equity and Inclusion

Work is accomplished through communication and collaboration with a variety of community groups in the Duluth area, such as the St. Louis River Alliance, and interests from the greater watershed, including the Fond du Lac Band of Lake Superior Chippewa. The work being performed accomplishes equity inclusion goals as follows:

- Decreasing exposure to harmful legacy pollutants in the St. Louis River Area of Concern sediment and fish and wildlife populations.
- Improved access to recreational uses within the St. Louis River Area of Concern.
- Economic benefit and enhance/restored outdoor recreational opportunities from remediation and restoration projects. See link: <https://www.glc.org/work/blue-economy/GLRI-economic-impact>
- Coordination with the Fond du Lac Band of Lake Superior Chippewa to restore 275 acres of wild rice within the St. Louis River Area of Concern.

Results

Clean Water Fund appropriations to date have helped leverage more than \$36 million of non-state funds to develop and begin to implement the St. Louis River Area of Concern Remedial Action Plan. Implementation of priority actions to fulfill Minnesota obligations under the Great Lakes Water Quality Agreement and the Great Lakes Restoration Initiative Action Plan Priority 1 have included the following activities:

- Identification and completion of studies needed to support the removal of beneficial use impairments,
- Sediment assessment and characterization,
- Identification of contaminated sediment cleanup sites requiring action and priority habitat restoration sites,
- Feasibility studies,
- Development of engineering designs and plans and specifications for bidding,
- Site construction, and
- Development of a St. Louis River Area of Concern data system.

The MPCA tracks its projects and funding on the Legislative Coordinating Commission's website, Clean Water Fund Performance Reports webpage <http://www.legacy.leg.mn/funds/clean-water-fund/clean-water-fund-performance-reports>, which includes all recipients of the funds.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: CWF Accelerated Implementation of MS4 Permit Requirements

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Clean Water Fund				
Expenditures	225	225	0	0
Net Fiscal Impact = (Expenditures – Revenues)	225	225	0	0
FTEs	1	1	0	0

Recommendation

The Governor recommends appropriation of \$225,000 in each FY 2020 and FY 2021 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Municipal Division. Funds will provide assistance to local units of government and other permittees for accelerated implementation of Municipal Separate Storm Sewer System permit requirements.

The recommended appropriation of \$450,000 for FY 2020-21 is the same amount appropriated in FY 2018-19.

Rationale/Background

Stormwater runoff is a major source of water pollution for many of Minnesota's 11,000 plus lakes and 92,000 miles of rivers and streams. Minnesota's population density and amount of impervious surface have increased dramatically over the past century. Consequently, many of Minnesota's waters have been affected by pollutants in runoff from urban and agricultural sources, resulting in many of our lakes, rivers, and streams being listed as "impaired;" not fully supporting uses such as swimming and healthy fish and insect communities.

It is the goal of the MPCA Stormwater Program to prevent or reduce pollutants associated with stormwater runoff from being flushed into our lakes, rivers, streams, and wetlands. This is done by implementing the National Pollutant Discharge Elimination System (NPDES) program under Minnesota Rules 7001, 7050, 7060, 7090, as enabled by the federal Clean Water Act, for regulated industrial, municipal, and construction stormwater sources. The Stormwater Program is implemented primarily through general permits, including the Municipal Separate Storm Sewer System (MS4) General Permit, which expired on July 31, 2018 and is currently being reissued.

The MPCA has received comments from MS4 permittees, industry groups and environmental advocates stating that there is a significant need for assistance in implementing permit requirements. Requests of included need for assistance in the form of templates, check-lists, guidance documents and assistance visits. MPCA staff experience in data analyses reinforce the importance of additional tactical assistance as after two permit cycles and traditional inspection and assistance activities, regulated MS4s permittees are not meeting some of the basic permit requirements.

Proposal

The Governor proposes funding for extensive technical assistance, guidance development, and direct outreach to MS4s to accelerate MS4 permit implementation. The proposal is intended to bring all regulated MS4s up to a standard baseline of operating compliance with Minnesota NPDES rules, recognizing that some permittees may have more advanced programs than others. The one FTE of maintained MPCA staff (\$121,000/FTE) will collaborate with the regulated MS4s to determine the needed assistance, as MS4s vary in size, available resources and status of stormwater program development. Proposed costs of technical assistance and guidance materials remain consistent with FY 2018-2019 costs (approximately \$104,000/year). In addition, depending on what is learned from the MS4 permittees, new assistance and program needs may be discovered.

Equity and Inclusion

This proposal will benefit all Minnesota citizens, as regulated MS4s are distributed around the state. Improvements in local MS4 programs will result in implementation of additional Best Management Practices, which not only improve water quality, but also can be an aesthetic benefit to the community. All citizens can gain from the educational and public involvement aspects of the regulated MS4 programs and can contribute as citizen stakeholders, if they so choose.

Results

Beginning with the FY 2018-2019 appropriation, the following outcomes have been accomplished to date and will be continuously updated through this proposal to accelerate MS4 implementation and assist local regulated entities:

- Establishment of a digital document library (DDL) within the on-line MN Stormwater Manual. The DDL is a compilation of permittee-developed documents, standard operating procedures, checklists and processes, reviewed and endorsed by the MPCA that permittees can share and use to assist in compliance with the MS4 permit. The Minnesota Stormwater Manual has exceeded 5 million page views and is regularly cited by permittees and industry representatives as an extremely useful resource to aid their environmental protection efforts, including permit compliance. See <https://www.pca.state.mn.us/water/minnesotas-stormwater-manual>.
- Initiated an enhancement to the “MS4 Toolkit”, which is a package of best practices that facilitate establishing effective stormwater programs at the local level. Practices in the toolkit include public education and outreach, public participation, illicit discharge detection and elimination, construction site stormwater runoff control, post-construction stormwater runoff management and MS4-owned infrastructure management.
- Initiated development of model ordinances, which can be used by regulated MS4s as the backbone of an effective local stormwater program.
- Created a modeling package to assist MS4 permittees in demonstrating progress toward achieving TMDL waste load allocations (WLAs), and monitoring guidance as an alternative method of demonstrating progress toward achieving TMDL waste load allocations (WLAs),
- Developed guidance to assist permittees in developing appropriate procedures for the purpose of determining the TSS and TP treatment effectiveness of all permittee owned/operated ponds constructed and used for the collection and treatment of stormwater, and
- Developed and disseminate information on case studies of successful water quality projects implemented by regulated or unregulated MS4s.

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: CWF NPDES Wastewater Stormwater TMDL Implementation

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Clean Water Fund				
Expenditures	900	900	0	0
Net Fiscal Impact = (Expenditures – Revenues)	900	900	0	0
FTEs	6	6	0	0

Recommendation

The Governor recommends appropriation of \$900,000 in each FY2020 and FY2021 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Municipal Division for Total Maximum Daily Load implementation in its Wastewater and Stormwater Programs.

The recommended appropriation of \$1.8 million for FY2020-2021 is the same amount appropriated in FY2018-FY2019. MPCA staffing and effort levels will be maintained for these activities.

Rationale/Background

Stormwater and wastewater can be significant contributors of pollutants to impaired waters. Proper permitting and management of stormwater and wastewater is crucial to the successful implementation of Total Maximum Daily Load (TMDL) requirements under the federal Clean Water Act (CWA). The accelerated completion of TMDLs and Watershed Restoration and Protection Strategies (WRAPS) under the state Clean Water Legacy Act has increased the information available to inform the issuance and reissuance of wastewater and stormwater permits under the National Pollutant Discharge Elimination System (NPDES) program of the federal CWA. The MPCA is the Agency responsible for issuing such permits in Minnesota. This proposal ensures the MPCA is able to provide a wide range of outreach and guidance materials to help ensure the most effective stormwater best management practices are implemented, that TMDL and WRAPS information is effectively incorporated into NPDES permits, and assistance is provided to permittees to help ensure achievement of clean water goals.

The wastewater NPDES program work includes permitting, engineer review, compliance and enforcement, training and certification, assistance with the funding programs, effluent limit determination, Environmental Assessment Worksheets (EAW) review and data review. There are currently approximately 1,400 NPDES permits – all but 100 of which must be reissued every five years. Each permit has effluent limits and specific requirements with which they must comply. The MPCA's NPDES wastewater program must assure that permits issued meet the appropriate water quality uses and that permittees are complying with their permits.

Proposal

The Governor proposes continuing funding a stormwater program that provides a wide range of outreach and guidance materials to help ensure the most effective stormwater best management practices are implemented. NPDES staff will enhance coordination between other MPCA staff who are developing TMDLs/WRAPS and the permitting program. This will ensure stormwater discharges are appropriately addressed in projects, provide outreach and guidance to stormwater permittees to assist in complying with permit requirements related to TMDLs, and develop state-of-the-art stormwater guidelines and tools.

Staff funded by this proposal include the following functions: permit writing, coordinating TMDL/WRAPS, analyzing GIS data, engineer review of effluent limits based on TMDL and WRAPS information, coordination of efforts to address unsewered areas, coordination of permits that help to address TMDL/WRAPS, and the

development of guidance. Additionally, wastewater staff will assure that during the development of the WRAPS and TMDLs that wastewater influences are measured and understood, following the plan for integration of the watershed approach in agency permitting programs. Additionally, after the WRAPS and TMDLs are developed, results will be interpreted and incorporated into the wastewater program through permitting, effluent limit determination, and working with local governmental units (LGU). Staff will provide technical assistance to MPCA permit writers and to LGUs with unsewered community discharges.

This proposal includes funding for six FTE (\$121,000/FTE) and \$174,000 for program operations, and maintenance and upgrading the Stormwater Wiki Manual. Appropriations from the Clean Water Fund may only be authorized as one-time funding.

Equity and Inclusion

The current TMDL, WRAPS, and permitting implementation processes follows the procedures that have been developed under the Agency's Environmental Justice priorities. This proposal ensures that consistent implementation occurs statewide, resulting in improved water quality for all citizens.

Results

The Program currently has three primary measures:

1. The number of new WQBEL limits in NPDES wastewater permits informed by monitoring, TMDLs, and WRAPS
2. An annual increase in NPDES wastewater permits with WQBEL's informed by intensive watershed monitoring, assessment, and WRAPS as well as the corresponding pollutant loading for TSS, phosphorus, mercury, chloride, nitrogen, dissolved oxygen, and biological oxygen demand.
3. Number of permits with new monitoring parameters that enhance the data available to inform TMDL developments.

Statutory Change(s)

Not Applicable.

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: CWF Chloride Reduction Program

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Clean Water Fund				
Expenditures	300	300	0	0
Net Fiscal Impact = (Expenditures – Revenues)	300	300	0	0
FTEs	1	1	0	0

Recommendation

The Governor recommends appropriation of \$300,000 in each FY 2020 and FY 2021 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Resource Management and Assistance Division for creation and operation of the Chloride Reduction Program, administering the Smart Salting Training program, conducting statewide trainings and establishing a targeted grant program to address water softening.

The recommended appropriation of \$600,000 for FY2020-2021 is new, state funds have not been used previously for this activity.

Rationale/Background

Chloride is a permanent pollutant that is toxic to aquatic life and does not break down or change over time. The chloride water quality standard designed to protect aquatic life is 230 mg/liter (equivalent to one teaspoon in five gallons of water). Once chloride enters our lakes, streams, wetlands and groundwater, it is extremely expensive to remove it. Chloride levels are continuing to increase in Minnesota's water resources and the only way to address this pollutant is to reduce it at the source. The primary sources of chloride causing water quality problems are de-icing salt used in winter and salt used for water softening systems. In the metro area alone, winter maintenance activities apply 365,000 tons of road salt per year.

The Smart Salting Training has been identified in the MPCA's Chloride Management Plan and the 2015 Environmental Quality Board Water Policy Report as the priority strategy to reduce de-icing salt at the source without compromising public safety. Since 2006, a Smart Salting Training pilot had been offered by the Minnesota company Fortin Consulting due to one-time federal funding for non-point source water pollution protection. This pilot training is highly successful, and has significant support from local partners and the industry. However, due to the requirements and the one-time nature of the federal funds, these trainings have been primarily focused in the seven-county Twin Cities Metropolitan Area and have only been offered on a temporary basis. The current grant expires in 2020 and is the last federal grant available for the training. Unless sustainable funding can be identified, the Smart Salting Training will no longer be available in Minnesota.

More than 100 communities in Minnesota have been identified to have elevated chloride in their wastewater discharge, in large part due to water softening. Since most wastewater treatment plants are not designed to remove chloride, and retrofitting such plants with currently available chloride treatment would be prohibitively expensive, creative approaches are needed to reduce the chloride that enters wastewater treatment plants, which is ultimately discharged to lakes and streams.

Proposal

The Governor recommends establishing a new, statewide chloride reduction program in the MPCA's Resource Management and Assistance Division to assist communities in reducing salt at the source. These funds will enable the MPCA to administer a Smart Salting Training & Certification program for businesses that provide snow removal and deicing services. The funds will also be used to reduce the chloride entering our waters through

wastewater treatment plants, by offering targeted grants to communities that would like assistance working with their residents and businesses to upgrade home water softeners to low-salt use systems, and to interested communities that centrally soften their water to assist with removal of unnecessary water softening units. This new program proposal is consistent with the Clean Water Council's recent [de-icing chloride reduction policy](https://www.pca.state.mn.us/sites/default/files/wq-cwc1-20.pdf) (<https://www.pca.state.mn.us/sites/default/files/wq-cwc1-20.pdf>). The program would also make significant progress towards the MPCA's strategic plan goal of reducing chloride entering surface waters and groundwater (see <https://www.pca.state.mn.us/about-mpca/mpca-strategic-plan>). The program under this proposal would include:

1. Funding a state-wide Smart Salting training program for private and public winter maintenance professionals. This training has significant support by local partners and the industry, and is the top implementation strategy identified to reduce de-icing salt use. Past participants have successfully reduced their salt use by 30 percent - 70 percent. This training was proven successful in a federally funded pilot, but those funds have run out. This voluntary program would be operated similar to other MPCA certification programs, requiring 1 FTE (\$121,000/FTE) and monies for program development, informational materials and operations (approximately \$79,000/year).
2. Establishing a targeted water softener rebate program. To address the significant chloride contribution of water softeners, a grant program will be created and administered to assist communities interested in working with their residents and local businesses to upgrade or remove water softeners through rebates. These grants will be targeted to those communities determined to have high chloride in their wastewater effluent and where source reduction is a viable option. This funding would allow grants (\$100,000 /year) to be offered to interested communities to help implement a community-based rebate program to residents and small businesses to upgrade or remove their water softening units. These funds would allow for up to two communities a year to receive grant funds to cover a portion of the cost to upgrade or remove water softening units.

Equity and Inclusion

The MPCA will provide Smart Salting training classes and certification program to communities across greater Minnesota that have had limited opportunities to participate in the past due to the Metro focus of the federal funds used to offer the trainings. The MPCA will also provide financial assistance to underserved communities in need of reducing chloride from water softening. The water softening rebate program will target communities with high levels of chloride in their wastewater treatment discharge and rural and low socioeconomic communities. We will actively communicate and coordinate with these communities to participate in the programs.

Results

Improved water quality for the protection of aquatic life and drinking water through reductions in the amount of chloride entering our lakes, streams, wetlands and groundwater will be the outcome of the Chloride Reduction program. In addition to tracking the water quality trends of chloride in our surface waters and groundwater, progress in successfully implementing the chloride reduction program will be measured by the following:

- Number of applicators trained and certified by the MPCA Smart Salting Training program
- Number of users and progress on implementation of chloride reduction BMPs through the Smart Salting Assessment tool
- Estimated salt reduction from organizations willing to share their information
- Report number of communities receiving water-softening rebate grant funds every two years
- Number of permitted entities making progress towards complying with chloride water quality-based effluent limit

The Smart Salting Training pilot program has already shown promise for successful statewide implementation. By teaching proper use of equipment, and providing materials and awareness about environmental impacts, applicators can be more efficient with their services, which allows for significant reduction in salt use and also creates a cost savings as shown in table below:

<i>Entity</i>	<i>Time period</i>	<i>Main actions implemented</i>	<i>Salt reduction</i>	<i>Cost savings</i>
City of Waconia	2010	Staff Training; Switch from 1:1 sand:salt to straight salt & liquid anti-icing; calibration; equipment changes; use of air and pavement temperatures.	70%	\$8,600 yearly cost savings(\$1.80 per lane-mile)
City of Richfield	2010	All-staff Training; yearly sander calibration; use of low-pavement-temp deicers; road crown-only application; minor-arterial-road policy adjustments.	>50%	\$30,000: 2010-2011 \$70,000: 2011-2012
Joe's Lawn & Snow	2013-2014	Owner & staff Training; purchase of new spreader, temperature sensors; equipment calibration; use of temperature data; on-going experimentation.	50%	\$770 estimated cost savings in 2014

Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Clean Water Council

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Clean Water Fund				
Expenditures	110	110	0	0
Net Fiscal Impact = (Expenditures – Revenues)	110	110	0	0
FTEs	0	0	0	0

Recommendation

The Governor recommends appropriation of \$110,000 in each FY 2020 and FY 2021 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Operations Division for Clean Water Council operations.

The recommended appropriation will cover costs of meetings, necessary travel for members and the production of the Council's biennial report. The 120 percent increase from FY 2018-2019 is needed to cover the costs of additional meetings of the Council's two committees, oversight and coordination of additional Council outreach efforts, and costs for travel of more Council members from rural Minnesota.

Rationale/Background

The Council was established in 2006 to advise the Legislature and Governor on the administration and implementation of the Clean Water Legacy Act (CWLA), M.S. Ch. 114D. The CWLA requires the Council to submit a report to the Legislature and Governor that includes recommendations for Clean Water Fund (CWF) appropriations for the purposes stated in Article XI, Section 15 of the Minnesota Constitution and M.S. 114D.50. The CWLA also requires this report include an evaluation of progress related to the CWF and future funding needs.

The 28-member Council represents organizations with a major role in achieving clean water, enabling consensus building and coordination on a wide array of issues critical to the people of Minnesota. The Council, and its Policy Committee and Budget and Outcomes Committee, hold public meetings monthly to discuss a variety of water topics and conduct Council business.

Proposal

The Governor proposes continuation of funding for Clean Water Council operations in FY 2020-2021. Appropriations from the Clean Water Fund may only be authorized as one-time funding.

Equity and Inclusion

The Council holds public meetings monthly to achieve clean water goals in Minnesota through enabling consensus building and coordination on a wide array of water-related issues critical to the people of Minnesota.

Results

In accordance with M.S. 114D.30, the Clean Water Council is required to submit 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.

The report also fulfills the CWLA requirement for the Council to recommend to the Governor and the Legislature the manner in which money from the Clean Water Fund should be appropriated for the purposes stated in Article XI, Section 15, of the Minnesota Constitution and M.S. 114D.50.

Statutory Change(s)

Not applicable.

Minnesota Pollution Control Agency

FY 20-21 Biennial Budget Change Item

Change Item Title: Legal Costs

Fiscal Impact (\$000s)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
General Fund					
Expenditures (DNR)	(500)	2,137	2,290	0	0
Transfer Out (DNR)		720	918	0	0
Transfer In (MPCA)		720	918	0	0
Expenditures (MPCA)		720	918	0	0
Revenues		0	0	0	0
Other Funds					
Expenditures		0	0	0	0
Revenues		0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(500)	2,857	3,208	0	0
FTEs		1.0	1.0	0	0

Recommendation:

The Governor recommends that the Department of Natural Resources (DNR) and the Minnesota Pollution Control Agency (MPCA) be appropriated \$6.065 million in FY20-21 from the General Fund (\$2.857 million in FY20 and \$3.208 million in FY21) for the legal support costs they will incur to defend the agencies' decisions in contested proceedings. Supplemental funding gives the agencies the ability to defend their environmental and natural resources decisions whether in federal or state court, contested case hearings, mediation and other venues without imposing undue hardship on existing division budgets. This proposal also extends the availability of \$500,000 in funds provided for this purpose in the 2016 session.

Rationale/Background:

DNR's mission is to work with citizens to conserve and manage the state's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable quality of life. This mission brings together diverse constituencies who may disagree with DNR's decisions. The MPCA's mission is to protect and improve the environment and enhance human health. DNR and MPCA's natural resources and environmental regulatory, permit, leasing, or other types of decisions can be, and often are, challenged through either contested case or judicial proceedings. The cost of defending these decisions can be significant.

DNR and the MPCA will have difficulty adequately defending the legal challenges to the state's decisions without sufficient resources. Costs associated with the NorthMet project include outside legal counsel, staff and in-house counsel, records management, and related expenses. DNR is involved in several other large pieces of litigation, and anticipates being challenged on a number of complex water and mining decisions over the biennium. Costs associated with defending these agency decisions include in-house counsel costs, Attorney General's Office fees, Office of Administrative Hearings costs, and other defense preparation. In these cases, the DNR anticipates its decisions will be challenged regardless of the decision.

DNR and the MPCA are increasingly dependent on dedicated funding sources from the state – the agencies' share of General Fund as a part of the budget continues to diminish. DNR and MPCA do not have the ability to seek reimbursement of attorney's fees or other litigation costs from project proponents, plaintiffs or defendants except in very rare cases. Not defending the agency decision is not an option. This means that the DNR and MPCA

must seek additional resources from the Legislature or reduce/eliminate program funding in order to cover these costs.

Providing special appropriations for these large and unexpected legal costs has precedent. An example is an appropriation that the Legislature provided to defend the 1837 Treaty Rights lawsuit that was eventually heard by the U.S. Supreme Court in the 1990s. More recently, the Legislature appropriated \$750,000 to the DNR in ML 2015, 1st Special Session (\$300,000 in FY16 and \$450,000 in FY17) for legal costs related to water management that is available until June 30, 2018.

Laws of Minnesota 2016 appropriated \$4.4 million to the DNR that was split between both agencies (DNR - \$3.233 million and MPCA - \$1.167 million) related to NorthMet mining legal costs with funds available until June 30, 2019. DNR and MPCA are seeking a two-year extension to this appropriation, through June 30, 2021. Laws of Minnesota 2017 appropriated \$1.965 million to DNR and MPCA for legal costs (DNR - \$1.483 million and MPCA - \$0.482 million). The 2016 appropriation extension and 2017 appropriation amount are both factored into this FY20-21 request.

Proposal:

This request is for \$6.065 million (\$2.857 million in FY20 and \$3.208 million in FY21) for anticipated legal support costs in the next biennium above and beyond the current appropriations. This recommendation is based on the agencies' recent cost experience. Of this amount, \$720,000 in FY20 and \$918,000 in FY21 would transfer from DNR to MPCA for their legal support needs.

The majority of the funding would go toward the attorney general's office, contracted legal support, and other litigation related costs over the next two years. It also funds one position at DNR in FY20-21 to provide in-house legal counsel and related legal services to support the agency on the anticipated legal proceedings.

In addition to the requested amount, DNR and MPCA seek a two-year extension (through FY21) of a 2016 appropriation for legal costs related to the NorthMet mining project. This appropriation is in Laws of Minnesota 2016, Chapter 189, Article 3, Section 3, Subdivision 8 and currently expires at the end of FY19. This proposal anticipates up to \$500,000 to carryforward from FY19 to FY20.

Equity and Inclusion:

This proposal is not submitted in order to reduce or eliminate social disparities or inequities.

IT Related Proposals:

Not applicable

Results:

Strong legal team to support the agencies on legal challenges relating to Polymet, White Bear Lake, Fargo-Moorhead Diversion, and other work.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Funding Integrity – other General Fund resources are not directed away from DNR or MPCA program priorities for this work	\$300,000 General Fund appropriation – FY16 \$1,599,000 General Fund appropriation – FY16	\$450,000 General Fund appropriation – FY17 \$2,801,000 General Fund appropriation FY17 \$1,965,000 General Fund	June 30, 2017 June 30, 2019 June 30, 2021
Results	Agency Decision – agency decisions are robustly defended			

Statutory Change(s):

NA

Minnesota Pollution Control Agency

FY 2020-21 Biennial Budget Change Item

Change Item Title: Railroad and Pipeline Safety Assessment Reinstatement

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures (DPS)	2,250	2,250	2,250	2,250
Revenues (DPS)	2,500	2,500	2,500	2,500
Transfer Out (DPS)	250	250	250	250
Expenditures (MPCA)	250	250	250	250
Transfer In (MPCA)	250	250	250	250
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs (DPS)	1.5	1.5	1.5	1.5
FTEs (MPCA)	2	2	2	2

Recommendation:

The Governor recommends reinstating the railroad and pipeline safety assessment in the amount of \$2,500,000 per year to continue to ensure local preparedness and state support of hazardous materials incidents in communities along Minnesota's railroads and pipelines.

Rationale/Background:

Minnesota maintains a state-sponsored capability to support local first responders during hazardous material (hazmat) incidents along railways and pipelines, as well as highways and fixed facilities. Most local fire departments throughout Minnesota do not have the equipment, training, or expertise to handle a hazmat event without assistance. The primary methods for providing that support are state-contracted hazmat response teams and on-call staff to provide advice and support for preparedness and response activities.

Currently, Minnesota has 11 hazmat response teams composed of chemical assessment teams (CAT) and emergency response teams (ERT), depending on the size of the team. Minnesota's hazmat response teams are used regularly, deploying about once a week over the past several years. The teams responded to 62 calls in 2018.

These teams are hosted by local fire departments under contract with the Department of Public Safety (DPS) to respond to hazmat incidents outside their jurisdiction. A key part of this arrangement is that the state provides specialized equipment, training and funding to enhance and maintain the capabilities of each team. One of the primary sources of funding for that capability, the railroad/pipeline safety assessment authority, expired on July 1, 2017 and those accumulated funds will be depleted by the end of FY19.

DPS purchased much of the required equipment with federal homeland security grants after September 11, 2001. Many items have reached the end of their service life and federal monies are no longer available for equipment replacement. In addition, training and conducting exercises are critical components of hazmat incident readiness. Those activities are necessary to maintain team proficiency, ensure local departments and state teams can work together at a scene, and to stay abreast of changing threats. The 2017 Minnesota's Preparedness for Ethanol and Oil Transportation Incidents Report, conducted by the Management Analysis and Development Division of Minnesota Management and Budget, documented the funding needs for exercises and drills, local planning efforts, community-focused communications and warnings, local department training, response equipment replacement/modernization, and maintaining technical advisory support to incident commanders.

Proposal:

The Governor recommends reinstating the annual \$2,500,000 assessment of railroad and pipeline companies. The program to spend the funds each year is:

- \$250,000 for current DPS-HSEM hazardous materials response staff
- \$250,000 transfer to the MPCA for environmental protection activities relating to railroad discharge preparedness under chapter 115E, (2 FTEs)
- \$100,000 for DPS-HSEM railroad and pipeline incident training/exercise staff (1 FTE)
- \$50,000 for GIS mapping support of community risk areas and facilities (.5 FTE)
- \$250,000 to local jurisdictions for exercise/training support and/or facilitation
- \$200,000 to local jurisdictions for planning support
- \$550,000 for operational support of state contracted hazardous materials response teams
- \$100,000 for emergency response team
- \$750,000 to replace equipment and support state regional hazardous materials program

Equity and Inclusion:

The state hazardous materials incident response support is provided equally to all communities and groups, including tribal nations.

IT-Related Proposals:

Not applicable.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	State hazmat response team runs in support of local incidents.	46	62	2017/2018
Activity	Local trainings delivered.	NA	275	2014-2018
Activity	Local exercises supported.	NA	45	2014-2018

Statutory Change(s):

Minnesota Statutes 299A.55 Subd. 2b

Minnesota Statutes 299A.55 Subd. 4

Program: Environmental Analysis and Outcomes Division<https://www.pca.state.mn.us/>**AT A GLANCE**

- Develop water quality standards and evaluate 80 major watersheds for whether water quality meets those standards
- Monitor and track air quality, surface water quality, and ambient groundwater conditions
- Provide resources to local water management organizations for lake and streams monitoring
- Provide air quality forecasts for the state and five tribes, to inform public of unhealthy air quality days
- Estimate and track pollutant emissions to air and discharges to water

PURPOSE & CONTEXT

The Minnesota Pollution Control Agency's (MPCA) Environmental Analysis and Outcomes (EAO) Division monitors and evaluates the physical, chemical, and biological conditions of Minnesota's environment; identifies environmental threats and impacts to human and ecosystem health; establishes environmental goals and measure progress in achieving them; supports regulatory programs (such as permitting); and makes environmental data broadly accessible. EAO's efforts support human health, aquatic life, and a strong economy.

EAO provides leadership to implement the federal Clean Air Act, monitor and evaluate air quality conditions, support air quality permitting and environmental review, and assist sister agencies with energy and transportation projects.

EAO helps to implement the Clean Water Act and portions of Minnesota's Clean Water Legacy Act by monitoring surface water and groundwater resources; evaluating water quality data; communicating lake, stream, wetland, and groundwater conditions; and, developing water quality standards that protect the health of water resources. Water data and assessment results support the development of permit limits to protect water quality and inform local planning, restoration, and protection activities.

SERVICES PROVIDED**Air Assessment**

- Monitors the air and collect information about pollution releases from large and small sources
- Monitors for the air quality index and compliance with air quality standards and health benchmarks using 162 monitors located at 53 sites statewide
- Provides technical assistance and quality assurance for 30 monitors at seven industrial locations, and six monitors at five locations operated by tribal governments
- Collects and analyzes annual emission inventories for more than 2200 companies
- Develops greenhouse gas emission estimates for comparison to Next Generation Energy Act goals
- Analyzes for public health risks from air pollution, with a focus on the most vulnerable Minnesotans

Water Assessment

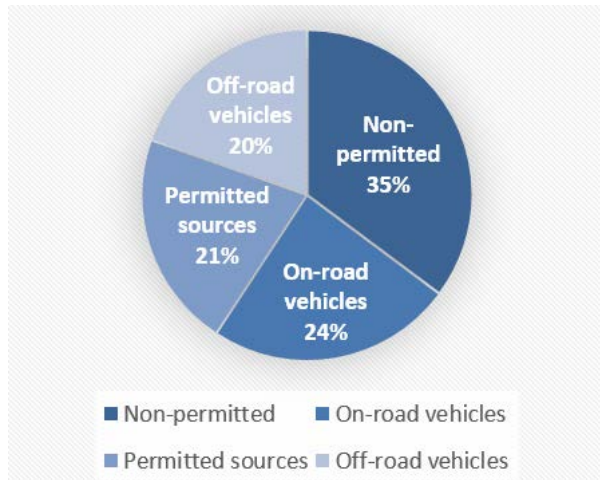
- Develops water quality standards and uses other tools to protect human health and aquatic life
- Monitors lakes, streams and rivers, and groundwater to identify water quality trends
- Gathers and reviews data to understand water condition and identify causes of stress on a water body
- Tracks the effectiveness of protection and restoration activities
- Provides information and assistance to regulated facilities, communities, local governments, and citizens
- Conducts monitoring and studies of contaminants in Minnesota's water and fish—including well-known accumulative contaminants like mercury and newer issues like pharmaceuticals and consumer products

RESULTS PERFORMANCE MEASURE

AIR EMISSIONS FROM DIFFERENT TYPES OF SOURCES

Air emissions are the quantity of air pollutants that are released from an air pollution source.

- On-road vehicles (cars, trucks) 24 percent
- Non-permitted sources (small businesses, heating, wood smoke) 35 percent
- Off-road vehicles (construction and agriculture) 20 percent
- Permitted sources (power plants, factories) 21 percent



Aggregate emissions: Nitrogen oxides (NOx), sulfur dioxide (SO₂), Volatile organic compounds (VOC), Particulate matter (PM_{2.5})

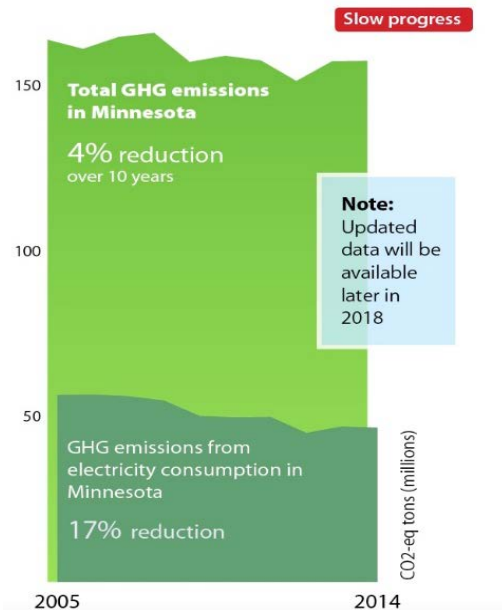
SURFACE WATER PROTECTION AND RESTORATION

During the last 10 years, MPCA has increased water monitoring efforts. To date, 86 percent of Minnesota's major watersheds have been assessed. The information is used to determine if watersheds are meeting water quality standards to protect public health, recreational use, and aquatic life.

In general, 60 percent of state lakes and streams meet statewide standards. By 2019, MPCA expects to meet the statutory requirement to monitor all watersheds within 10 years. In 2019, the monitoring cycle begins again to determine improvements in water quality.

GREENHOUSE EMISSIONS IN MINNESOTA

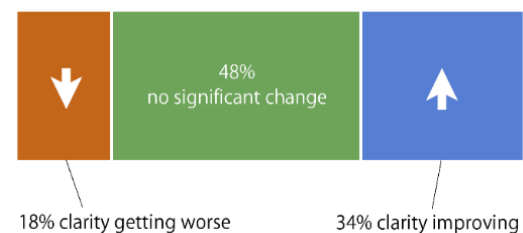
The EAO Division estimates the greenhouse gas emissions from all sources in Minnesota to track progress against the Next Generation Energy Act reduction targets. The analysis allows the EAO Division to work effectively with sister agencies and external stakeholders to identify effective and cost efficient emission reduction strategies.



PERCENT OF LAKES GETTING CLEARER

Clarity is improving or holding steady in over 80 percent of lakes. Hundreds of volunteers help the MPCA measure water clarity to detect signs of degradation to a lake.

Clarity changes in Minnesota lakes through 2016



Minnesota Statutes, Chapters, 115 (<https://www.revisor.mn.gov/statutes/?id=115>), 115A (<https://www.revisor.mn.gov/statutes/?id=115A>), and 116 (<https://www.revisor.mn.gov/statutes/?id=116>) provide the agency with its main authorities to provide regulatory, monitoring, and assistance services.

Env Analysis Outcomes

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General			142	205	204	204	204	204
2000 - Restrict Misc Special Revenue			302	283	177	177	177	177
2001 - Other Misc Special Revenue			20	20	20	20	20	20
2050 - Environment & Natural Resources			558	142				
2302 - Clean Water			8,937	9,957			9,182	9,182
2800 - Environmental			11,663	11,842	11,835	11,835	11,846	11,857
2801 - Remediation			181	212	201	201	201	201
3000 - Federal			3,288	3,261	3,737	3,737	3,737	3,737
Total			25,089	25,922	16,174	16,174	25,367	25,378
Biennial Change				51,011		(18,663)		(266)
Biennial % Change						(37)		(1)
Governor's Change from Base								18,397
Governor's % Change from Base								57

Expenditures by Activity

Env Analysis Outcomes			25,089	25,922	16,174	16,174	25,367	25,378
Total			25,089	25,922	16,174	16,174	25,367	25,378

Expenditures by Category

Compensation			14,481	14,595	10,938	10,941	15,043	15,054
Operating Expenses			9,631	11,270	5,194	5,191	10,282	10,282
Grants, Aids and Subsidies			136					
Capital Outlay-Real Property			27	22	7	7	7	7
Other Financial Transaction			813	35	35	35	35	35
Total			25,089	25,922	16,174	16,174	25,367	25,378

Total Agency Expenditures			25,089	25,922	16,174	16,174	25,367	25,378
Internal Billing Expenditures			5,958	5,904	3,742	3,738	3,742	3,738
Expenditures Less Internal Billing			19,131	20,018	12,432	12,436	21,625	21,640

Full-Time Equivalents

			155.66	158.87	110.45	110.45	159.05	159.05
--	--	--	--------	--------	--------	--------	--------	--------

Env Analysis Outcomes

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In				2				
Direct Appropriation			88	88	204	204	204	204
Transfers In			56	115				
Balance Forward Out			2					
Expenditures			142	205	204	204	204	204
Biennial Change in Expenditures				347		61		61
Biennial % Change in Expenditures						18		18
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.89	1.85	1.85	1.85	1.85	1.85

2000 - Restrict Misc Special Revenue

Balance Forward In				106				
Receipts			124	177	177	177	177	177
Transfers In			284					
Balance Forward Out			106					
Expenditures			302	283	177	177	177	177
Biennial Change in Expenditures				585		(231)		(231)
Biennial % Change in Expenditures						(39)		(39)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.36	1.10	1.10	1.10	1.10	1.10

2001 - Other Misc Special Revenue

Receipts			20	20	20	20	20	20
Expenditures			20	20	20	20	20	20
Biennial Change in Expenditures				40		1		1
Biennial % Change in Expenditures						1		1
Governor's Change from Base								0
Governor's % Change from Base								0

2050 - Environment & Natural Resources

Balance Forward In				142				
--------------------	--	--	--	-----	--	--	--	--

Env Analysis Outcomes

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Direct Appropriation			700					
Balance Forward Out			142					
Expenditures			558	142				
Biennial Change in Expenditures				700		(700)		(700)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

2302 - Clean Water

Balance Forward In			510					
Direct Appropriation			9,446	9,447	0	0	9,182	9,182
Balance Forward Out			509					
Expenditures			8,937	9,957			9,182	9,182
Biennial Change in Expenditures				18,894		(18,894)		(530)
Biennial % Change in Expenditures						(100)		(3)
Governor's Change from Base								18,364
Governor's % Change from Base								
Full-Time Equivalents			46.73	48.42			48.60	48.60

2800 - Environmental

Balance Forward In			0	42				
Direct Appropriation			12,308	12,321	12,581	12,581	12,592	12,603
Transfers In			139	225				
Transfers Out			741	746	746	746	746	746
Balance Forward Out			43					
Expenditures			11,663	11,842	11,835	11,835	11,846	11,857
Biennial Change in Expenditures				23,505		165		198
Biennial % Change in Expenditures						1		1
Governor's Change from Base								33
Governor's % Change from Base								0
Full-Time Equivalents			83.10	83.98	83.98	83.98	83.98	83.98

2801 - Remediation

Env Analysis Outcomes

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Balance Forward In				12				
Direct Appropriation			181	181	201	201	201	201
Transfers In			12	19				
Balance Forward Out			12					
Expenditures			181	212	201	201	201	201
Biennial Change in Expenditures				393		9		9
Biennial % Change in Expenditures						2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.28	1.20	1.20	1.20	1.20	1.20

3000 - Federal

Receipts			3,244	3,261	3,737	3,737	3,737	3,737
Transfers In			44					
Expenditures			3,288	3,261	3,737	3,737	3,737	3,737
Biennial Change in Expenditures				6,549		925		925
Biennial % Change in Expenditures						14		14
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			21.30	22.32	22.32	22.32	22.32	22.32

Program: Industrial<https://www.pca.state.mn.us/>**AT A GLANCE**

Provide regulatory services (permitting, technical assistance, training, compliance determination, enforcement, licensing and certification) for:

- 2,000 industrial wastewater and stormwater sources
- 2,000 air emission sources
- 4,500 underground fuel storage tank facilities
- 21,960 hazardous waste generators

PURPOSE & CONTEXT

The primary goal of the Industrial Division at the Minnesota Pollution Control Agency (MPCA) is to ensure industrial emissions, discharges, and wastes are managed to minimize impacts to human health and the environment. This goal is accomplished through implementation of core regulatory programs that ensure Minnesota's outdoor air is healthy for all to breathe, and waters are swimmable, fishable and safe to drink. The Industrial Division enforces state and federal environmental regulations so that Minnesota reduces its contribution to regional, national, and global pollution. Compliance assistance is provided to pollution sources and citizen complaints are followed up and responded to. Our efforts support human health and contribute to strong economies in Minnesota communities.

The Division's work to regulate air pollution from facilities that need an air quality permit has resulted in a significant reduction in emissions from these sources. Its activities to regulate and reduce pollution ensure that the state's lakes, rivers, streams, and groundwater are clean, healthy and sustainable.

MPCA is authorized by the Environmental Protection Agency to administer the wastewater regulatory program under the federal Clean Water Act. Over 800 industrial wastewater dischargers are managed in the program in addition to approximately 1,500 businesses that are addressed by the industrial stormwater program. These programs use best management practices, technology, and site-based standards to protect water resources.

The Division works with a large and diverse group of private businesses, industry consultants, local, state and federal partners, environmental groups, and citizens.

SERVICES PROVIDED

The services the Division provides fall into three categories:

Permitting

- Issue air and water permits to operate or expand existing facilities and to build new industrial facilities
- Better connect the public, industry, and local governments by providing input opportunities on permits through public notices and local meetings
- Reduce the regulatory burden on industry by providing assistance, flexibility, and permitting options

Compliance determination, assistance and enforcement

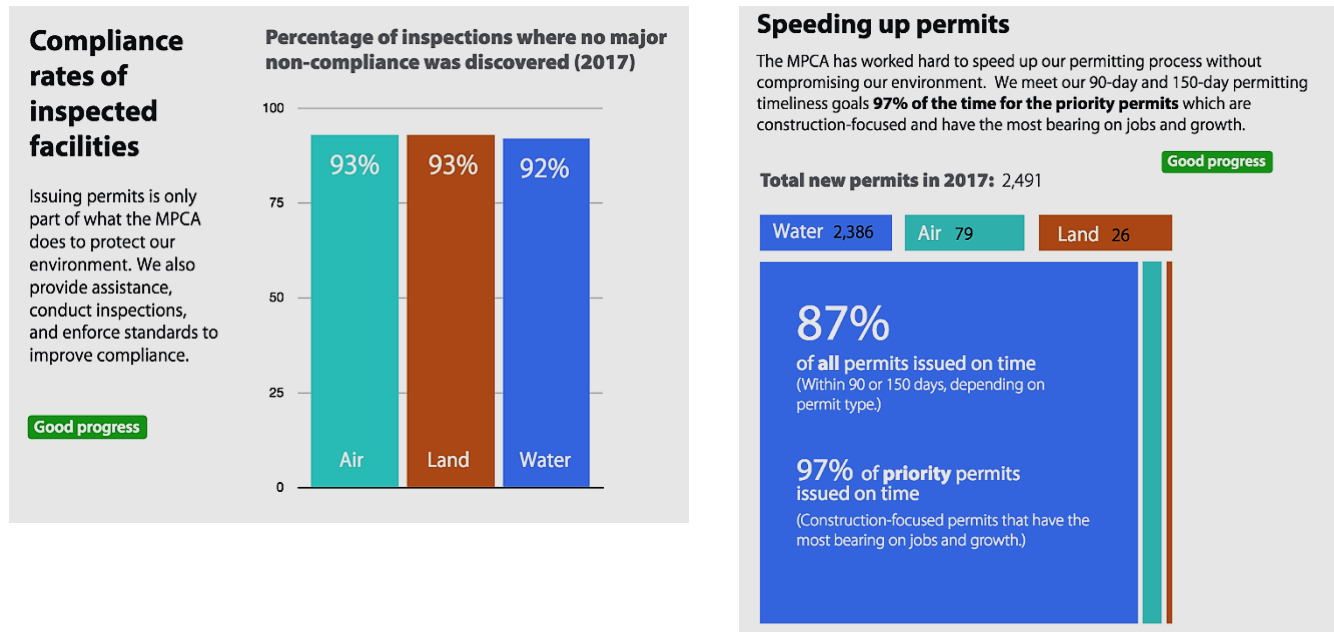
- Conduct inspections and determine compliance with air quality, water quality, hazardous waste, stormwater, and underground fuel storage tank rules, regulations, and permits
- Provide technical assistance and training to regulated facilities

- Take enforcement action when warranted

Licensing and certification

- Issue licenses for hazardous waste treatment, storage, and disposal facilities
- License hazardous waste haulers and monitor the movement of hazardous waste
- Certify over 15,000 underground fuel tanks

RESULTS



Minnesota Statutes, Chapters, 115 (<https://www.revisor.mn.gov/statutes/?id=115>), 115A (<https://www.revisor.mn.gov/statutes/?id=115A>), and 116 (<https://www.revisor.mn.gov/statutes/?id=116>) provide the agency with its main authorities to provide regulatory, monitoring, and assistance services.

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

1000 - General			51	449			720	918
2000 - Restrict Misc Special Revenue			551	739	130	30	130	30
2001 - Other Misc Special Revenue			257	371	335	315	335	315
2800 - Environmental			13,229	14,439	13,946	13,946	14,079	14,212
2801 - Remediation			860	1,126	1,001	1,001	1,001	1,001
3000 - Federal			2,284	2,435	2,770	2,770	2,770	2,770
Total			17,234	19,559	18,182	18,062	19,035	19,246
Biennial Change				36,793		(549)		1,488
Biennial % Change						(1)		4
Governor's Change from Base								2,037
Governor's % Change from Base								6

Expenditures by Activity

Industrial			17,234	19,559	18,182	18,062	19,035	19,246
Total			17,234	19,559	18,182	18,062	19,035	19,246

Expenditures by Category

Compensation			12,511	13,142	13,188	13,088	13,289	13,290
Operating Expenses			4,722	6,417	4,994	4,974	5,746	5,956
Total			17,234	19,559	18,182	18,062	19,035	19,246

Total Agency Expenditures			17,234	19,559	18,182	18,062	19,035	19,246
Internal Billing Expenditures			4,342	4,373	4,458	4,438	4,458	4,438
Expenditures Less Internal Billing			12,892	15,186	13,724	13,624	14,577	14,808

<u>Full-Time Equivalents</u>			138.53	141.98	140.28	139.28	140.28	139.28
-------------------------------------	--	--	---------------	---------------	---------------	---------------	---------------	---------------

Industrial

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In				449				
Transfers In			500				720	918
Balance Forward Out			449					
Expenditures			51	449			720	918
Biennial Change in Expenditures				500		(500)		1,138
Biennial % Change in Expenditures						(100)		228
Governor's Change from Base								1,638
Governor's % Change from Base								

2000 - Restrict Misc Special Revenue

Balance Forward In				699	100		100	
Receipts			289	140	30	30	30	30
Transfers In			961					
Balance Forward Out			699	100				
Expenditures			551	739	130	30	130	30
Biennial Change in Expenditures				1,290		(1,130)		(1,130)
Biennial % Change in Expenditures						(88)		(88)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			3.71	1.08	0.88	0.08	0.88	0.08

2001 - Other Misc Special Revenue

Balance Forward In				86	50	15	50	15
Receipts				35				
Transfers In			343	300	300	300	300	300
Balance Forward Out			86	50	15		15	
Expenditures			257	371	335	315	335	315
Biennial Change in Expenditures				628		22		22
Biennial % Change in Expenditures						4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			2.31	3.00	3.00	3.00	3.00	3.00

Industrial

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

2800 - Environmental

Balance Forward In				334				
Direct Appropriation			13,099	13,259	13,946	13,946	14,079	14,212
Transfers In			522	846				
Transfers Out			58					
Balance Forward Out			334					
Expenditures			13,229	14,439	13,946	13,946	14,079	14,212
Biennial Change in Expenditures				27,668		224		623
Biennial % Change in Expenditures						1		2
Governor's Change from Base								399
Governor's % Change from Base								1
Full-Time Equivalents			105.14	107.78	106.28	106.08	106.28	106.08

2801 - Remediation

Balance Forward In				127				
Direct Appropriation			980	983	1,001	1,001	1,001	1,001
Transfers In			7	16				
Balance Forward Out			127					
Expenditures			860	1,126	1,001	1,001	1,001	1,001
Biennial Change in Expenditures				1,986		16		16
Biennial % Change in Expenditures						1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			6.72	8.92	8.92	8.92	8.92	8.92

3000 - Federal

Receipts			2,284	2,435	2,770	2,770	2,770	2,770
Expenditures			2,284	2,435	2,770	2,770	2,770	2,770
Biennial Change in Expenditures				4,719		821		821
Biennial % Change in Expenditures						17		17
Governor's Change from Base								0
Governor's % Change from Base								0

Industrial

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Full-Time Equivalents			20.65	21.20	21.20	21.20	21.20	21.20

Program: Municipal Division<https://www.pca.state.mn.us/>**AT A GLANCE**

- 132 wastewater permits issued in FY18
- 2,014 construction stormwater permits issued during FY18
- 252 municipalities operated under municipal stormwater permit coverage in FY18
- 143 sub-surface sewage treatment systems compliance and enforcement actions taken in FY18
- 185 construction stormwater compliance and enforcement actions taken in FY18
- 25 municipal stormwater compliance and enforcement actions taken in FY18
- 151 municipal wastewater compliance and enforcement actions taken in 2017 and 2018
- 23 grants and contracts totaling \$6.9 million awarded to local partners in FY17-18

PURPOSE & CONTEXT

The Minnesota Pollution Control Agency's Municipal Division works to ensure that Minnesota has clean water to support aquatic life, clean drinking water, healthy communities, and a strong economy. Components of the program include:

- Reducing and preventing water pollution from wastewater, stormwater, and sub-surface sewage treatment systems (SSTS).
- Working cooperatively with stakeholders to implement activities that protect Minnesota waters.
- Providing financial assistance to local government and other partners to achieve and accelerate water quality improvements.

SERVICES PROVIDED

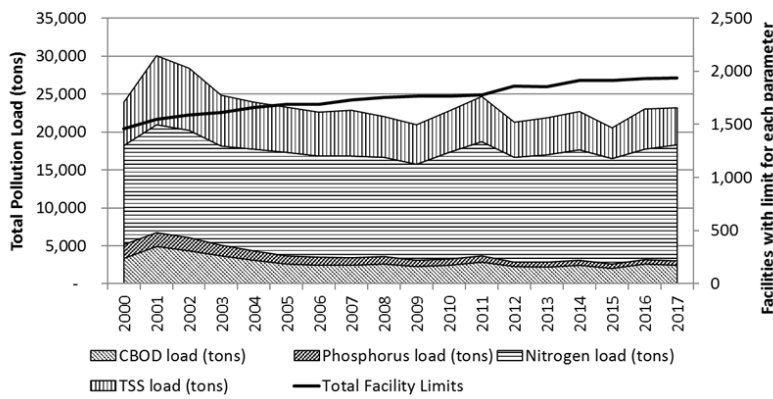
The Municipal Division conducts activities to ensure that the state's lakes, rivers, streams, and groundwater are clean, healthy, and sustainable.

- Issue construction and operation permits to Minnesota businesses and municipalities
- Implement the biosolids land application program
- Assist in flood and spill response
- Inspect, assist, and enforce wastewater, stormwater, and SSTS
- Educate, license, and certify wastewater and SSTS professionals
- Address imminent health threats from septic systems, particularly for low-income households
- Provide grants and contracts for water quality improvement projects
- Conduct technical reviews for the Public Facilities Authority funding program

RESULTS**Municipal Wastewater**

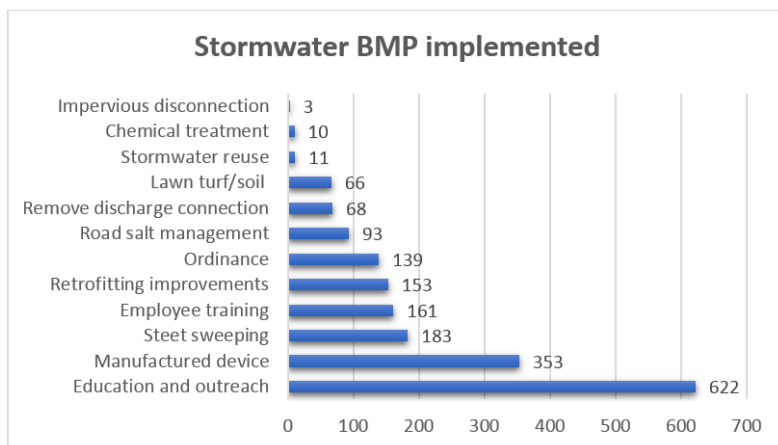
Since 2000, pollutant load discharges from municipal wastewater plants have decreased. This decrease is due to MPCA developing permit limits that achieve water quality goals.

Summary for CBOD, dissolved oxygen, phosphorus, and TSS



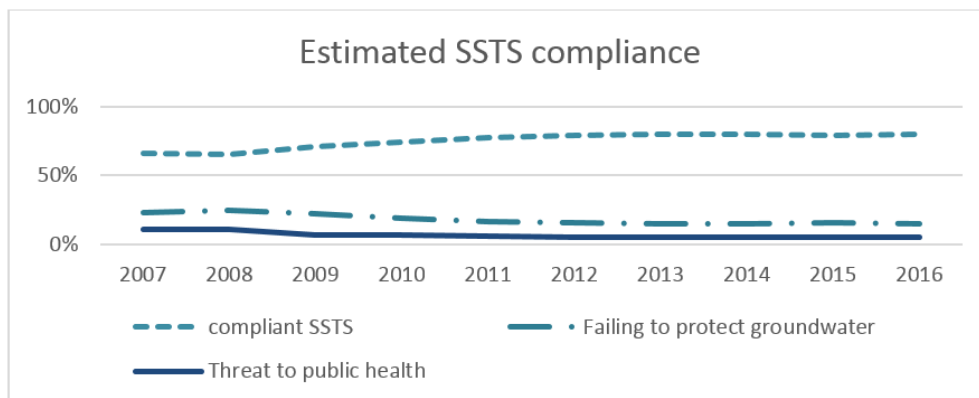
Municipal Stormwater

Since 2015, cities have used best management practices (BMP) to help to achieve reductions in pollutants.



Sub-surface Sewage Treatment System (SSTS)

Compliance rates have gone up over the last 10 years and have remained steady for the past four years.



Minnesota Statutes, Chapters, [115](https://www.revisor.mn.gov/statutes/?id=115) (<https://www.revisor.mn.gov/statutes/?id=115>), [115A](https://www.revisor.mn.gov/statutes/?id=115A) (<https://www.revisor.mn.gov/statutes/?id=115A>), and [116](https://www.revisor.mn.gov/statutes/?id=116) (<https://www.revisor.mn.gov/statutes/?id=116>) provide the agency with its main authorities to provide regulatory, monitoring and assistance services.

Municipal

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

Expenditures by Fund

1000 - General			330	432	164	164	164	164
2050 - Environment & Natural Resources				700				
2302 - Clean Water			4,336	6,454			5,063	5,063
2800 - Environmental			7,069	7,816	7,645	7,645	8,241	8,093
3000 - Federal			1,052	980	980	980	980	980
8200 - Clean Water Revolving			1,610	1,610	1,610	1,610	1,610	1,610
Total			14,396	17,992	10,399	10,399	16,058	15,910
Biennial Change				32,388		(11,590)		(420)
Biennial % Change						(36)		(1)
Governor's Change from Base								11,170
Governor's % Change from Base								54

Expenditures by Activity

Municipal			14,396	17,992	10,399	10,399	16,058	15,910
Total			14,396	17,992	10,399	10,399	16,058	15,910

Expenditures by Category

Compensation			7,898	8,440	7,476	7,478	8,996	8,795
Operating Expenses			6,446	7,602	2,923	2,921	7,062	7,115
Grants, Aids and Subsidies			53	1,950				
Other Financial Transaction			0					
Total			14,396	17,992	10,399	10,399	16,058	15,910

Total Agency Expenditures			14,396	17,992	10,399	10,399	16,058	15,910
Internal Billing Expenditures			3,342	3,361	2,559	2,557	2,559	2,557
Expenditures Less Internal Billing			11,054	14,631	7,840	7,842	13,499	13,353

<u>Full-Time Equivalents</u>			81.78	88.50	77.61	77.61	89.71	90.91
------------------------------	--	--	--------------	--------------	--------------	--------------	--------------	--------------

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In				269				
Direct Appropriation			162	163	164	164	164	164
Transfers In			437					
Balance Forward Out			269					
Expenditures			330	432	164	164	164	164
Biennial Change in Expenditures				762		(434)		(434)
Biennial % Change in Expenditures						(57)		(57)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.74	2.50	1.00	1.00	1.00	1.00

2050 - Environment & Natural Resources

Balance Forward In				89				
Direct Appropriation			89	611	0	0	0	0
Balance Forward Out			89					
Expenditures				700				
Biennial Change in Expenditures				700		(700)		(700)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2302 - Clean Water

Balance Forward In				924				
Direct Appropriation			5,260	5,530	0	0	5,063	5,063
Balance Forward Out			924					
Expenditures			4,336	6,454			5,063	5,063
Biennial Change in Expenditures				10,790		(10,790)		(664)
Biennial % Change in Expenditures						(100)		(6)
Governor's Change from Base								10,126
Governor's % Change from Base								
Full-Time Equivalents			6.89	7.80			10.30	10.30

2800 - Environmental

Municipal

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Balance Forward In				565				
Direct Appropriation			6,463	6,108	7,695	7,695	8,291	8,143
Transfers In			1,220	1,193				
Transfers Out			50	50	50	50	50	50
Balance Forward Out			564					
Expenditures			7,069	7,816	7,645	7,645	8,241	8,093
Biennial Change in Expenditures				14,885		405		1,449
Biennial % Change in Expenditures						3		10
Governor's Change from Base								1,044
Governor's % Change from Base								7
Full-Time Equivalents			52.41	58.13	56.09	56.09	57.89	59.09

3000 - Federal

Receipts			1,052	980	980	980	980	980
Expenditures			1,052	980	980	980	980	980
Biennial Change in Expenditures				2,032		(72)		(72)
Biennial % Change in Expenditures						(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			7.99	8.45	8.45	8.45	8.45	8.45

8200 - Clean Water Revolving

Transfers In			1,610	1,610	1,610	1,610	1,610	1,610
Expenditures			1,610	1,610	1,610	1,610	1,610	1,610
Biennial Change in Expenditures				3,220		0		0
Biennial % Change in Expenditures						0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			12.75	11.62	12.07	12.07	12.07	12.07

Program: Operations Division<https://www.pca.state.mn.us/>**AT A GLANCE**

- Provide access to environmental data through “What’s in My Neighborhood” web application
- 1.1 million visits to Minnesota Pollution Control Agency (MPCA) website with 3.4 million page views in 2017
- 6,309 information or data practices requests processed in FY18
- 20 online e-services currently and projected to have 70 by end of FY19
- Nearly 11,000 online users have submitted over 69,000 permit applications
- Achieved performance excellence through the Baldrige Performance Excellence framework
- 2017 Governor’s Better Government Award for the “Minnesota’s Watershed Approach to Clean Water” project
- MPCA offices in Brainerd, Detroit Lakes, Duluth, Mankato, Marshall, Rochester, and Saint Paul

PURPOSE & CONTEXT

The Operations Division manages the agency’s business services that align with the MPCA’s mission and values. The Operations Division:

- Supports performance excellence by seeking new ways to provide data, information, and transactional assistance.
- Manages of fiscal services, internal controls and risk assessment, human resources, communications, organizational improvement, facilities, fleet, safety, data systems and online services, data analysis, document and records management, continuity planning, and legal services.
- Follows cost effective, diverse, inclusive, and sustainable business practices by leasing electric or hybrid vehicles, purchasing recycled and environmentally preferred products, supporting agency-wide recycling efforts, and using web conferencing technology to reduce travel.
- Is inclusive and diverse in its staffing needs, vendor solicitation, and methods.

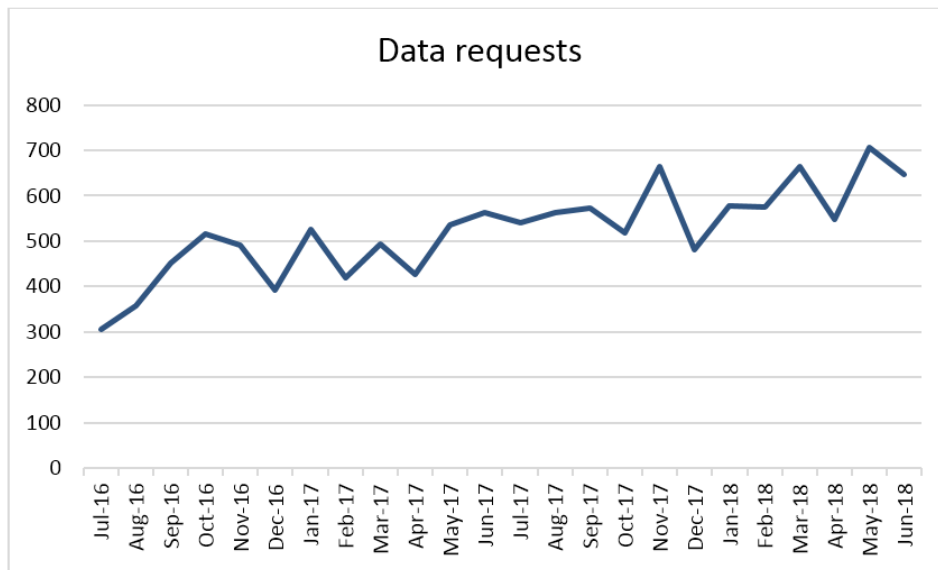
SERVICES PROVIDED

- Provides leadership and guidance on financial matters and performs accounting, budgeting, contracting, internal controls, and procurement business functions
- Manages agency data and records (paper and electronic), and ensures effective, secure, and efficient data and document management systems and tools
- Ensures public access to environmental information and decision-making processes through its website, social media channels, public meetings, outreach, rule hearings, video conferencing, and training events
- Provides location-specific environmental information and data is available via the “What’s in My Neighborhood” feature at <https://www.pca.state.mn.us/data/whats-my-neighborhood>
- Manages human resources through workforce planning, job design and analysis, recruitment and selection, employee relations, compliance with employment law and collective bargaining agreements, employee benefits, training and development
- Supports performance excellence with the use of the Malcolm Baldrige National Performance Excellence System framework and by providing learning and development, continuous improvement, and organization development activities

- Manages agency-wide services including safety, continuity of operations planning, lease administration, space planning, copy and print services, facilities management, security access system, non-litigation legal support, and fleet management
- Improves management of user-friendly electronic web-based services to create process efficiencies, data accessibility, and usability across agency programs, better response times, reduced paper transactions, improved data quality, and easier public and regulated party access

RESULTS

Data practices and information requests allow for timely redevelopment or construction. From July 2016 to June 2018, the Operations Division processed 12,536 requests.



E-services: MPCA's number of online services have doubled since FY14-15 and are expected to grow by the end of FY19. MPCA's e-Services feature allows users to apply for permits, submit regulatory data and information for compliance requirements, and pay fees and invoices.

	FY14/15	FY16/17	FY18/19
Number of online services	10	20	70

Communication: On average, the MPCA website receives about 95,000 visits each month; about two-thirds are visitors who have not been to the site in the previous 30 days.

The MPCA has eight main newsletters: Watershed Connections, SSTS Bulletin, Waterfront Bulletin, Air Mail, Feedlot Update, Industrial Stormwater News, OnPoint Bulletin, and LivingGreen 365.

The number of MPCA's Twitter and Facebook followers is increasing, with marked peaks during times of public concern such as air quality alerts or emergency response management issues. In July 2018, MPCA had 6909 Twitter followers and 3995 Facebook followers.

M.S. Chapters 114D (<https://www.revisor.mn.gov/statutes/?id=114D>), 115 (<https://www.revisor.mn.gov/statutes/?id=115>), 115A (<https://www.revisor.mn.gov/statutes/?id=115A>) and 116 (<https://www.revisor.mn.gov/statutes/?id=116>).

Operations

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

1000 - General			2,290	2,490	2,490	2,490	2,490	2,490
1200 - State Government Special Rev			2	3	3	3	3	3
2001 - Other Misc Special Revenue			27,691	31,905	29,039	28,895	29,039	28,895
2302 - Clean Water			117	197				
2800 - Environmental			4,315	5,588	4,481	4,481	5,371	5,461
2801 - Remediation			877	939	926	926	926	926
3000 - Federal			885	905	905	905	905	905
Total			36,177	42,027	37,844	37,700	38,734	38,680
Biennial Change				78,204		(2,660)		(790)
Biennial % Change						(3)		(1)
Governor's Change from Base								1,870
Governor's % Change from Base								2

Expenditures by Activity

Operations			36,177	42,027	37,844	37,700	38,734	38,680
Total			36,177	42,027	37,844	37,700	38,734	38,680

Expenditures by Category

Compensation			14,172	14,904	15,116	15,117	15,624	15,693
Operating Expenses			21,900	27,123	22,728	22,583	23,110	22,987
Capital Outlay-Real Property			39					
Other Financial Transaction			65					
Total			36,177	42,027	37,844	37,700	38,734	38,680

Total Agency Expenditures			36,177	42,027	37,844	37,700	38,734	38,680
Internal Billing Expenditures			1,524	1,559	1,446	1,445	1,446	1,445
Expenditures Less Internal Billing			34,653	40,468	36,398	36,255	37,288	37,235

Full-Time Equivalents

			139.89	160.47	155.55	155.55	159.55	159.55
--	--	--	--------	--------	--------	--------	--------	--------

Operations

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Direct Appropriation			2,346	2,605	2,490	2,490	2,490	2,490
Transfers Out			56	115				
Expenditures			2,290	2,490	2,490	2,490	2,490	2,490
Biennial Change in Expenditures				4,780		200		200
Biennial % Change in Expenditures						4		4
Governor's Change from Base								0
Governor's % Change from Base								0

1200 - State Government Special Rev

Open Appropriation			2	3	3	3	3	3
Expenditures			2	3	3	3	3	3
Biennial Change in Expenditures				5		1		1
Biennial % Change in Expenditures						33		33
Governor's Change from Base								0
Governor's % Change from Base								0

2001 - Other Misc Special Revenue

Balance Forward In				2,542				
Receipts			28,806	29,445	29,121	28,977	29,121	28,977
Internal Billing Receipts			28,759	28,945	28,607	28,457	28,607	28,457
Transfers In			1,524					
Transfers Out			98	82	82	82	82	82
Balance Forward Out			2,541					
Expenditures			27,691	31,905	29,039	28,895	29,039	28,895
Biennial Change in Expenditures				59,596		(1,662)		(1,662)
Biennial % Change in Expenditures						(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			95.85	110.50	110.50	110.50	110.50	110.50

2302 - Clean Water

Balance Forward In				32				
Direct Appropriation			110	110	0	0	0	0

Operations

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Open Appropriation			40	55	0	0	0	0
Balance Forward Out			33					
Expenditures			117	197				
Biennial Change in Expenditures				314		(314)		(314)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			1.02	1.50				

2800 - Environmental

Balance Forward In				715				
Direct Appropriation			6,349	7,166	4,197	4,197	5,087	5,177
Open Appropriation			261	276	276	276	276	276
Transfers In			194	310	8	8	8	8
Transfers Out			1,774	2,879				
Balance Forward Out			715					
Expenditures			4,315	5,588	4,481	4,481	5,371	5,461
Biennial Change in Expenditures				9,903		(941)		929
Biennial % Change in Expenditures						(10)		9
Governor's Change from Base								1,870
Governor's % Change from Base								21
Full-Time Equivalents			28.70	33.77	30.40	30.40	34.40	34.40

2801 - Remediation

Balance Forward In				15				
Direct Appropriation			1,074	1,295	828	828	828	828
Open Appropriation			95	98	98	98	98	98
Transfers In			33	59				
Transfers Out			310	528				
Balance Forward Out			15					
Expenditures			877	939	926	926	926	926
Biennial Change in Expenditures				1,816		36		36
Biennial % Change in Expenditures						2		2

Operations

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			6.57	6.70	6.65	6.65	6.65	6.65

3000 - Federal

Receipts			885	905	905	905	905	905
Expenditures			885	905	905	905	905	905
Biennial Change in Expenditures				1,790		20		20
Biennial % Change in Expenditures						1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			7.75	8.00	8.00	8.00	8.00	8.00

Program: Remediation Division<https://www.pca.state.mn.us/>**AT A GLANCE**

- Assesses 2,800 potentially contaminated sites for risk to public health and the environment annually
- Cleaned up and returned to productive use approximately 86,154 acres of contaminated land since 2003
- Responds to an average of 3,000 environmental emergencies every year
- Maintains safe operations at 110 closed landfills and 240 superfund sites

PURPOSE & CONTEXT

The Remediation Division protects the environment and public health by managing risks at contaminated sites through site assessment, site cleanup, ongoing operation and maintenance of protection systems, responding to environmental emergencies and restoring contaminated land to productive use.

The Division works with a large and diverse group of public and private entities, including developers, counties and cities, industry consultants, state and federal partners, and citizens.

SERVICES PROVIDED

The Remediation Division works with public and private partners to protect Minnesota's environment, public health, and quality of life through the proper management of contaminated sites, which includes underground and above ground petroleum storage tanks, superfund sites and closed landfills. Cleaning up contaminated land and groundwater, while costly and time consuming, is the core activity of this division.

The services the Division provides fall into three categories: assessment of risk, cleanup of contaminated land and/or groundwater and long-term maintenance of implemented remedies and/or installed protection systems.

Assessment of risk

- Identify and investigate environmental releases of hazardous substances to determine extent, magnitude and risk to public health and the environment
- Provide technical support to hazardous waste enforcement, permitting and corrective action efforts
- Work with railroads, industry, and local fire and police to develop plans to prevent and respond to spills
- Assist other agencies with assessment of natural resource damages

Cleanup

- Oversee land cleanup at contaminated sites and recover costs from responsible parties
- Conduct cleanups, design and install protection systems at state funded Superfund sites
- Help developers return contaminated sites to productive use
- In the event of a spill, assist local responders and oversee cleanup

Long-term maintenance

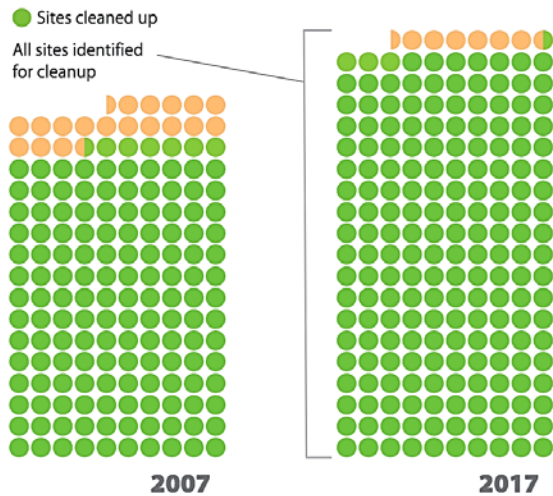
- Monitor and manage operation and maintenance activities at 110 closed landfills and 240 federally designated Superfund toxic waste sites
- Work with local units of government on land use restrictions near Superfund sites

RESULTS

How much polluted land is being returned to productive use?

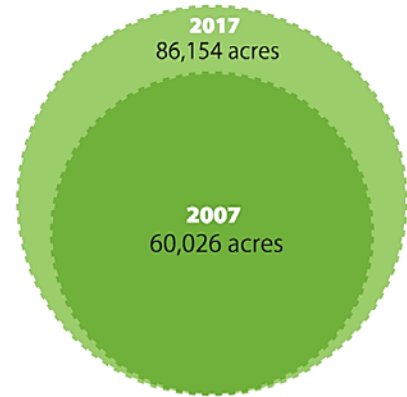
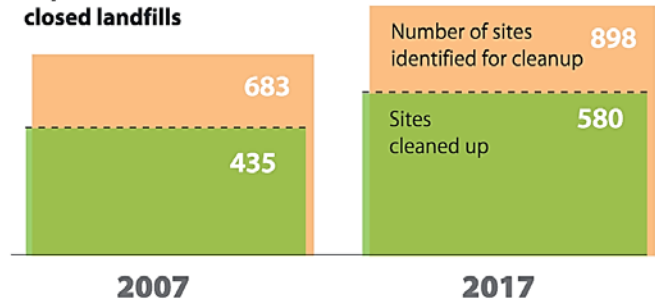
Putting abandoned, idled, or underused industrial and commercial properties back into productive use can be complicated by actual or suspected environmental contamination. The MPCA helps make this land available for redevelopment by investigating and cleaning up these sites.

Petroleum remediation sites cleaned up



Land cleaned up through
**Petroleum
Brownfields
and Voluntary
Investigation
& Cleanup**
programs

Superfund sites and closed landfills



Minnesota Statutes, Chapters, 114D (<https://www.revisor.mn.gov/statutes/?id=114D>), 115 (<https://www.revisor.mn.gov/statutes/?id=115>), 115A (<https://www.revisor.mn.gov/statutes/?id=115A>), and 116 (<https://www.revisor.mn.gov/statutes/?id=116>) provide the agency with its main authorities to provide regulatory, monitoring, and assistance services

Remediation

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

Expenditures by Fund

1000 - General			215	217	216		216	
2000 - Restrict Misc Special Revenue			562	672	521	521	521	521
2001 - Other Misc Special Revenue			200	181	174	174	424	424
2050 - Environment & Natural Resources			83	317				
2800 - Environmental			752	853	832	615	832	1,099
2801 - Remediation			155,616	38,188	145,223	189,222	145,828	189,827
2802 - Closed Landfill Investment			620	758		3,600	1,622	3,600
3000 - Federal			3,396	4,166	4,023	4,023	4,023	4,023
Total			161,445	45,352	150,989	198,155	153,466	199,494
Biennial Change				206,797		142,347		146,163
Biennial % Change						69		71
Governor's Change from Base								3,816
Governor's % Change from Base								1

Expenditures by Activity

Remediation			161,445	45,352	150,989	198,155	153,466	199,494
Total			161,445	45,352	150,989	198,155	153,466	199,494

Expenditures by Category

Compensation			10,545	12,007	11,310	11,005	12,021	12,082
Operating Expenses			150,727	33,095	139,679	187,150	141,445	187,412
Grants, Aids and Subsidies			0	250				
Capital Outlay-Real Property			150					
Other Financial Transaction			24					
Total			161,445	45,352	150,989	198,155	153,466	199,494

Total Agency Expenditures			161,445	45,352	150,989	198,155	153,466	199,494
Internal Billing Expenditures			3,719	3,842	3,791	3,683	3,791	3,683
Expenditures Less Internal Billing			157,726	41,510	147,198	194,472	149,675	195,811

Full-Time Equivalents

			102.52	111.00	107.65	104.70	114.65	115.70
--	--	--	--------	--------	--------	--------	--------	--------

Remediation

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In				1				
Direct Appropriation			216	216	216	0	216	0
Balance Forward Out			1					
Expenditures			215	217	216		216	
Biennial Change in Expenditures				432		(216)		(216)
Biennial % Change in Expenditures						(50)		(50)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			1.71	1.35	1.35		1.35	

2000 - Restrict Misc Special Revenue

Balance Forward In				151				
Receipts			667	521	521	521	521	521
Transfers In			45					
Balance Forward Out			151					
Expenditures			562	672	521	521	521	521
Biennial Change in Expenditures				1,234		(192)		(192)
Biennial % Change in Expenditures						(16)		(16)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			4.60	4.00	4.00	4.00	4.00	4.00

2001 - Other Misc Special Revenue

Balance Forward In				7				
Receipts			36	70	70	70	70	70
Transfers In			170	104	104	104	354	354
Balance Forward Out			7					
Expenditures			200	181	174	174	424	424
Biennial Change in Expenditures				381		(33)		467
Biennial % Change in Expenditures						(9)		122
Governor's Change from Base								500
Governor's % Change from Base								144
Full-Time Equivalents			1.13	0.95	0.95	0.95	2.95	2.95

Remediation

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

2050 - Environment & Natural Resources

Balance Forward In				317				
Direct Appropriation			400					
Balance Forward Out			317					
Expenditures			83	317				
Biennial Change in Expenditures				400		(400)		(400)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			1.38	3.00				

2800 - Environmental

Balance Forward In				22				
Direct Appropriation			688	691	832	615	832	1,099
Transfers In			86	140				
Balance Forward Out			22					
Expenditures			752	853	832	615	832	1,099
Biennial Change in Expenditures				1,605		(158)		326
Biennial % Change in Expenditures						(10)		20
Governor's Change from Base								484
Governor's % Change from Base								33
Full-Time Equivalents			5.25	5.45	5.45	3.85	5.45	7.85

2801 - Remediation

Balance Forward In				727,095	729,701	627,070	729,701	627,070
Direct Appropriation			10,766	10,794	11,241	11,241	11,846	11,846
Open Appropriation			14,656	10,900	13,400	11,300	13,400	11,300
Receipts			855,869	12,538	16,808	15,538	16,808	15,538
Transfers In			7,198	8,069	111,400	163,900	111,400	163,900
Transfers Out			5,777	1,507	110,257	165,257	110,257	165,257
Balance Forward Out			727,095	729,701	627,070	474,570	627,070	474,570
Expenditures			155,616	38,188	145,223	189,222	145,828	189,827

Remediation

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Biennial Change in Expenditures				193,804		140,641		141,851
Biennial % Change in Expenditures						73		73
Governor's Change from Base								1,210
Governor's % Change from Base								0
Full-Time Equivalents			68.65	74.95	74.70	74.70	79.70	79.70

2802 - Closed Landfill Investment

Balance Forward In				2,380				
Direct Appropriation			3,000	(1,622)		3,600	1,622	3,600
Balance Forward Out			2,380					
Expenditures			620	758		3,600	1,622	3,600
Biennial Change in Expenditures				1,378		2,222		3,844
Biennial % Change in Expenditures						161		279
Governor's Change from Base								1,622
Governor's % Change from Base								

3000 - Federal

Receipts			3,396	4,166	4,023	4,023	4,023	4,023
Expenditures			3,396	4,166	4,023	4,023	4,023	4,023
Biennial Change in Expenditures				7,562		484		484
Biennial % Change in Expenditures						6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			19.80	21.30	21.20	21.20	21.20	21.20

Program: Resource Management and Assistance Division<https://www.pca.state.mn.us/>**AT A GLANCE**

- Provides over \$2 million in grants and loans each biennium to promote environmentally innovative projects that reduce, reuse, and recycle waste and prevent pollution
- Enables Minnesota companies to save money, prevent pollution, prevent waste, recover resources, and conserve water through its small business assistance program, funding the Minnesota Technical Assistance Program (MnTAP), and providing other business technical assistance
- Every \$1 granted to MnTAP results in \$3 of annual savings to businesses
- More than 250,000 people annually visit MPCA's EcoExperience exhibit at the Minnesota State Fair

PURPOSE & CONTEXT

The Division provides support for agency land, water and air regulatory and assistance programs. The land program protects the environment and public health by permitting solid and hazardous waste facilities and large tank sites. The water activities include work with a diverse group of public and private entities and citizens to reduce the impacts from wastewater and stormwater, and the impacts products or production activities have on water. Because nearly 75 percent of air pollution is released from sources not traditionally regulated by the MPCA, such as cars, trucks, construction equipment, and some commercial operations. The MPCA works with many partners to reduce pollution to improve air quality.

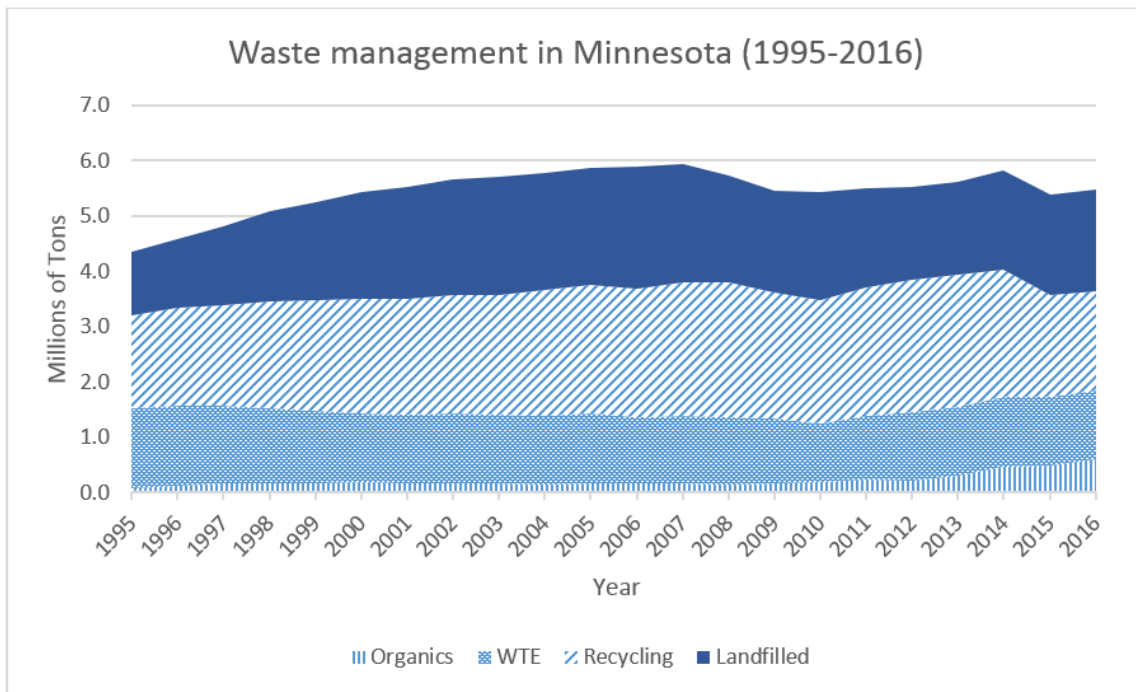
SERVICES PROVIDED

In order to accomplish its purpose, the Resource Management and Assistance Division:

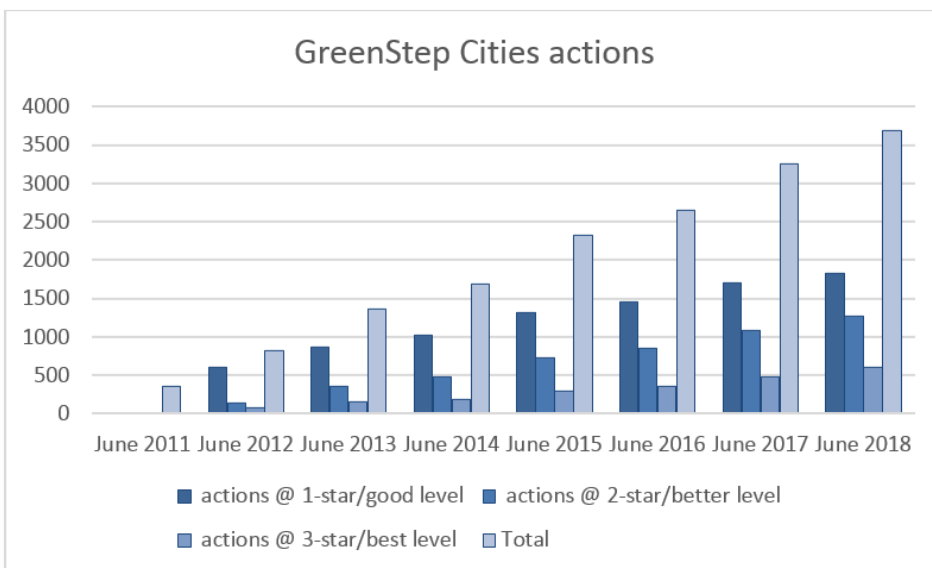
- Conducts environmental review to reduce potentially negative impacts from proposed projects.
- Writes administrative and technical rules with engagement from stakeholders.
- Works collaboratively with communities in Environmental Justice areas to reduce environmental impacts.
- Trains and certifies businesses and individuals engaged in wastewater, solid waste, and septic systems.
- Works with local government to develop effective solid waste management plans and provides financial assistance to counties for waste management efforts.
- Conducts solid and hazardous waste and large tanks permitting, inspections, and enforcement.
- Oversees disposal of debris from natural disasters and other incidents.
- Provides communities and businesses with technical and financial assistance with regulatory compliance, pollution and waste prevention, air quality improvements, and sustainability efforts.
- Provides grants and loans to reduce diesel emissions from trucks and boats and other engines.
- Partners with other organizations to host the EcoExperience at the Minnesota State Fair.
- Provides assistance to communities through GreenStep Cities and Minnesota GreenCorps programs.
- Works with businesses to develop alternative products that are free of toxic chemicals, particularly children's products.
- Collaborates with other state agencies to increase procurement of environmentally preferable products and services.

RESULTS

MPCA annually collects data on waste management that includes organics management, recycling, waste-to-energy, and landfilling. What appears to be a substantial drop in recycling from 2014 to 2015 is actually a change in the reporting for recycling; estimates for commercial recycling were eliminated and only measured or documented values were accepted. Estimates resulted in inflated recycling rates prior to 2014.



Minnesota GreenStep Cities is a voluntary challenge, assistance, and recognition program to help cities achieve their sustainability and quality-of-life goals. To date, 123 Minnesota cities (encompassing 45 percent of the state's population) are implementing best practice actions at a good, better, or best level.



M.S. Chapters 114D (<https://www.revisor.mn.gov/statutes/?id=114D>), 115 (<https://www.revisor.mn.gov/statutes/?id=115>), 115A (<https://www.revisor.mn.gov/statutes/?id=115A>) and 116 (<https://www.revisor.mn.gov/statutes/?id=116>).

Resource Mgmt Assistance

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

1000 - General				1,400	700	700	5,200	1,450
1200 - State Government Special Rev			75	75	75	75	75	75
2000 - Restrict Misc Special Revenue			4,151	4,226	4,111	4,111	4,111	4,111
2001 - Other Misc Special Revenue			16				50	50
2302 - Clean Water			125	125			300	300
2403 - Gift				10,000	7,800	7,800	7,800	7,800
2800 - Environmental			34,253	37,050	35,929	35,929	36,353	36,377
3000 - Federal			1,894	1,899	2,219	2,219	2,219	2,219
Total			40,515	54,775	50,834	50,834	56,108	52,382
Biennial Change				95,290		6,378		13,200
Biennial % Change						7		14
Governor's Change from Base								6,822
Governor's % Change from Base								7

Expenditures by Activity

Resource Mgmt Assistance			40,515	54,775	50,834	50,834	56,108	52,382
Total			40,515	54,775	50,834	50,834	56,108	52,382

Expenditures by Category

Compensation			10,433	12,181	11,729	11,729	12,079	11,947
Operating Expenses			6,323	6,233	6,394	6,394	8,868	6,774
Grants, Aids and Subsidies			23,755	36,353	32,711	32,711	35,161	33,661
Capital Outlay-Real Property			2	5				
Other Financial Transaction			2	3				
Total			40,515	54,775	50,834	50,834	56,108	52,382

Total Agency Expenditures			40,515	54,775	50,834	50,834	56,108	52,382
Internal Billing Expenditures			4,369	4,402	4,414	4,414	4,414	4,414
Expenditures Less Internal Billing			36,146	50,373	46,420	46,420	51,694	47,968

Full-Time Equivalents

			97.98	115.36	114.87	114.87	118.12	116.87
--	--	--	-------	--------	--------	--------	--------	--------

Resource Mgmt Assistance

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In				700				
Direct Appropriation			700	700	700	700	5,200	1,450
Balance Forward Out			700					
Expenditures				1,400	700	700	5,200	1,450
Biennial Change in Expenditures				1,400		0		5,250
Biennial % Change in Expenditures								
Governor's Change from Base								5,250
Governor's % Change from Base								375
Full-Time Equivalents							2.25	1.00

1200 - State Government Special Rev

Direct Appropriation			75	75	75	75	75	75
Balance Forward Out			0					
Expenditures			75	75	75	75	75	75
Biennial Change in Expenditures				150		0		0
Biennial % Change in Expenditures						0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.67	0.77	0.77	0.77	0.77	0.77

2000 - Restrict Misc Special Revenue

Balance Forward In				82				
Receipts			4,163	4,144	4,111	4,111	4,111	4,111
Transfers In			70					
Balance Forward Out			82					
Expenditures			4,151	4,226	4,111	4,111	4,111	4,111
Biennial Change in Expenditures				8,377		(155)		(155)
Biennial % Change in Expenditures						(2)		(2)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			2.49	2.10	2.10	2.10	2.10	2.10

2001 - Other Misc Special Revenue

Resource Mgmt Assistance

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Receipts			16					
Transfers In							50	50
Expenditures			16				50	50
Biennial Change in Expenditures				16		(16)		84
Biennial % Change in Expenditures								
Governor's Change from Base								100
Governor's % Change from Base								
Full-Time Equivalents			0.20					

2302 - Clean Water

Direct Appropriation			125	125	0	0	300	300
Expenditures			125	125			300	300
Biennial Change in Expenditures				250		(250)		350
Biennial % Change in Expenditures						(100)		140
Governor's Change from Base								600
Governor's % Change from Base								
Full-Time Equivalents			0.76	0.80			1.00	1.00

2403 - Gift

Receipts				10,000	7,800	7,800	7,800	7,800
Expenditures				10,000	7,800	7,800	7,800	7,800
Biennial Change in Expenditures				10,000		5,600		5,600
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents				5.05	5.05	5.05	5.05	5.05

2800 - Environmental

Balance Forward In				5,341	3,646	3,638	3,646	3,638
Direct Appropriation			32,842	32,877	33,226	33,226	33,650	33,674
Receipts			3,020	2,744	2,742	2,743	2,742	2,743
Transfers In			3,745	115				
Transfers Out			27	24	24	24	24	24

Resource Mgmt Assistance

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Net Loan Activity			16	(357)	(23)	30	(23)	30
Balance Forward Out			5,342	3,646	3,638	3,684	3,638	3,684
Expenditures			34,253	37,050	35,929	35,929	36,353	36,377
Biennial Change in Expenditures				71,303		555		1,427
Biennial % Change in Expenditures						1		2
Governor's Change from Base								872
Governor's % Change from Base								1
Full-Time Equivalents			82.03	93.67	93.98	93.98	93.98	93.98

3000 - Federal

Receipts			1,894	1,899	2,219	2,219	2,219	2,219
Expenditures			1,894	1,899	2,219	2,219	2,219	2,219
Biennial Change in Expenditures				3,793		645		645
Biennial % Change in Expenditures						17		17
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			11.83	12.97	12.97	12.97	12.97	12.97

Program: Watershed Division<https://www.pca.state.mn.us/>**AT A GLANCE**

- Develops watershed restoration and protection strategies for 80 Minnesota major watersheds with local water resource managers to ensure most efficient implementation action
- In partnership with counties, registers or permits, assists, and inspects the state's 18,500 feedlot operations
- The Clean Water Partnership Loan Program provided \$7.9 million in loans to 13 counties and watershed districts for local improvement projects in FY17/FY18
- Clean Water Act Section 319 federal funding provides \$2.5 million per year to local partners to implement waterbody restoration and protection actions

PURPOSE & CONTEXT

The Watershed Division at the Minnesota Pollution Control Agency (MPCA) works with local partners to ensure that Minnesota has clean water to support aquatic life, healthy communities, and a strong economy.

- Watershed Restoration and Protection Strategy (WRAPS) reports use watershed science to identify water pollution problems and sources, and strategies. WRAPS help local water planning and state permitting activity and ensure the most efficient use of funding to reduce and prevent water pollution.
- Minnesota's vibrant animal agriculture industry provides significant economic benefits to the state, and properly managed manure contributes to soil health. The Division permits 1,300 larger operations to ensure their feedlots and manure application do not harm the state's waters. The 50 delegated county feedlot programs register and work with 17,000 smaller livestock operations to meet the same goals.
- The Clean Water Partnership Loan Program provides about \$4 million per year for projects focused on restoring and protecting waters, with most funding used for addressing septic systems. Federal Clean Water Act Section 319 grants provide \$2.5 million per year for this purpose.

SERVICES PROVIDED

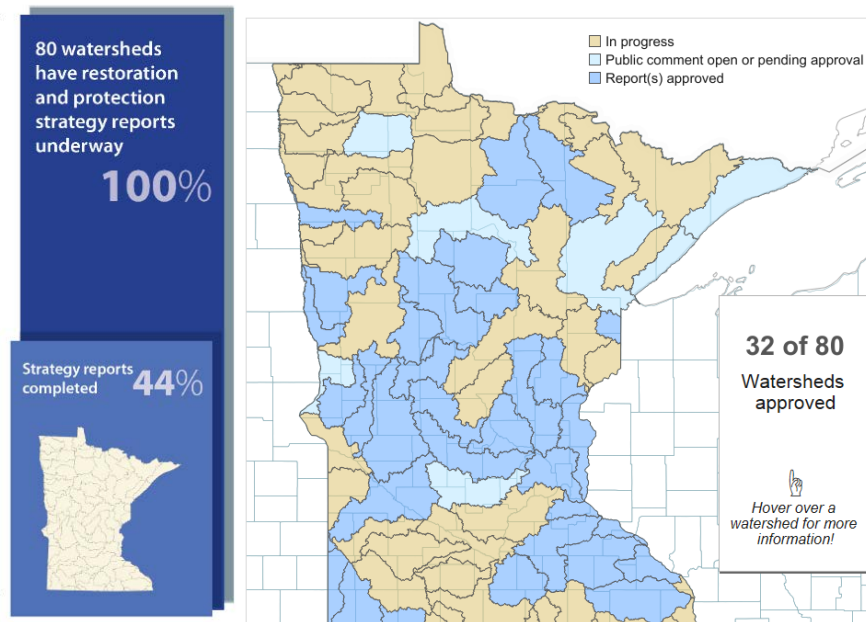
The Watershed Division conducts activities to ensure that the state's lakes, rivers, streams, and groundwater are clean, healthy, and sustainable. These activities include:

- Investigating the causes and sources of water pollution problems, including stream sampling and providing training on monitoring for local partners.
- Developing and using comprehensive watershed computer models to fill in data gaps and to run scenarios of options for addressing pollution issues. Providing a user-friendly interface to allow local partners to run modeling scenarios.
- Working with local partners, and providing them funding, to develop Watershed Restoration and Protection Strategies reports for all 80 major watersheds. These reports are a blueprint for local water resource managers to use in their local water plans, half of which are complete across the state
- Tracking progress of watershed activities in achieving water quality goals.
- Coordinating the use of and updating the statewide Nutrient Reduction Strategy to address the effects of excess nutrients in our waters and as far away as the "dead zone" in the Gulf of Mexico.
- Facilitating and overseeing grant, contract, and loan awards of state and federal funds to local partners for water quality projects, including clean water fund WRAPS development, Clean Water Partnership Loans, and federal Clean Water Act Section 319 implementation projects.

- Issuing feedlot permits, overseeing delegated county programs, providing compliance assistance, conducting inspections, and when necessary taking enforcement action. The program has moved to a more risk-based inspection approach in coordination with the U.S. Environmental Protection Agency over the last few years.

RESULTS

WATER RESTORATION AND PROTECTION STRATEGY REPORTS COMPLETED OR PUBLICLY NOTICED



MPCA AND COUNTY FEEDLOT PROGRAMS' ACTIVITIES

Approximately 18,500 feedlots are required to be registered statewide.

Activity	MPCA	County
National Pollutant Discharge Elimination System (NPDES) and State Disposal System (SDS) Permitted Facilities	1300 NPDES & SDS <ul style="list-style-type: none"> • 82 Individual Permits • 1,218 General Permits 	Counties are not authorized to issue NPDES and SDS permits
Inspections: <ul style="list-style-type: none"> • Compliance • Construction • Land application • Complaint 	256 63 84 27	2053 406 280 63
Owner Assistance Activities	12 outreach events plus monthly newsletters.	40 training workshops 50 news articles published.

*Inspection stats are from 10/1/2016 – 9/30/2017; Permits issued is current status; Registration numbers are from 2014 (most current); Owner assistance activities are from 2017 (most recent).

Minnesota Statutes, Chapters, 115 (<https://www.revisor.mn.gov/statutes/?id=115>), 115A (<https://www.revisor.mn.gov/statutes/?id=115A>) and 116 (<https://www.revisor.mn.gov/statutes/?id=116>) provide the agency with its main authorities to provide regulatory, monitoring and assistance services.

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

Expenditures by Fund

1000 - General			2,071	1,959	1,959	1,959	1,959	1,959
2302 - Clean Water			8,966	12,961			8,910	8,910
2800 - Environmental			6,987	7,212	7,142	7,142	7,142	7,142
2801 - Remediation			226	234	234	234	234	234
3000 - Federal			6,168	8,139	8,216	7,244	8,216	7,244
Total			24,417	30,505	17,551	16,579	26,461	25,489
Biennial Change				54,922		(20,792)		(2,972)
Biennial % Change						(38)		(5)
Governor's Change from Base								17,820
Governor's % Change from Base								52

Expenditures by Activity

Watershed			24,417	30,505	17,551	16,579	26,461	25,489
Total			24,417	30,505	17,551	16,579	26,461	25,489

Expenditures by Category

Compensation			10,799	10,975	7,716	7,720	11,265	11,269
Operating Expenses			10,791	16,131	6,023	6,019	11,384	11,380
Grants, Aids and Subsidies			2,825	3,399	3,812	2,840	3,812	2,840
Capital Outlay-Real Property			1					
Other Financial Transaction			1					
Total			24,417	30,505	17,551	16,579	26,461	25,489

Total Agency Expenditures			24,417	30,505	17,551	16,579	26,461	25,489
Internal Billing Expenditures			5,210	5,130	2,495	2,491	2,495	2,491
Expenditures Less Internal Billing			19,208	25,375	15,056	14,088	23,966	22,998

Full-Time Equivalents

			117.44	123.35	84.15	84.15	123.35	123.35
--	--	--	--------	--------	-------	-------	--------	--------

Watershed

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In			0					
Direct Appropriation			1,959	1,959	1,959	1,959	1,959	1,959
Transfers In			112					
Expenditures			2,071	1,959	1,959	1,959	1,959	1,959
Biennial Change in Expenditures				4,030		(112)		(112)
Biennial % Change in Expenditures						(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.70					

2302 - Clean Water

Balance Forward In				1,883				
Direct Appropriation			10,849	11,078	0	0	8,910	8,910
Balance Forward Out			1,883					
Expenditures			8,966	12,961			8,910	8,910
Biennial Change in Expenditures				21,927		(21,927)		(4,107)
Biennial % Change in Expenditures						(100)		(19)
Governor's Change from Base								17,820
Governor's % Change from Base								
Full-Time Equivalents			36.10	39.28			39.20	39.20

2800 - Environmental

Balance Forward In				91				
Direct Appropriation			7,043	7,063	7,142	7,142	7,142	7,142
Transfers In			36	58				
Balance Forward Out			92					
Expenditures			6,987	7,212	7,142	7,142	7,142	7,142
Biennial Change in Expenditures				14,199		85		85
Biennial % Change in Expenditures						1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			55.10	59.80	60.80	60.80	60.80	60.80

Watershed

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21

2801 - Remediation

Balance Forward In				1				
Direct Appropriation			218	218	234	234	234	234
Transfers In			9	15				
Balance Forward Out			1					
Expenditures			226	234	234	234	234	234
Biennial Change in Expenditures				460		8		8
Biennial % Change in Expenditures						2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			2.85	2.95	2.95	2.95	2.95	2.95

3000 - Federal

Receipts			6,168	8,139	8,216	7,244	8,216	7,244
Expenditures			6,168	8,139	8,216	7,244	8,216	7,244
Biennial Change in Expenditures				14,307		1,153		1,153
Biennial % Change in Expenditures						8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			22.69	21.32	20.40	20.40	20.40	20.40

8200 - Clean Water Revolving

Balance Forward In				17,953	17,953	17,953	17,953	17,953
Receipts			286	200	200	200	200	200
Transfers In			22,072					
Net Loan Activity			(4,405)	(200)	(200)	(200)	(200)	(200)
Balance Forward Out			17,953	17,953	17,953	17,953	17,953	17,953

Program: Environmental Quality Boardeqb.state.mn.us/**AT A GLANCE**

- Board made up of citizens appointed by the Governor from each of Minnesota's eight Congressional Districts and the heads of nine state agencies
- Oversight of the Environmental Review Program as outlined in the Minnesota Environmental Policy Act (1973)
- Convenes monthly public meetings on the third Wednesday of every month to provide a forum for citizens and state leaders to collaborate on environmental policy
- Leads interagency coordination on emerging environmental issues
- Convenes Environmental Congresses, advisory panels, and other public events to provide avenues for meaningful citizen engagement
- Provides support to Local Governments on environmental review and the implementation of other environmental policies and programs
- Staff and monthly Board meetings located in the Minnesota Pollution Control Agency Building

PURPOSE & CONTEXT

Problems related to the environment often encompass the responsibilities of several state agencies. Developing innovative solutions that meet the diverse needs of Minnesota citizens requires the close interaction of these agencies as well as opportunities for public participation. The Environmental Quality Board facilitates strategic interaction of multiple state agencies, stewards environmental review processes that cross domains and jurisdictions, and provides forums for the public to engage in policy making processes.

The Environmental Quality Board is made up of eight citizens from each Congressional District in the state and the heads of nine state agencies organized under a broad mandate to strategically:

- Ensure adequate review and public understanding of proposed projects that would significantly influence Minnesota's environment and development.
- Provide a public forum for discussion of state environmental policies and programs.
- Develop and lead an integrated response to environmental issues that are complex and have broad cross-sector impacts.
- Support local partners with guidance and technical resources.
- Foster connections between the environment, economy, health, transportation, and agriculture.
- Enrich the understanding of the ecological systems and natural resources important to the state and nation.

SERVICES PROVIDED**Environmental Review**

- Customer Service: Provide technical assistance to project proposers, governmental units and citizens through guidance documents, online resources, technical presentations, and one-on-one assistance as requested.
- Measurement and accountability: Monitor statewide environmental review activities, measure the effectiveness of the program, report on results and trends, and identify areas for future improvement, assistance, and educational opportunities.

- Continuous Improvement: Improve effectiveness and create efficiencies for citizens, governmental units, and project proposers through administrative rule revisions, training, and updated program guidance and tools.

Interagency Coordination and Strategic Planning

- Educate and Advise: Provide written reports to the governor, legislature, and state and local agencies on priority environmental issues, including policy considerations and economic analyses.
- Coordinate: Lead and facilitate interagency working groups to establish an integrated response to environmental issues that are complex and have broad cross-sector impacts.
- Outreach: Convene advisory panels to ensure citizen and stakeholder input informs state policies.
- Intergovernmental Partnerships: Provide technical assistance to local governments and facilitate state-local partnerships to advance environmental goals.

Public Engagement

- Engage: Convene public meetings, stakeholder discussions, and congresses to provide a forum for public dialogue with agency leaders to build mutual understanding, foster cross-sector connections, and collaborate on solutions. Plan monthly board meetings to foster citizen participation in decision making processes.
- Inform: Produce public reports on key environmental issues of interest to Minnesota citizens. Distribute via board meeting packets relevant scientific, economic, and policy documents that help citizens be informed on policy making processes.

RESULTS

- Processed 13 citizen petitions, 157 Environmental Assessment Worksheets (EAWs), 19 Alternative Urban Areawide Reviews (AUARs), and five Environmental Impact Statements (EISs).
- Proposed administrative rule revisions to streamline Environmental Review.
- Developed an Enterprise Environmental Review and Technical Services Master Contract Program to improve document quality and achieve efficiency in contracting process.
- Led and facilitated vast interagency efforts on climate planning, pollinator health, water policy development, statewide environmental metric development, and silica sand regulation to better coordinate state efforts.
- As directed by Executive Order 16-07, facilitated the development and publication of a citizen advisory board's Pollinator Policy Recommendations and the interagency technical team's Framework for Pollinator Action.
- As directed by Executive Order 18-09, convened a Wild Rice Task Force to develop recommendations to protect the health of wild rice.
- In support of the Governor's 25 by 2025 initiative, hosted 10 Town Hall meetings across the state, generating over 3,500 suggestions for improving water quality from over 2,000 meeting attendees.
- Assisted 121 cities and through Tribal Nations through the GreenStep Cities program.

M.S. [116C](#) & [116D](#) provide the legal authority for Environmental Quality Board operations and initiatives.

Environmental Quality Board

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

Expenditures by Fund

1000 - General			1,071	1,168	1,081	1,081	1,081	1,081
2800 - Environmental			184	201	193	193	193	193
Total			1,256	1,369	1,274	1,274	1,274	1,274
Biennial Change				2,625		(77)		(77)
Biennial % Change						(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Environmental Quality Board			1,256	1,369	1,274	1,274	1,274	1,274
Total			1,256	1,369	1,274	1,274	1,274	1,274

Expenditures by Category

Compensation			697	720	710	710	710	710
Operating Expenses			559	649	564	564	564	564
Total			1,256	1,369	1,274	1,274	1,274	1,274

Total Agency Expenditures			1,256	1,369	1,274	1,274	1,274	1,274
Internal Billing Expenditures			308	272	274	274	274	274
Expenditures Less Internal Billing			947	1,097	1,000	1,000	1,000	1,000

Full-Time Equivalents

			7.55	7.00	7.00	7.00	7.00	7.00
--	--	--	------	------	------	------	------	------

Environmental Quality Board

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In				92				
Direct Appropriation			1,072	1,076	1,081	1,081	1,081	1,081
Transfers In			91					
Balance Forward Out			92					
Expenditures			1,071	1,168	1,081	1,081	1,081	1,081
Biennial Change in Expenditures				2,239		(77)		(77)
Biennial % Change in Expenditures						(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			6.27	5.90	5.90	5.90	5.90	5.90

2800 - Environmental

Balance Forward In				8				
Direct Appropriation			192	193	193	193	193	193
Balance Forward Out			8					
Expenditures			184	201	193	193	193	193
Biennial Change in Expenditures				385		1		1
Biennial % Change in Expenditures						0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.28	1.10	1.10	1.10	1.10	1.10

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Environmental Protection Agency CFDA 66.454	Water Quality Management Planning: Measures for the prevention and control of surface and ground water pollution, includes monitoring coordination, water assessments and data management.		281	298	321	321	No	2.65
Environmental Protection Agency CFDA 66.419	Nonpoint Source Implementation Grants - 319: Multi-year grants fund local watershed studies and implementation projects to reduce or eliminate sources of water quality pollution from diffuse sources.		275	348	456	456	Match	0.78
US Geological Services CFDA 15.980	National Ground Water Monitoring Network: Agency's Statewide Water Quality Data in monitoring network database.		16	0	0	0	No	0
Environmental Protection Agency CFDA 66.034	Particulate Monitoring (PM) 2.5 Monitoring: Supports air quality fine particle monitoring.		447	400	400	400	No	3.1
Environmental Protection Agency CFDA 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.		2,268	2,215	2,560	2,560	MOE	15.79
	Environmental Analysis and Outcomes Total		3,287	3,261	3,737	3,737		22.32
Environmental Protection Agency CFDA 66.804	Underground Storage Tanks Program: Permitting and compliance activities for regulated underground storage tanks, including detection and identification of releases.		518	535	535	535	Match	4.85
Environmental Protection Agency CFDA 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.		1,767	1,900	2,235	2,235	MOE	16.35
	Industrial Total		2,285	2,435	2,770	2,770		21.2
Environmental Protection Agency CFDA 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.		1,052	980	980	980	MOE	8.45
	Municipal Total		1,052	980	980	980		8.45
Environmental Protection Agency CFDA 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.		885	905	905	905	MOE	8
	Operations Total		885	905	905	905		8

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Department of Defense CFDA 12.113	Dept. of Defense Memorandum of Agreement (DSMOA): Environmental cleanup and site restoration on various federal Department of Defense installations.		247	424	424	424	No	2.05
Environmental Protection Agency CFDA 66.802	Superfund State Programs: Multiple grants for the administration of the Superfund hazardous waste cleanup program and investigation and remediation activities at specific Superfund hazardous waste sites.		891	1,258	1,258	1,258	Match	3.15
Environmental Protection Agency CFDA 66.805	Leaking Underground Storage Tank Trust Fund: Administrative activities to clean up properties contaminated with petroleum from underground storage tanks.		1,340	1,408	1,408	1,408	Match	10.45
Environmental Protection Agency CFDA 66.809	CORE Program: Administration and implementation of the State's Superfund Program.		112	112	112	112	Match	0.6
Environmental Protection Agency CFDA 66.817	Brownfields Response Program: Development and enhancement of the Voluntary Investigation and Cleanup and Petroleum Brownfields Programs.		607	636	636	636	No	3.2
Environmental Protection Agency CFDA 66.818	Brownfields Assessment and Cleanup Cooperative Agreements: Brownfield Assessment activities at multiple target area locations in the seven county Twin Cities.		79	193	50	50	Match	0.05
Environmental Protection Agency CFDA 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.		121	135	135	135	MOE	1.8
	Remediation Total		3,397	4,166	4,023	4,023		21.3
Environmental Protection Agency CFDA 66.040	MN Clean Diesel Program: Decreases diesel fuel emissions through grants and loans for emission reduction technologies.		121	138	489	489	Match	
Environmental Protection Agency CFDA 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.		1,772	1,761	1,730	1,730	MOE	12.52
	Resource Management and Assistance Total		1,893	1,899	2,219	2,219		12.52
Environmental Protection Agency CFDA 66.460	Nonpoint Source Implementation Grants - 319: Multi-year grants fund local watershed studies and implementation projects to reduce or eliminate sources of water quality pollution from diffuse sources.		2,734	4,348	3,947	2,975	Match	0

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY2018 Actuals	FY2019 Budget	FY2020 Base	FY2021 Base	Required State Match or MOE?	FTEs
Environmental Protection Agency CFDA 66.469	Great Lakes Program: Lake Area Management and Remedial Action Plan Capacity Grant - To restore capacity and protect water quality in the Lake Superior Basin through coordinative efforts to reduce impairments and toxic chemicals.		670	372	850	850	No	1.67
Environmental Protection Agency CFDA 66.469	Great Lakes Program: St. Louis Area of Concern Remediation to Restoration Support Projects - Supports Remedial Action Plan implementation activities in the St. Louis Area of Concern.		22	649	649	649	Match	0.25
Environmental Protection Agency CFDA 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.		2,742	2,770	2,770	2,770	MOE	19.4
	Watershed Total		6,168	8,139	8,216	7,244		21.32
	Federal Fund - Agency Total		18,967	21,785	22,850	21,878		115.11

Narrative

Federal funding enables the Minnesota Pollution Control Agency (MPCA) to carry out activities that are essential to our mission to protect and improve the environment and human health. The majority of federal funding received by the MPCA is directly from the U.S. Environmental Protection Agency (EPA). In the FY 2018-2019 biennium, the MPCA received \$41 million in the form of grants or cooperative agreements. Federal revenues accounted for approximately 7.3% of the MPCA's budget in the FY 2018-2019 biennium and are projected at 6.8% in the FY 2020-2021 biennium.

Most federal funds are noncompetitive and received for program activities where the MPCA is delegated by EPA to perform work at the state level. Individual awards are received under divisions including Environmental Analysis and Outcomes, Industrial, Remediation, Resource Management and Assistance, and Watershed. Additional federal funding resources that are in alignment with goals and objectives in the Strategic Plan will continue to be pursued.

The MPCA's largest federal award is the Performance Partnership Grant (PPG). The PPG functionally combines under one "umbrella" award continuing environmental program grants determined by federal formula and some competitive awards. The funds support activities in seven agency divisions, but the monies are still considered one grant by the EPA. By receiving the PPG as one award, the agency is able to reduce federal administrative and reporting burdens and gain flexibility in managing resources to meet goals and objectives across the entire agency.

Water

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	3,767	3,601						
1200 - State Government Special Rev	74	76						
2001 - Other Misc Special Revenue	28	55						
2050 - Environment & Natural Resources	102	212						
2302 - Clean Water	25,474	29,835						
2800 - Environmental	21,227	21,792						
3000 - Federal	5,134	4,026						
8200 - Clean Water Revolving	1,564	1,567						
Total	57,369	61,163						
Biennial Change				(118,532)		0		0
Biennial % Change				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

Expenditures by Activity

Water	57,369	61,163				
Total	57,369	61,163				

Expenditures by Category

Compensation	25,792	26,262				
Operating Expenses	27,542	31,961				
Grants, Aids and Subsidies	3,970	2,766				
Capital Outlay-Real Property	6	35				
Other Financial Transaction	59	138				
Total	57,369	61,163				

Total Agency Expenditures	57,369	61,163				
Internal Billing Expenditures	11,993	12,863				
Expenditures Less Internal Billing	45,377	48,299				

Full-Time Equivalents

304.71 293.75

Water

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In		540	549					
Direct Appropriation	4,307	4,179						
Transfers Out		500	549					
Cancellations		69						
Balance Forward Out	540	549						
Expenditures	3,767	3,601						
Biennial Change in Expenditures				(7,367)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	11.94	12.35						

1200 - State Government Special Rev

Balance Forward In		1						
Direct Appropriation	75	75						
Cancellations		0						
Balance Forward Out	1							
Expenditures	74	76						
Biennial Change in Expenditures				(150)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.60	0.60						

2001 - Other Misc Special Revenue

Balance Forward In		14						
Receipts	42	41						
Balance Forward Out	14							
Expenditures	28	55						
Biennial Change in Expenditures				(82)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

Water

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Full-Time Equivalents		0.09						

2050 - Environment & Natural Resources

Balance Forward In	169	67	0			
Direct Appropriation		180				
Cancellations		35	0			
Balance Forward Out	67	0				
Expenditures	102	212				
Biennial Change in Expenditures				(313)	0	0
Biennial % Change in Expenditures				(100)		
Governor's Change from Base						0
Governor's % Change from Base						

2302 - Clean Water

Balance Forward In		4,778				
Direct Appropriation	30,150	25,298				
Cancellations	145	241				
Balance Forward Out	4,531					
Expenditures	25,474	29,835				
Biennial Change in Expenditures				(55,309)	0	0
Biennial % Change in Expenditures				(100)		
Governor's Change from Base						0
Governor's % Change from Base						
Full-Time Equivalents	93.75	90.48				

2800 - Environmental

Balance Forward In		102	486			
Direct Appropriation	22,006	22,865				
Transfers Out	677	677	486			
Cancellations		12				
Balance Forward Out	102	486				
Expenditures	21,227	21,792				
Biennial Change in Expenditures				(43,019)	0	0

Water

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	175.17	167.87						

3000 - Federal

Balance Forward In			44					
Receipts	5,134	4,070						
Transfers Out			44					
Balance Forward Out		44						
Expenditures	5,134	4,026						
Biennial Change in Expenditures				(9,160)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	10.83	9.48						

8200 - Clean Water Revolving

Balance Forward In	11,343	14,138	22,072					
Receipts	292	284						
Transfers In	1,564	1,567						
Transfers Out			22,072					
Net Loan Activity	891	(1,703)						
Balance Forward Out	12,526	12,720						
Expenditures	1,564	1,567						
Biennial Change in Expenditures				(3,131)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	12.42	12.88						

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

Expenditures by Fund

2000 - Restrict Misc Special Revenue	155	50						
2800 - Environmental	15,553	16,206						
3000 - Federal	718	408						
Total	16,426	16,664						
Biennial Change				(33,091)		0		0
Biennial % Change				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

Expenditures by Activity

Air	16,426	16,664						
Total	16,426	16,664						

Expenditures by Category

Compensation	11,071	11,265						
Operating Expenses	5,151	5,079						
Grants, Aids and Subsidies	182	257						
Capital Outlay-Real Property	6	6						
Other Financial Transaction	16	57						
Total	16,426	16,664						

Total Agency Expenditures	16,426	16,664						
Internal Billing Expenditures	3,977	4,213						
Expenditures Less Internal Billing	12,449	12,451						

Full-Time Equivalents

121.04	117.93							
---------------	---------------	--	--	--	--	--	--	--

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
2000 - Restrict Misc Special Revenue								
Balance Forward In	140	160	284					
Receipts	176	174						
Transfers Out			284					
Balance Forward Out	160	284						
Expenditures	155	50						
Biennial Change in Expenditures				(205)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	1.24	1.33						
2800 - Environmental								
Balance Forward In	361	589	438					
Direct Appropriation	15,640	16,087						
Receipts	16	21						
Transfers Out			438					
Net Loan Activity	86	(50)						
Cancellations		7						
Balance Forward Out	550	434						
Expenditures	15,553	16,206						
Biennial Change in Expenditures				(31,759)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	116.51	113.68						
3000 - Federal								
Receipts	718	408						
Expenditures	718	408						
Biennial Change in Expenditures				(1,126)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Full-Time Equivalents	3.29	2.92						

Land

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

Expenditures by Fund

1000 - General	3,368	585						
2000 - Restrict Misc Special Revenue	592	615						
2001 - Other Misc Special Revenue	128	278						
2800 - Environmental	7,013	7,235						
2801 - Remediation	30,787	28,552						
3000 - Federal	4,023	3,667						
Total	45,911	40,932						
Biennial Change				(86,843)		0		0
Biennial % Change				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

Expenditures by Activity

Land	45,911	40,932						
Total	45,911	40,932						

Expenditures by Category

Compensation	16,035	16,544						
Operating Expenses	26,008	24,192						
Grants, Aids and Subsidies	3,368							
Capital Outlay-Real Property	468	167						
Other Financial Transaction	32	29						
Total	45,911	40,932						

Total Agency Expenditures	45,911	40,932						
Internal Billing Expenditures	5,449	5,419						
Expenditures Less Internal Billing	40,462	35,513						

Full-Time Equivalents

171.44	173.18							
---------------	---------------	--	--	--	--	--	--	--

Land

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20	Forecast Base FY21	Governor's Recommendation FY20	Governor's Recommendation FY21
1000 - General								
Direct Appropriation	3,368	866						
Cancellations		281						
Expenditures	3,368	585						
Biennial Change in Expenditures				(3,953)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.93						

2000 - Restrict Misc Special Revenue

Balance Forward In	76	2	45					
Receipts	516	649						
Transfers Out			45					
Balance Forward Out	0	36						
Expenditures	592	615						
Biennial Change in Expenditures				(1,207)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	4.44	4.88						

2001 - Other Misc Special Revenue

Balance Forward In	6	2	66					
Receipts	21	237						
Transfers In	104	104						
Transfers Out			66					
Balance Forward Out	2	65						
Expenditures	128	278						
Biennial Change in Expenditures				(407)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.97	0.94						

Land

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

2800 - Environmental

Balance Forward In		18						
Direct Appropriation	7,031	7,366						
Transfers Out		5						
Cancellations		144						
Balance Forward Out	18							
Expenditures	7,013	7,235						
Biennial Change in Expenditures				(14,248)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	55.94	57.12						

2801 - Remediation

Balance Forward In	9,975	10,748	3,452					
Direct Appropriation	11,264	11,434						
Open Appropriation	12,369	11,015						
Receipts	1,429	1,515						
Transfers In	7,029	5,957						
Transfers Out	1,144	9,299	3,452					
Cancellations		16						
Balance Forward Out	10,135	2,802						
Expenditures	30,787	28,552						
Biennial Change in Expenditures				(59,339)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	84.41	85.73						

3000 - Federal

Receipts	4,023	3,667						
Expenditures	4,023	3,667						

Land

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
Biennial Change in Expenditures				(7,689)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	25.68	23.58						

6000 - Miscellaneous Agency

Balance Forward In	2	2				
Cancellations		2				
Balance Forward Out	2					

Environmental Asst & Cross Media

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
<u>Expenditures by Fund</u>								
1000 - General	2,154	3,934						
2000 - Restrict Misc Special Revenue	4,195	4,312						
2001 - Other Misc Special Revenue	381	586						
2800 - Environmental	31,053	31,896						
3000 - Federal	11,466	12,322						
Total	49,249	53,049						
Biennial Change				(102,298)		0		0
Biennial % Change				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
<u>Expenditures by Activity</u>								
Environmental Asst & Cross Media	49,249	53,049						
Total	49,249	53,049						
<u>Expenditures by Category</u>								
Compensation	16,383	17,300						
Operating Expenses	7,872	9,711						
Grants, Aids and Subsidies	24,989	25,988						
Other Financial Transaction	5	51						
Total	49,249	53,049						
<u>Expenditures by Agency</u>								
Total Agency Expenditures	49,249	53,049						
Internal Billing Expenditures	5,581	5,654						
Expenditures Less Internal Billing	43,669	47,395						
<u>Full-Time Equivalents</u>								
Full-Time Equivalents	172.60	174.19						

Environmental Asst & Cross Media

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In	170	536	91					
Direct Appropriation	2,588	2,600						
Transfers In		1,167						
Transfers Out	75	75	91					
Cancellations		203						
Balance Forward Out	529	91						
Expenditures	2,154	3,934						
Biennial Change in Expenditures				(6,088)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	6.95	7.23						

2000 - Restrict Misc Special Revenue

Balance Forward In	206	173	1,031					
Receipts	4,131	5,159						
Transfers Out			1,031					
Net Loan Activity	22	8						
Balance Forward Out	165	1,028						
Expenditures	4,195	4,312						
Biennial Change in Expenditures				(8,507)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.62	5.14						

2001 - Other Misc Special Revenue

Balance Forward In	164	136	43					
Receipts	53	192						
Transfers In	300	300						
Transfers Out			43					
Balance Forward Out	136	43						
Expenditures	381	586						

Environmental Asst & Cross Media

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
Biennial Change in Expenditures				(967)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	3.60	4.37						

2800 - Environmental

Balance Forward In	2,943	3,366	3,236					
Direct Appropriation	28,803	28,932						
Receipts	2,704	2,876						
Transfers In	415							
Transfers Out	531	118	3,236					
Net Loan Activity	65	105						
Cancellations		29						
Balance Forward Out	3,346	3,236						
Expenditures	31,053	31,896						
Biennial Change in Expenditures				(62,949)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	67.13	67.71						

3000 - Federal

Receipts	11,466	12,322						
Expenditures	11,466	12,322						
Biennial Change in Expenditures				(23,788)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	92.30	89.74						

Admin Support

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
--	----------------	----------------	----------------	------------------	----------------------------	--	---	--

Expenditures by Fund

1200 - State Government Special Rev	2	4						
2001 - Other Misc Special Revenue	30,180	28,821						
2302 - Clean Water	57	75						
2800 - Environmental	299	384						
2801 - Remediation	103	146						
Total	30,642	29,431						
Biennial Change				(60,073)		0		0
Biennial % Change				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

Expenditures by Activity

Admin Support	30,642	29,431				
Total	30,642	29,431				

Expenditures by Category

Compensation	9,000	9,370				
Operating Expenses	21,502	19,901				
Grants, Aids and Subsidies	2					
Capital Outlay-Real Property	1					
Other Financial Transaction	137	159				
Total	30,642	29,431				

Full-Time Equivalents

90.68	89.37				
--------------	--------------	--	--	--	--

Admin Support

Program Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20	FY21	Governor's Recommendation FY20	FY21
1000 - General								
Direct Appropriation		743						
Transfers Out		743						

1200 - State Government Special Rev

Open Appropriation	2	4						
Expenditures	2	4						
Biennial Change in Expenditures				(7)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

2001 - Other Misc Special Revenue

Balance Forward In	5,109	2,169	1,524					
Receipts	27,047	28,193						
Internal Billing Receipts	27,000	28,149						
Transfers Out	48	77	1,524					
Balance Forward Out	1,927	1,463						
Expenditures	30,180	28,821						
Biennial Change in Expenditures				(59,002)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	90.68	89.37						

2302 - Clean Water

Open Appropriation	57	75						
Expenditures	57	75						
Biennial Change in Expenditures				(133)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

Admin Support

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY16	FY17	FY18	FY19	FY20	FY21	FY20	FY21
2800 - Environmental								
Open Appropriation	290	373						
Transfers In	9	11						
Transfers Out	0							
Expenditures	299	384						
Biennial Change in Expenditures				(683)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
2801 - Remediation								
Open Appropriation	103	146						
Expenditures	103	146						
Biennial Change in Expenditures				(249)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								