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Minnesota Pollution Control Agency

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

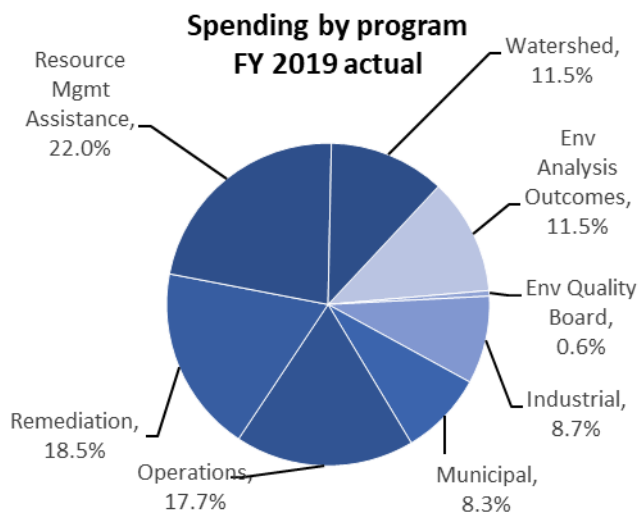
AT A GLANCE

- 858 employees in FY20: 626 in Saint Paul and 232 in seven regional offices; 10 are student workers or seasonal employees.
- Protect and improve the environment and human health by issuing more than 16,700 permits that include environmental standards to avoid or 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.
- Eco Experience received awards in 2016 for Bagnado (tornado of bags) display from the Minnesota Association of Government Communicators and the International Associations of Business Communicators.
- Achieved the Malcolm Baldrige Quality Award in recognition of performance excellence in FY20, the only Minnesota agency ever to receive such an award.
- Offer 88 online e-services with more launching each year.
- Awarded 77 grants for \$9.82 million to replace old diesel engines with new cleaner models and install electric vehicle charging stations from the Volkswagen Environmental Settlement.
- Recognized by Environmental Council of States and National Public Radio for transparency regarding Regulatory Flexibility website developed in response to COVID-19 pandemic.

PURPOSE

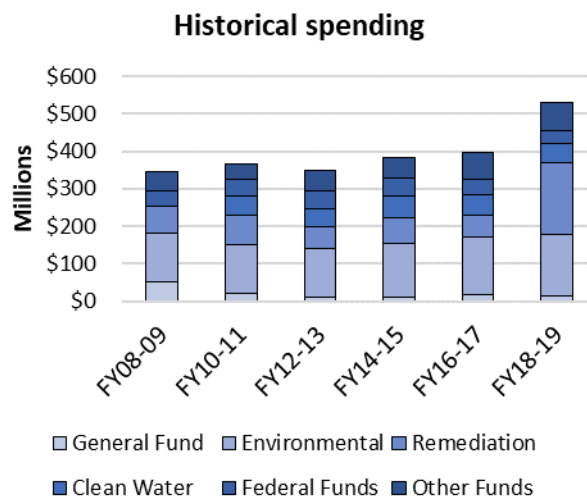
The Minnesota Pollution Control Agency (MPCA) monitors environmental quality, offers technical and financial assistance, and enforces environmental regulations. MPCA finds and cleans up spills or leaks that can affect human health and the environment. MPCA develops statewide policy, supports environmental 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.

BUDGET



Budget structure changed in FY18 from programs to divisions

Source: Budget Planning and Analysis System (BPAS)



Source: Consolidated Fund Statement

*Note: The significant increase in spending for FY18-19 is related to a \$125 million legal expense for the East Metro 3M challenges.

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 3 percent in FY18/19. In the last biennium, MPCA expenses by fund included environmental (31 percent), remediation (37 percent), clean water (9 percent), and federal (7 percent). All other state funds make up the remaining 16 percent. The Clean Water Fund is a legacy fund 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.
- Prevent and correct disproportionate environmental impacts on communities.

Minnesota is a national model for environmental protection. The state's air, land, and water are cleaner now than 50 years ago, even with a growing, diverse population and rising industrialization. However, the MPCA recognizes environmental improvements have not benefitted all Minnesotans in the same way. The MPCA established an Environmental Justice Advisory Committee to provide feedback and suggest improvements to the its environmental justice framework. The MPCA also emphasizes a goal of attracting and retaining a diverse and inclusive workforce that reflects the important perspectives of all Minnesotans in its daily work activities.

MPCA's range of activities includes:

- Testing and researching to identify environmental problems.
- 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, permittees, and the general public.
- Managing contracts for equity, sustainability, and fiscal accountability.
- Managing internal activities through proper control plans, risk management, and priorities.
- 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 FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	6,170	8,070	6,729	7,369	6,198	6,198	9,620	7,892
1200 - State Government Special Rev	76	78	76	77	77	77	77	77
2000 - Restrict Misc Special Revenue	5,567	4,772	4,885	6,440	5,470	5,470	6,140	6,640
2001 - Other Misc Special Revenue	28,184	28,532	29,833	32,366	30,156	30,009	30,156	30,137
2050 - Environment & Natural Resources	641	915	921	4				
2302 - Clean Water	22,480	27,490	20,666	25,293	3,157		23,954	20,797
2403 - Gift		2,613	8,579	9,782	8,520	6,335	8,520	6,335
2800 - Environmental	78,452	84,544	82,159	90,059	85,864	85,864	88,166	88,014
2801 - Remediation	157,761	35,955	56,403	92,632	114,726	127,738	115,162	139,838
2802 - Closed Landfill Investment	620	1,101	1,408	214			2,000	3,600
3000 - Federal	18,967	16,140	21,262	25,899	21,915	21,865	21,915	21,865
8200 - Clean Water Revolving	1,610	1,655	1,588	1,863	1,863	1,863	1,863	1,863
Total	320,528	211,865	234,510	291,998	277,946	285,419	307,573	327,058
Biennial Change				(5,885)		36,857		108,123
Biennial % Change				(1)		7		21
Governor's Change from Base								71,266
Governor's % Change from Base								13

Expenditures by Program

Environmental Analysis and Outcomes Division	25,089	24,424	23,811	28,924	16,683	16,683	26,266	25,733
Industrial Division	17,234	18,433	19,774	19,771	18,577	17,576	20,959	19,308
Municipal Division	14,396	17,607	15,397	17,775	11,211	11,211	16,438	16,451
Operations Division	36,177	37,587	38,761	42,383	42,478	39,128	44,831	41,803
Remediation Division	161,445	39,134	62,979	98,854	118,630	132,811	120,093	146,235
Resource Management and Assistance Division	40,515	46,644	50,557	58,406	53,552	51,367	55,469	54,061
Watershed	24,417	26,843	21,606	24,402	15,541	15,369	22,243	22,193
Environmental Quality Board	1,256	1,192	1,624	1,483	1,274	1,274	1,274	1,274
Total	320,528	211,865	234,510	291,998	277,946	285,419	307,573	327,058

Expenditures by Category

Compensation	81,537	84,297	88,569	95,690	81,100	77,064	92,087	92,742
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Pollution Control

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Operating Expenses	211,098	90,564	92,929	107,594	85,375	73,334	103,315	98,595
Grants, Aids and Subsidies	26,769	35,293	52,765	88,592	111,404	134,954	112,104	135,654
Capital Outlay-Real Property	219	542	55					
Other Financial Transaction	906	1,169	191	122	67	67	67	67
Total	320,528	211,865	234,510	291,998	277,946	285,419	307,573	327,058

Total Agency Expenditures	320,528	211,865	234,510	291,998	277,946	285,419	307,573	327,058
Internal Billing Expenditures	28,771	28,447	28,614	28,994	24,279	23,024	23,722	22,711
Expenditures Less Internal Billing	291,757	183,418	205,896	263,004	253,667	262,395	283,851	304,347

<u>Full-Time Equivalents</u>	841.35	845.82	867.35	947.93	793.22	748.94	904.12	904.16
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Pollution Control

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In	641	1,575	59	845				
Direct Appropriation	6,543	6,808	6,815	6,524	6,198	6,198	7,620	7,892
Transfers In	1,197	115	700				2,000	
Transfers Out	697	265						
Cancellations		104						
Balance Forward Out	1,513	59	845					
Expenditures	6,170	8,070	6,729	7,369	6,198	6,198	9,620	7,892
Biennial Change in Expenditures				(142)		(1,702)		3,414
Biennial % Change in Expenditures				(1)		(12)		24
Governor's Change from Base								5,116
Governor's % Change from Base								41
Full-Time Equivalents	12.31	11.79	11.01	10.00	10.25	10.25	11.25	11.25

1200 - State Government Special Rev

Balance Forward In		0						
Direct Appropriation	75	75	75	75	75	75	75	75
Open Appropriation	2	3	1	2	2	2	2	2
Cancellations		0						
Balance Forward Out	0		0					
Expenditures	76	78	76	77	77	77	77	77
Biennial Change in Expenditures				(1)		1		1
Biennial % Change in Expenditures				(1)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.67	0.76	0.77	0.77	0.77	0.77	0.77	0.77

2000 - Restrict Misc Special Revenue

Balance Forward In	1,361	1,039	774	1,067				
Receipts	5,244	4,505	5,176	5,373	5,470	5,470	6,140	6,640
Transfers In	1,361		123					
Transfers Out	1,361	0	123					
Balance Forward Out	1,038	772	1,065					
Expenditures	5,567	4,772	4,885	6,440	5,470	5,470	6,140	6,640

Pollution Control

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Biennial Change in Expenditures				986		(385)		1,455
Biennial % Change in Expenditures				10		(3)		13
Governor's Change from Base								1,840
Governor's % Change from Base								17
Full-Time Equivalents	12.16	10.16	11.00	9.32	8.17	8.17	13.17	13.17

2001 - Other Misc Special Revenue

Balance Forward In	1,633	4,888	5,430	4,760	2,233	1,680	2,233	1,680
Receipts	28,878	28,650	28,816	29,505	29,269	29,219	29,269	29,219
Internal Billing Receipts	28,759	28,438	28,579	28,853	28,469	28,546	28,469	28,546
Transfers In	2,037	404	404	404	404	300	404	428
Transfers Out	1,731	82	56	70	70	70	70	70
Balance Forward Out	2,633	5,328	4,761	2,233	1,680	1,120	1,680	1,120
Expenditures	28,184	28,532	29,833	32,366	30,156	30,009	30,156	30,137
Biennial Change in Expenditures				5,484		(2,034)		(1,906)
Biennial % Change in Expenditures				10		(3)		(3)
Governor's Change from Base								128
Governor's % Change from Base								0
Full-Time Equivalents	99.49	102.08	104.99	122.59	110.24	109.24	110.24	110.24

2050 - Environment & Natural Resources

Balance Forward In	0	548	253	4				
Direct Appropriation	1,189	7,911	750					
Cancellations	0	7,300	78					
Balance Forward Out	548	244	4					
Expenditures	641	915	921	4				
Biennial Change in Expenditures				(631)		(925)		(925)
Biennial % Change in Expenditures				(41)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	1.38	3.21	3.15					

2302 - Clean Water

Pollution Control

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Balance Forward In		3,386	2,549	5,161	3,157		3,157	
Direct Appropriation	25,790	26,290	23,242	20,249	0	0	20,797	20,797
Open Appropriation	40	55	35	3,040	0	0	0	0
Transfers In			461	164				
Transfers Out			461	164				
Balance Forward Out	3,349	2,241	5,159	3,157				
Expenditures	22,480	27,490	20,666	25,293	3,157		23,954	20,797
Biennial Change in Expenditures				(4,011)		(42,802)		(1,208)
Biennial % Change in Expenditures				(8)		(93)		(3)
Governor's Change from Base								41,594
Governor's % Change from Base								
Full-Time Equivalents	91.50	90.06	90.50	101.88			94.80	94.80

2403 - Gift

Balance Forward In			4,432	2,531				
Receipts		5,047	6,678	7,251	8,520	6,335	8,520	6,335
Balance Forward Out		2,433	2,531					
Expenditures		2,613	8,579	9,782	8,520	6,335	8,520	6,335
Biennial Change in Expenditures				15,747		(3,506)		(3,506)
Biennial % Change in Expenditures						(19)		(19)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		4.46	5.13	4.60	4.60	4.60	4.60	4.60

2800 - Environmental

Balance Forward In	4,160	7,123	4,222	7,794	2,995	2,954	2,995	2,954
Direct Appropriation	78,984	80,051	83,986	83,654	83,858	83,858	86,160	86,008
Open Appropriation	22,261	22,276	22,203	22,279	22,279	22,279	22,279	22,279
Receipts	3,020	3,155	2,974	2,735	2,735	2,735	2,735	2,735
Transfers In	5,942	2,887	6	8	8	8	8	8
Transfers Out	28,810	25,699	23,140	23,008	23,008	23,008	23,008	23,008
Net Loan Activity	16	113	(299)	(408)	(49)	(49)	(49)	(49)
Cancellations		1,141						

Pollution Control

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Balance Forward Out	7,120	4,222	7,793	2,995	2,954	2,913	2,954	2,913
Expenditures	78,452	84,544	82,159	90,059	85,864	85,864	88,166	88,014
Biennial Change in Expenditures				9,222		(490)		3,962
Biennial % Change in Expenditures				6		(0)		2
Governor's Change from Base								4,452
Governor's % Change from Base								3
Full-Time Equivalents	413.01	412.29	408.02	441.16	415.05	415.05	420.15	420.15

2801 - Remediation

Balance Forward In	3,452	727,954	723,640	728,863	693,864	632,284	693,864	632,284
Direct Appropriation	13,219	13,471	14,410	14,110	14,110	8,846	14,546	14,546
Open Appropriation	14,752	10,642	11,941	14,237	13,988	13,988	13,988	13,988
Receipts	855,869	18,442	27,736	22,769	18,905	14,690	18,905	14,690
Transfers In	38,967	37,679	62,510	50,064	103,664	122,000	103,664	133,664
Transfers Out	9,539	25,760	32,194	16,283	70,257	100,257	70,257	100,257
Cancellations	31,708	27,934	26,064	27,264	27,264	22,000	27,264	27,264
Balance Forward Out	727,250	722,260	728,862	693,864	632,284	541,813	632,284	541,813
Expenditures	157,761	35,955	56,403	92,632	114,726	127,738	115,162	139,838
Biennial Change in Expenditures				(44,681)		93,429		105,965
Biennial % Change in Expenditures				(23)		63		71
Governor's Change from Base								12,536
Governor's % Change from Base								5
Full-Time Equivalents	86.07	92.40	96.62	114.05	113.92	70.64	118.92	118.96

2802 - Closed Landfill Investment

Balance Forward In		2,561		214				
Direct Appropriation	3,000		1,622					
Open Appropriation							2,000	3,600
Cancellations		1,460						
Balance Forward Out	2,380		214					
Expenditures	620	1,101	1,408	214			2,000	3,600
Biennial Change in Expenditures				(100)		(1,622)		3,978
Biennial % Change in Expenditures				(6)		(100)		245

Pollution Control

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
Governor's Change from Base								5,600
Governor's % Change from Base								
Full-Time Equivalents		0.23	1.00					

3000 - Federal

Balance Forward In	44			29				
Receipts	18,923	16,287	21,291	25,870	21,915	21,865	21,915	21,865
Transfers In	44							
Transfers Out	44							
Balance Forward Out		146	29					
Expenditures	18,967	16,140	21,262	25,899	21,915	21,865	21,915	21,865
Biennial Change in Expenditures				12,054		(3,381)		(3,381)
Biennial % Change in Expenditures				34		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	112.01	105.07	123.04	131.00	116.22	116.22	116.22	116.22

8200 - Clean Water Revolving

Balance Forward In	22,072	22,066	24,671	6,389	434	634	434	634
Receipts	286	246	218	200	200	200	200	200
Transfers In	23,682	1,657	1,586	1,863	1,863	1,863	1,863	1,863
Transfers Out	22,072		5,000					
Net Loan Activity	(4,405)	2,358	(13,498)	(6,155)	0	0	0	0
Balance Forward Out	17,953	24,671	6,389	434	634	834	634	834
Expenditures	1,610	1,655	1,588	1,863	1,863	1,863	1,863	1,863
Biennial Change in Expenditures				187		275		275
Biennial % Change in Expenditures				6		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	12.75	13.31	12.12	12.56	14.00	14.00	14.00	14.00

Pollution Control

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Direct				
Fund: 1000 - General				
FY2021 Appropriations	6,524	6,524	6,524	13,048
Base Adjustments				
Current Law Base Change		(326)	(326)	(652)
Forecast Base	6,524	6,198	6,198	12,396
Change Items				
Establish Climate Adaptation and Resiliency Program		1,358	1,606	2,964
Operating Adjustment		64	88	152
Total Governor's Recommendations	6,524	7,620	7,892	15,512
Fund: 1200 - State Government Special Rev				
FY2021 Appropriations	75	75	75	150
Forecast Base	75	75	75	150
Change Items				
Internal Funding Realignment		0	0	0
Total Governor's Recommendations	75	75	75	150
Fund: 2302 - Clean Water				
FY2021 Appropriations	20,249	20,249	20,249	40,498
Base Adjustments				
One-Time Legacy Fund Appropriations		(20,249)	(20,249)	(40,498)
Forecast Base	20,249	0	0	0
Change Items				
Clean Water Legacy - Accelerated Enactment of Municipal Separate Storm Sewer Permit Requirements		200	200	400
Clean Water Legacy - National Pollutant Discharge Elimination Wastewater/Stormwater Implementation		900	900	1,800
Clean Water Legacy - Enhanced County Inspections/Subsurface Sewage Treatment Corrective Actions		2,662	2,662	5,324
Clean Water Legacy - Chloride Reduction Program		260	260	520
Clean Water Legacy - River and Lake Monitoring and Assessment		7,216	7,216	14,432
Clean Water Legacy - Groundwater Assessment		950	950	1,900
Clean Water Legacy - Watershed Restoration and Protection Strategies		6,604	6,604	13,208
Clean Water Legacy - Great Lakes Restoration Project		750	750	1,500
Clean Water Legacy - We Are Water Minnesota		280	280	560
Clean Water Legacy - National Park Water Quality Protection Program		700	700	1,400
Clean Water Legacy - Clean Water Council		275	275	550
Total Governor's Recommendations	20,249	20,797	20,797	41,594
Fund: 2800 - Environmental				

Pollution Control

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
FY2021 Appropriations	83,654	83,654	83,654	167,308
Base Adjustments				
Current Law Base Change		204	204	408
Forecast Base	83,654	83,858	83,858	167,716
Change Items				
Per- and Polyfluoroalkyl Substances Water Monitoring		200	200	400
Per- and Polyfluoroalkyl Substances Inventory Pilot		450	250	700
Per- and Polyfluoroalkyl Substances Source Evaluation		300	200	500
New Equipment for Compliance and Enforcement in Environmental Justice Areas			180	180
Enhance Compliance and Enforcement in Environmental Justice Areas		384	384	768
St. Louis River Mercury Total Maximum Daily Loads		350		350
Accelerated Online Services		300	300	600
Air Appropriation Increase		318	636	954
Internal Funding Realignment		0	0	0
Total Governor's Recommendations	83,654	86,160	86,008	172,168
Fund: 2801 - Remediation				
FY2021 Appropriations	14,110	14,110	14,110	28,220
Base Adjustments				
Program or Agency Sunset			(5,264)	(5,264)
Forecast Base	14,110	14,110	8,846	22,956
Change Items				
Records Management Support for Contaminated Site Reassessments		180	180	360
Superfund Program Capacity and Staffing Increase		256	256	512
Internal Funding Realignment		0	0	0
Petrofund Sunset Date Repeal			5,264	5,264
Total Governor's Recommendations	14,110	14,546	14,546	29,092
Open				
Fund: 1200 - State Government Special Rev				
FY2021 Appropriations	2	2	2	4
Forecast Base	2	2	2	4
Total Governor's Recommendations	2	2	2	4
Fund: 2302 - Clean Water				
FY2021 Appropriations	3,040	3,040	3,040	6,080
Base Adjustments				
One-Time Legacy Fund Appropriations		(47)	(47)	(94)
Current Law Base Change		(2,993)	(2,993)	(5,986)
Forecast Base	3,040	0	0	0

Pollution Control

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Total Governor's Recommendations	3,040	0	0	0
Fund: 2800 - Environmental				
FY2021 Appropriations	22,279	22,279	22,279	44,558
Forecast Base	22,279	22,279	22,279	44,558
Total Governor's Recommendations	22,279	22,279	22,279	44,558
Fund: 2801 - Remediation				
FY2021 Appropriations	14,237	14,237	14,237	28,474
Base Adjustments				
All Other One-Time Appropriations		(249)	(249)	(498)
Forecast Base	14,237	13,988	13,988	27,976
Total Governor's Recommendations	14,237	13,988	13,988	27,976
Fund: 2802 - Closed Landfill Investment				
Change Items				
Use of Closed Landfill Investment Fund		2,000	3,600	5,600
Total Governor's Recommendations		2,000	3,600	5,600
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	6,440	5,470	5,470	10,940
Forecast Base	6,440	5,470	5,470	10,940
Change Items				
Landfill Responsibility Act		670	1,170	1,840
Total Governor's Recommendations	6,440	6,140	6,640	12,780
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	32,366	30,156	30,009	60,165
Forecast Base	32,366	30,156	30,009	60,165
Change Items				
Railroad and Pipeline Safety Assessment			128	128
Total Governor's Recommendations	32,366	30,156	30,137	60,293
Fund: 2403 - Gift				
Planned Spending	9,782	8,520	6,335	14,855
Forecast Base	9,782	8,520	6,335	14,855
Total Governor's Recommendations	9,782	8,520	6,335	14,855
Fund: 2800 - Environmental				

Pollution Control

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Planned Spending	2,975	2,727	2,727	5,454
Forecast Base	2,975	2,727	2,727	5,454
Total Governor's Recommendations	2,975	2,727	2,727	5,454
Fund: 2801 - Remediation				
Planned Spending	62,354	86,885	105,161	192,046
Forecast Base	62,354	86,885	105,161	192,046
Change Items				
Petrofund Sunset Date Repeal			6,400	6,400
Total Governor's Recommendations	62,354	86,885	111,561	198,446
Fund: 3000 - Federal				
Planned Spending	25,899	21,915	21,865	43,780
Forecast Base	25,899	21,915	21,865	43,780
Total Governor's Recommendations	25,899	21,915	21,865	43,780
Fund: 8200 - Clean Water Revolving				
Planned Spending	1,863	1,863	1,863	3,726
Forecast Base	1,863	1,863	1,863	3,726
Total Governor's Recommendations	1,863	1,863	1,863	3,726
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	5,373	5,470	5,470	10,940
Change Items				
Landfill Responsibility Act		670	1,170	1,840
Total Governor's Recommendations	5,373	6,140	6,640	12,780
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	29,505	29,269	29,219	58,488
Total Governor's Recommendations	29,505	29,269	29,219	58,488
Fund: 2403 - Gift				
Forecast Revenues	7,251	8,520	6,335	14,855
Total Governor's Recommendations	7,251	8,520	6,335	14,855
Fund: 2800 - Environmental				
Forecast Revenues	2,735	2,735	2,735	5,470

Pollution Control

Agency Change Summary

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Total Governor's Recommendations	2,735	2,735	2,735	5,470
Fund: 2801 - Remediation				
Forecast Revenues	22,769	18,905	14,690	33,595
Total Governor's Recommendations	22,769	18,905	14,690	33,595
Fund: 3000 - Federal				
Forecast Revenues	25,870	21,915	21,865	43,780
Total Governor's Recommendations	25,870	21,915	21,865	43,780
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	6	6	6	12
Total Governor's Recommendations	6	6	6	12
Fund: 1200 - State Government Special Rev				
Forecast Revenues	50	50	50	100
Total Governor's Recommendations	50	50	50	100
Fund: 2350 - Petroleum Tank Release Cleanup				
Forecast Revenues	4	4		4
Total Governor's Recommendations	4	4		4
Fund: 2800 - Environmental				
Forecast Revenues	28,319	28,319	28,319	56,638
Total Governor's Recommendations	28,319	28,319	28,319	56,638
Fund: 2801 - Remediation				
Forecast Revenues	1,296	1,381	1,381	2,762
Change Items				
Records Management Support for Contaminated Site Reassessments		180	180	360
Superfund Program Capacity and Staffing Increase		256	256	512
Total Governor's Recommendations	1,296	1,817	1,817	3,634
Fund: 2802 - Closed Landfill Investment				

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Forecast Revenues	1			
Total Governor's Recommendations	1			

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - Accelerated Enactment of Municipal Separate Storm Sewer Permit Requirements

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
Clean Water Fund Expenditures	200	200		
Net Fiscal Impact = (Expenditures – Revenues)	200	200		
FTEs	1.0	1.0		

Recommendation:

The Governor recommends appropriation of \$200,000 in each FY 2022 and FY 2023 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Municipal Division. These funds allow the MPCA to aid local units of government and other permittees in accelerating their implementation of the Municipal Separate Storm Sewer System (MS4) permit requirements.

The recommended appropriation of \$400,000 for FY 2022-23 is a small reduction from the amount appropriated in FY 2020-21. This appropriation supports point source implementation activities related to MS4 stormwater permitting. The funding would support 1 FTE and the development of tools needed by the permittees. In FY 2022-23, this appropriation represents less than 1% of the MPCA's biennial budget, if funded.

Rationale/Background:

Stormwater runoff is a major source of water pollution for many of Minnesota's 11,000+ lakes and 92,000+ miles of rivers and streams. Minnesota's population density and amount of impervious surface increased dramatically over the past century. Consequently, many of Minnesota's waters are affected by pollutants in stormwater runoff, along with other pollutant sources, resulting in many of our lakes, rivers, and streams being listed as impaired, meaning they do not fully support uses such as swimming and healthy fish and insect communities or as sources of drinking water.

This appropriation directly supports 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 MS4 General Permit. In addition, this appropriation supports the Clean Water Council's Strategic Plan goals 3 (Surface waters are swimmable and fishable throughout the state), and 4 (All Minnesotans value water and take actions to sustain and protect it). It also supports goal 1 (Drinking water is safe for everyone, everywhere in Minnesota) where stormwater flows to surface waters used for drinking water.

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 include creation of form templates, checklists, guidance documents, and assistance visits. After two previous permit cycles and traditional inspection and assistance activities, MPCA staff experience and program data demonstrate that MS4s permittees are not meeting some of the basic permit requirements, which reinforces the need for additional, targeted assistance.

Proposal:

The Governor proposes funding for technical assistance, guidance development, and direct outreach to MS4s to accelerate MS4 permit implementation. The assistance should 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 2020 MS4 General Permit contains new requirements, especially as relates to ensuring total maximum daily load allocations are being met, so this funding is particularly important in FY 2022-23. Cities operating under MS4 permits vary in size, available resources, and status of the development of their stormwater program. MPCA staff collaborate with the regulated MS4s to determine the assistance needed and ensure they receive it. Proposed MPCA costs of technical assistance and guidance materials remain consistent with FY 2020-21 costs.

The following outcomes are in progress or have been accomplished. The MPCA will be completing items in progress and update existing tools through FY 2022-23 to accelerate MS4 implementation and MS4 permittees:

- Update the digital document library (DDL) within the online Minnesota Stormwater Manual. The DDL is a compilation of permittee-developed documents, standard operating procedures, checklists and processes, reviewed and endorsed by the MPCA to assist in compliance with the MS4 permit. See <https://www.pca.state.mn.us/water/minnesotas-stormwater-manual>.
- Update the “MS4 Toolkit”, which is a package of best practices establishing effective stormwater programs at the local level;
- Maintain a set of model ordinances for use by regulated MS4s as the framework for an effective local stormwater program;
- Maintain a modeling package to assist MS4 permittees in demonstrating progress toward achieving Total Maximum Daily Load (TMDL) waste load allocations (WLAs), and monitoring guidance as an alternative method of demonstrating progress toward achieving TMDL WLAs;
- Maintain guidance to assist permittees in developing appropriate procedures for determining the sediment and phosphorus treatment effectiveness of all constructed, permittee owned/operated stormwater ponds;
- Share case studies of successful water quality projects implemented by regulated and unregulated MS4s; and
- Develop an online application for the new MS4 permit that pre-populates information such as the impaired water TMDL allocations each MS4 permittee must consider in their application.

Impact on Children and Families:

Minnesota’s water resources are negatively impacted by unmanaged stormwater runoff. Children and families are particularly impacted by polluted rivers, streams and lakes. More consistent and improved implementation by MS4 permittees ensures that they do their part in ensuring Minnesota’s waters are usable for fishing and swimming and as sources of drinking water.

Equity and Inclusion:

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

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - National Pollutant Discharge Elimination Wastewater/Stormwater Implementation

Fiscal Impact (\$000s thousands)	FY 2022	FY 2023	FY 2024	FY 2025
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 FY 2022 and FY 2023 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 FY2022-23 is nearly the same amount appropriated in FY2020-21. The request will support MPCA staffing and effort support point source implementation efforts related to wastewater and stormwater permitting. In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget, if funded.

Rationale/Background:

Stormwater and wastewater can be significant contributors of pollutants to impaired waters. The MPCA oversees approximately 1,400 NPDES wastewater and 3,810 NPDES stormwater permits under the National Pollutant Discharge Elimination System (NPDES) program, as enabled by the federal Clean Water Act. Wastewater and stormwater permits must be written to include requirements consistent with applicable waste load allocations included in Total Maximum Daily Loads (TMDLs). The accelerated completion of TMDLs and Watershed Restoration and Protection Strategies (WRAPS) has dramatically increased the available information that must be considered during issuance of wastewater and stormwater permits. Proper permitting and management of stormwater and wastewater is crucial to the successful implementation of TMDL requirements. In addition, significant staffing resources are needed to ensure that stormwater and wastewater are properly represented and addressed during development of TMDLs and WRAPS.

This appropriation supports the Clean Water Council's Strategic Plan goals 3 (Surface waters are swimmable and fishable throughout the state), and 4 (All Minnesotans value water and take actions to sustain and protect it). It also supports the Clean Water Council's Strategic Plan goal 1 (Drinking water is safe for everyone, everywhere in Minnesota) in cases where treated wastewater or stormwater flows to surface waters used for drinking water.

Activities supported include providing facility and discharge data to TMDL staff for model development, participating in TMDL and WRAPS development and planning meetings, issuing permits, analyzing GIS data, engineering review, compliance and enforcement, training and certification, assistance to the Public Facility Authority to review project proposals for possible funding, effluent limit determination, assuring that during the development of the WRAPS and TMDLs that wastewater influences are measured and understood, assisting with completion of Environmental Assessment Worksheets (EAW), and working with local governmental units (LGU). Staff provide technical assistance to MPCA permit writers and to LGUs with unsewered community discharges.

Proposal:

The proposed funding for FY 2022-23 will support implementation of municipal, industrial, and construction stormwater permits, and municipal and industrial wastewater permits. NPDES staff coordinate activities between other MPCA staff, developing TMDLs/WRAPS, and the permitting programs. The appropriation will also continue the Stormwater Manual with state-of-the-art stormwater guidelines and tools. This appropriation provides critical support for point source implementation activities related to wastewater and stormwater permitting.

Annually, this proposal includes funding for 6 FTE and about \$132,000 for maintaining and updating the Stormwater Wiki Manual. Appropriations from the Clean Water Fund may only be authorized as one-time funding.

The various outcomes resulting in part or in full due to past appropriations include:

- Incorporating the WRAPS and TMDLs requirements into permits
 - 231 wastewater permits and 2,705 construction stormwater permits issued during FY 2020
 - 250 municipalities operating under municipal stormwater permit coverage
 - TMDLs include waste load allocations (WLAs) for 663 wastewater treatment facilities and for 240 municipal stormwater permittees. Permittees may be subject to multiple WLA;
- Execution of pollutant trading activities, which allows for more cost-effective means to achieve nutrient reductions over construction;
- Development of tools to better analyze the relationship between wastewater point sources and surface waters:
 - Developed tools to provide access to extensive wastewater and ambient water quality data. These spatially organized data allow for analysis at various watershed scales. The application makes it easier to observe data on a statewide level. For example, wastewater facilities discharge 46% less phosphorus in 2019 than 2005. The reader can also focus on individual watershed success like the 76% wastewater phosphorus reduction in the Cannon River from 2005 – 2019;
 - Wastewater monitoring data are available in a Tableau data browser with over 35,000 views since March 2016. The application lets users select data by a facility or area of interest and plots results along with monitoring limits to provide context of facility performance; and
 - Private sector watershed professionals make extensive use of these data for development of TMDLs and WRAPS;
- Development of numerous tools and resources for stormwater permittees:
 - Models and calculators, best management practice selection tools, toolkits and educational resources, checklists and inspection sheets, tables, references and case studies, and guidance on how to meet TMDL requirements; and
 - Track use of the tools and resources: 3.3 million views of best management practice design pages, 7,000 downloads of the Minimum Impact Design Standards Calculator and 1.3 million views of stormwater permitting and TMDL-related pages.

Impact on Children and Families:

Water quality is important for children and families to have access to recreational uses and drinking water. Successful implementation of activities to maintain water quality are critical to ensuring water quality meets standards that allow children and families to enjoy these resources.

Equity and Inclusion:

The current TMDL, WRAPS, and permitting implementation processes follow 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.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - Enhanced County Inspections/Subsurface Sewage Treatment Corrective Actions

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
Clean Water Fund				
Expenditures	\$3,375	\$3,375	\$2,662	\$2,662
Net Fiscal Impact = (Expenditures – Revenues)	\$3,375	\$3,375	\$2,662	\$2,662
FTEs	3.3	3.3	3.3	3.3

Recommendation:

The Governor recommends appropriation of \$2.662 million in each FY2022 and FY 2023 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 \$5.324 million for FY2022-2023 is a 22% decrease from the amount appropriated in FY 2020-21, due to the fact that the Clean Water Fund may not achieve expected returns. In FY 2022-23, this appropriation will represent 1.2% of the MPCA's biennial budget if funded. The vast majority of the appropriation would be granted to counties to operate their SSTS programs and assist low-income families with septic replacements. This appropriation directly supports point source implementation through supporting county SSTS programs, and replacing old, noncompliant septic systems.

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. In addition, this appropriation supports the Clean Water Council's Strategic Plan goals 1 (Drinking water is safe for everyone), 2 (Groundwater is clean and available to all Minnesotans), and 3 (Surface waters are swimmable and fishable throughout the state). The SSTS program works with both public and private entities the Implementation and Enforcement Task Force (M.S. 115.55 subd. 13), the Advisory Committee (MN Rules 7083.6000), local governmental units, and the industry to develop effective and timely implementation and enforcement methods to ensure that the ~ 610,000 SSTS' in the state protect human health and Minnesota's ground and surface waters.

Prior to the Legacy Amendment, funding was insufficient to ensure new and existing SSTS' throughout the state did not result in illegal discharges to surface waters or to groundwater. The CWF now provides counties about \$1.5 million per year, equally divided between all participating counties, for local implementation and enforcement of the SSTS program. The CWF provides additional grant funding to counties to provide assistance for low-income households to upgrade or replace their SSTS when they are failing. The requests from counties for these low-income funds are always much greater than the amount of money available. In 2020, the MPCA received requests totaling \$1,913,100 but only \$1,572,774 was available.

Proposal:

The Governor proposes continuation of funding for FY 2022-23 to provide base grants that 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. Base 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. The proposed appropriation also would allow for additional grants (“upgrade” grants) to support replacement of failing septic systems for low-income families. As noted above, the proposed decrease in this appropriation from that provided in FY20-21 means that we will provide fewer upgrade grants than previously, and we will fall further behind in being able to fully meet needs; however, we will be able to meet more of the need than we did historically (before Legacy). Annually, this appropriation will support 3.3 MPCA FTE, grants to counties (\$2.17 million), and coordination with BWSR to administer the grants (\$2500). Appropriations from the Clean Water Fund may only be authorized as one-time funding.

Equity and Inclusion:

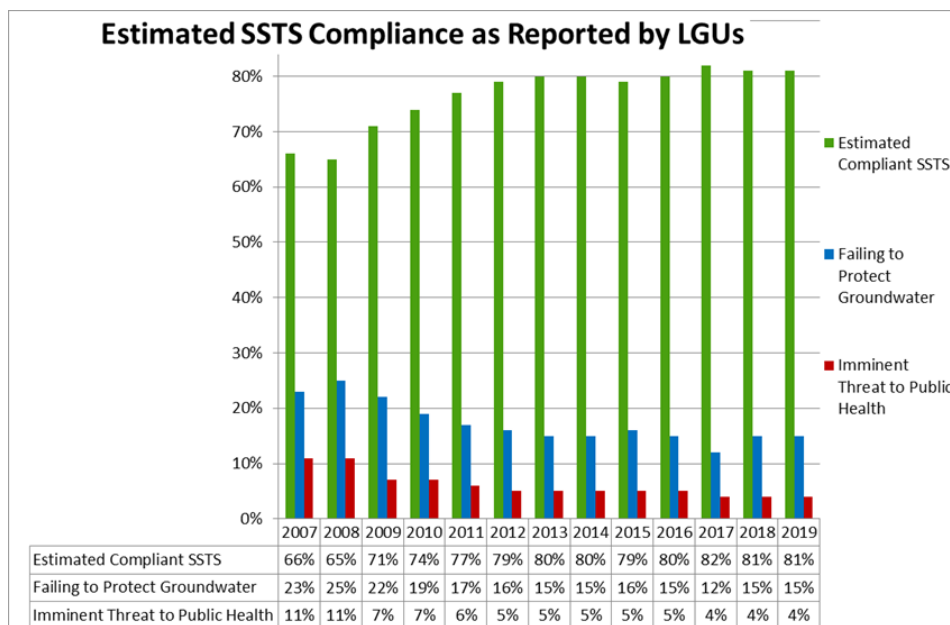
All counties that manage an SSTS program are eligible for base funding through this initiative. In addition, any county can apply for low-income grants to fix non-compliant septic systems and incentive grants. All funding is distributed equally to all qualified counties that apply. Counties that receive 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:

The MPCA awarded 136 grants totaling \$3.1 million to local partners for SSTS grants in FY20. Over the past ten years, counties have estimated the following:

- The percent of systems in compliance to have increased from 65% to 82%
- The percent of systems failing to protect groundwater to have decreased from 25% to 12%
- Septic systems that pose an imminent threat to public health to have decreased from 11% to 4%
- Over 15,000 compliance inspections of existing systems were done in 2019
- Approximately 850 septic systems have been fixed using low-income fix-up funds since FY13.

The FY20-21 SSTS appropriation requires a report out of outcomes since the inception of Legacy support for SSTS. This report will be completed and made available by the end of 2020.



Statutory Change(s)

Not applicable

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - Chloride Reduction Program

Fiscal Impact (\$000s thousands)	FY 2022	FY 2023	FY 2024	FY 2025
Clean Water Fund				
Expenditures	260	260	0	0
Net Fiscal Impact = (Expenditures – Revenues)	260	260	0	0
FTEs	1	1	0	0

Recommendation:

The Governor recommends appropriation of \$260,000 in FY 2022 and FY 2023 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Resource Management and Assistance Division for the operation of the Chloride Reduction Program.

The recommended appropriation of \$520,000 for FY 2022-23 is slightly more than the amount appropriated in FY2020-21 (\$500,000). These funds will support one FTE and activities to reduce chloride in Minnesota's waters. In FY 2022-23, this appropriation will be less than 1% of the MPCA's biennial budget, if funded.

Rationale/Background:

Chloride is a permanent pollutant 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 (about 1 teaspoon in 5 gallons of water). Once chloride enters our lakes, streams, wetlands and groundwater, it is extremely expensive and impractical to remove it. Chloride levels continue to increase in Minnesota's surface waters and groundwater. The only way to address this pollutant is reducing it at the source. The primary sources of chloride impacting water quality are de-icing salt used in winter and salt used for water softening systems. Fertilizer is another significant source of chloride in Minnesota that requires additional research to better understand. This appropriation supports the Clean Water Council's Strategic Plan goals 3 (Surface waters are swimmable and fishable throughout the state) strategy 4 to invest in activities and research that can accelerate improvement in water quality through new approaches (e.g., perennial crops and other landscape drivers, chloride management or alternatives, etc.).

The MPCA first established a Smart Salting training program as a pilot project through an EPA 319 grant. It has become the cornerstone to chloride reduction in Minnesota and across the country. This training is provided to applicators; and is the top implementation strategy identified in the Minnesota Chloride Management Plan to reduce de-icing salt use. Past participants a reported reduction in salt use between 30 and 70 percent.

More than 100 communities in Minnesota are identified having elevated chloride in their wastewater discharge, due to water softening. Since most wastewater treatment plants are not designed to remove chloride and retrofitting the plants with available chloride treatment is prohibitively expensive, creative approaches are needed to reduce chloride entering wastewater treatment plants and ultimately discharged to lakes and streams.

Proposal:

The Governor proposes funding for FY 2022-23 to support the MPCA Chloride Reduction program. Support for the Smart Salting training program to support a training program for private companies and public organizations providing the knowledge and resources needed to be more efficient and save money. In addition to the training program, resources and tools are in need to support our permittee's and partners with their efforts to reduce chloride at the source. The Clean Water Fund budget will be used to create and support chloride reduction resources, such as a new partnership with Izaak Walton League of America to bring their citizen focused [Winter](#)

[Salt Watch](#) program to Minnesota. Additional work is needed to assist wastewater facilities in meeting the chloride limits in their NPDES permits. This appropriation will be allocated to the highest need of the Chloride Reduction program and support a variety of tools, resources and the training under the MPCA chloride reduction program. This appropriation provides critical support for chloride reduction resources for not only permitted entities but also to private businesses and interested citizens.

The FY 2020-21 was the first time CWF dollars were appropriated to the MPCA Chloride Reduction program. The current results with the funds included hiring a new FTE to coordinate the Smart Salting training program. Some of the key work completed includes transitioning administrative work of the training program from a vendor to MPCA, creation of the Smart Salting newsletter, increased promotion and marketing of the program and classes, assistance to partners with hosting a successful class, and oversight of the development of new training materials and translation of the manuals into Spanish. This is a critical FTE to manage the training program.

The FY 2020-21 Chloride Reduction program CWF budget was cut due to COVID-19. Therefore, impacting a potential water softening rebate program to wastewater communities. With the remaining FY 2020-21 CWF budget, the focus will support training on the proper application of salt products for winter and turf maintenance.

Results will be tracked for the remaining FY 2020-21 funds and the FY 2022-23. In addition to water quality trends of chloride in surface waters and groundwater, implementation of the chloride reduction program will be measured by the following:

- Number of applicators trained through the MPCA Smart Salting Training program.
- Number of users and progress on implementation of chloride reduction BMPs
- 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 MS4 permittee's utilizing the Smart Salting tool to meet new permit requirements.
- Resources, tools, programs, and events that are created to meet the needs of permittee's and partners working on chloride reduction.

Impact on Children and Families:

Having quality water is important to all children and families of Minnesota. Minnesota's lakes, streams and groundwater are used not only as drinking water sources but also for recreational uses. Because chloride persists in the water environment it is discharged into resulting in negative impacts, it is important for Minnesota's children and families to have programs like the Chloride Reduction Program that serve as preventative effort.

Equity and Inclusion:

The Chloride Reduction program and Smart Salting training follow the procedures developed under the Agency's Environmental Justice priorities. This proposal will allow MPCA to bring the 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 319 grant funds. Offering the training classes and the program materials in multiple languages will allow non-English speaking stakeholders to participate in the training program, expanding our audience will provide opportunities to connect with them on other important environmental issues and programs. The MPCA will also provide financial assistance through the waters softening grant program to underserved communities to support reducing chloride from water softening. The water softening rebate program will prioritize communities with high levels of chloride in wastewater treatment discharges from rural and low socioeconomic communities.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - River and Lake Monitoring and Assessment

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
Clean Water Fund				
Expenditures	7,216	7,216	0	0
Net Fiscal Impact = (Expenditures – Revenues)	7,216	7,216	0	0
FTEs	41.8	41.8	0	0

Recommendation:

The Governor recommends appropriation of \$7.216 million in FY 2022 and in FY 2023 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 effectiveness, support One Watershed-One Plan, and local implementation.

The recommended appropriation of \$14.432 million for FY 2022-23 is an 8% reduction from the FY 2020-21 appropriation. Full-time staffing funded by this request will continue at current levels.

In FY 2022-23, this appropriation will represent 3% of the MPCA's biennial budget if funded.

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 and citizen monitoring. 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 to 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. This includes a reduction in agency selected sites; revisiting a subset of sites to track changes over time and collecting data for delisting purposes. The reduction in sites provides budget and staffing to complete monitoring identified by local and state resource managers as critical to effective local implementation.

Proposal:

The Governor proposes continuation of funding for FY2022-23. Appropriations from the Clean Water Fund may only be authorized as one-time funding. This program will stop some lower priority monitoring efforts and reduce parameters sampled in order to absorb the cost reduction. Vacancies will also be held to help absorb cuts.

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. Annual funding would support both a continuation of MPCA monitoring and assessment staff (41.8 FTE = \$5 million), monitoring equipment and supplies of approximately \$516,000, as well as \$1.7 million to local partners that conduct monitoring. If this request is not funded, we will be less effective at targeting restoration efforts, have no evaluation on whether restoration efforts are successful, and we will not be able to delist restored waters.

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 2020 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.

Impact on Children and Families:

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 ensuring that children and families enjoy the benefits of clean and healthy lakes and streams.

Equity and Inclusion:

The MPCA employs student workers and interns each summer to help conduct this monitoring effort, and actively recruits 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. The MPCA also operates a volunteer citizen monitoring program that allows all citizens to participate in monitoring lakes and streams. Recruitment includes reaching out to the under-represented groups as this activity helps build an understanding of the value of quality water.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - Groundwater Assessment

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
Clean Water Fund				
Expenditures	950	950	0	0
Net Fiscal Impact = (Expenditures – Revenues)	950	950	0	0
FTEs	4.8	4.8	0	0

Recommendation:

The Governor recommends appropriation of \$950,000 in each of FY 2022 and FY 2023 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 \$1.9 million for FY 2022-23 represents a 19% decrease from the amount appropriated in FY 2020-21. Staffing funded by this request will continue at current levels.

In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget, if funded.

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. Most Minnesotans receive their drinking water from groundwater. Achieving success in protecting and restoring groundwater quality requires clear data 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 also operates a nine well Sentinel Lakes groundwater monitoring network, focused on lakes enrolled in the Department of Natural Resources' Sustaining Lakes in a Changing Environment program, as an offshoot of the much larger ambient groundwater monitoring network.

The program provides data and information to understand the quality of Minnesota's groundwater, including trends over time, and evaluates 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 continued operation of the monitoring network of about 270 wells across the state, with a decrease of funding for FY 2022-23. The program will manage the reduction as the need to drill wells has

decreased and changes in the sampling schedule have been made. These changes were made carefully and will not impact the network's ability to provide important information. In the first 10 years of the redesigned groundwater network, much of the focus (and funding) was on drilling wells and building out the spatial/land use coverage of the network. Now that the network is built out, fewer funds are needed for well drilling. However periodic replacement of wells due to failures or loss of access will still be necessary.

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.

Minnesota participates in the National Groundwater Monitoring Network to ensure groundwater data is shared and understood across stateliness. In order to fulfill the requirements for the National Groundwater Monitoring Network, each location must have a baseline of five annual sampling events. The program plans to accommodate the decrease in funding by evaluating the sampling frequency for wells that have reached this baseline. Wells with 5+ years of data will be evaluated and may be moved to a biennial sampling schedule if little change in pollutant levels has been found or is expected – this may include wells in forested settings that have shown no pollutant concentration changes/ trends to date. Some parameters may also be changed; for examples, volatile organic compounds (VOC) samples may be discontinued at wells in forested settings where VOCs are not typically found. Other parameters may also be reduced; the program will prioritize data needed to calculate trends that support the agency-wide work (chloride and nitrate).

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 (\$614,400) and \$335,600 of other operating costs. Appropriations from the Clean Water Fund may only be authorized as one-time funding.

With Clean Water Funds, the MPCA established a groundwater quality monitoring network. We have the start of having enough data to calculate trends in groundwater quality for vulnerable aquifers. Monitoring results are communicated via MPCA reports and web materials, the biennial Clean Water Fund Performance Report available online at <https://www.pca.state.mn.us/water/report-clean-water-fund-spending>, and the data collected found in the "2015 Groundwater Monitoring Status Report" at <https://www.eqb.state.mn.us/2015-groundwater-monitoring-status-report>.

Impact on Children and Families:

This program allows public health officials and other governmental entities to understand risks to their drinking water supplies and act to protect those supplies ensuring that children and families have safe drinking water.

Equity and Inclusion:

Groundwater 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 program annually reports (internally) on the difference in nitrate levels between areas of potential environmental justice concern and other areas. In reducing sampling frequency or parameters, MPCA will consider a well's location in a potential area of environmental justice concern. The requested funding will not adversely impact racial or ethnic groups in any way.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - Watershed Restoration and Protection Strategies

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
Clean Water Fund				
Expenditures	6,604	6,604	0	0
Net Fiscal Impact = (Expenditures – Revenues)	6,604	6,604	0	0
FTEs	35	35	0	0

Recommendation:

The Governor recommends an appropriation of \$6.604 million in each of FY 2022 and FY 2023 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 identification of the most efficient and effective strategies to address point and nonpoint sources of pollution most appropriate to specific watersheds based on watershed science. This recommendation supports the agency's work with local partners to guide restoration of impaired watersheds and protect unimpaired watersheds.

The recommended appropriation of \$13.208 million for FY2022-23 is an 8.6% decrease from the amount appropriated in FY 2020-21, and a decrease of over 30% from the historic highest appropriation for the program, due to program operational maturity and efficiencies. Staffing funded by this request will continue at slightly lower than current levels.

In FY 2022-23, this appropriation will represent 2.8% of the MPCA's biennial budget, if funded.

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 identifying the most efficient and effective strategies and approaches 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 key 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. Amendment monies that created the Clean Water Fund are used to support this program and the other components of Minnesota's Watershed Approach to achieving clean water. Collectively, state agencies use the 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.

This proposal enables the MPCA to continue work toward the goals of the CWLA. That law directs the MPCA to identify impaired waters and to complete total maximum daily load (TMDLs) studies and watershed restoration and protection strategies (WRAPS) reports each year, with all initial WRAPS due to be completed by the end of FY23, and subsequent TMDLs and WRAPS updates completed on an as-needed basis thereafter. 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.

Proposal:

The Governor proposes continuation of funding for FY 2022-23 for WRAPS reports, 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 water planning and implementation efforts. WRAPS and TMDLs are foundational to the development of science-based, efficiently targeted local water plans. The proposal includes supporting 35 FTE and providing other operating costs; and providing funds to pass-through to local government units and contractors for their participation and assistance in accomplishing this work. Clean Water Funds may only be one-time appropriations.

This funding will enable the MPCA to continue its progress on the development of WRAPS and TMDL studies. EPA has approved over 1,500 TMDLs and all Minnesota watersheds have WRAPS development projects underway. Fifty-five (~70%) of the state's 80 watersheds have completed WRAPS as of August 2020. In FY 2020-21, 19 studies were completed, exceeding the goal of 18 per biennium. With this funding, the state's remaining WRAPS will be completed by the end of the FY 2022-23 biennium, with WRAPS updates for some of the earliest completed WRAPS also underway. Forty-six 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 2020 Clean Water Fund Performance Report is available on the MPCA website at <https://www.legacy.mn.gov/sites/default/files/resources/lrp-f-1sy20.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, called Healthier Watersheds, 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>.

Impact on Children and Families:

All Minnesotans have a right to quality water to be used for recreational uses and drinking waters. The studies and strategies completed with this funding allow implementation activities to be completed in an efficient and effective manner to ensure our waters are stored and maintained for those uses, providing children and families a quality of life expected by all Minnesotans.

Equity and Inclusion

WRAPS are developed with robust public participation opportunities, inclusive of all watershed citizens that choose to participate. The Agency provides notifications and invitations to Tribal governments at the beginning of WRAPS efforts, inviting their participation. Tribes have chosen to participate at varying levels in the past, from direct, high, continued involvement, to little or no involvement. The Watershed Program Plan revision of 2020 is including approaches to enhance environmental justice, including the creation of an environmental justice section for future WRAPS reports that will provide information on water quality concerns in identified environmental justice communities/areas in WRAPS watersheds.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - Great Lakes Restoration Project

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Funds				
Expenditures	750	750	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	750	750	0	0
FTEs	0.85	0.85	0	0

Recommendation:

The Governor recommends appropriation of \$750,000 in each FY 2022 and FY 2023 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 2022-23 is equal to the amount appropriated in FY 2020-21. 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.

In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget if funded.

Rationale/Background:

The SLRAOC was designated by the U.S. and Canada in 1987 as one of 43 such areas that experienced significant environmental degradation before environmental regulations existed. The SLRAOC has operated under several RAPs since its listing and all were prepared with the assistance of the 4 Coordinating agencies (the Minnesota Pollution Control Agency, MN Department of Natural Resources, WI Department of Natural Resources, and the Fond du Lac Band of Lake Superior Chippewa), along with the designated Citizen's Action Committee, and public input.

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 (8) 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:

This is a continuation of an existing program and the operating funds will maintain our current level of administrative and technical capacity to complete the identified work on the schedule needed to stay in EPA's top funding tier. If the Clean Water Funds are not received, the three activity areas outlined at the beginning of this proposal would be curtailed, which would affect our ability to obtain funding from multiple sources, but especially the federal Great Lakes Restoration Initiative fund. It would also jeopardize our goal of completing all the construction projects by 9/30/24, which is EPA's current timeframe for staying in their top funding tier.

Services provided by the US Army Corps of Engineers are outlined in a MPCA-USACE Partnership Agreement, which will continue until all the outlined services are completed, just prior to delisting. Contracts issued for pre-design sampling, assessments, and site characterization work is project-specific and vary accordingly. The general coordination activities of staff have remained consistent for several years and will continue to be needed until delisting is complete.

The SLRAOC program work is housed within the Remediation Division and some of the work mirrors that completed by Superfund staff, the SLRAOC program is separate from other Remediation Division programs and will end when delisting occurs. Through the years, over 70 local, state, federal, and tribal partners have cooperated in the execution of this program.

Appropriations from the Clean Water Fund may only be authorized as one-time funding

Impact on Children and Families:

All work completed under the Great Lakes Restoration Initiative is intended to remediate, restore, and revitalize AOCs. Like other AOCs, the Twin Ports of Duluth, MN and Superior, WI were seriously impacted by the unregulated discharge of contaminants to the SLRAOC and loss of habitat that have had a lingering effect on the region's economy. In particular, the neighborhoods in West Duluth bore a disproportionate share of the effects of unregulated industrialization and will be a primary beneficiary of restoration and revitalization in that area of the City. The St. Louis River estuary is part of the ancestral homeland of the Chippewa bands that will also benefit from this work. Environmental restoration has already had and will continue to have a direct benefit on water quality, along with access to the river for recreation and food gathering (i.e., wild rice harvesting, fishing, and hunting).

Equity and Inclusion:

Although the Great Lakes Restoration Initiative does not have a specific goal of reducing or eliminating inequities, the AOCs, including the SLRAOC, are generally located in economically depressed areas disproportionately populated by protected classes. Therefore, the remediation, restoration, and revitalization activities in the SLRAOC will have a lasting benefit to the communities that populate the SLRAOC, which includes neighborhoods with people of color and Native Americans.

The benefits from the SLRAOC work will have an especially important benefit to those groups that rely on subsistence foods (wild rice harvesting, hunting, and fishing) and for whom access to these resources will improve. The reduction of environmental and health risks and the restoration of a more ecologically stable aquatic ecosystem will help insure that the benefits of the work will be sustained into the future.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - We Are Water Minnesota

Fiscal Impact (\$000s thousands)	FY 2022	FY 2023	FY 2024	FY 20235
Clean Water Fund				
Expenditures	\$280	\$280	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$280	\$280	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends appropriation of \$280,000 in FY2022 and FY2023 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Resource Management and Assistance Division for the We Are Water MN community engagement initiative. This is the first direct funding from the Clean Water Fund.

In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget, if funded.

Rationale/Background:

We Are Water MN builds local capacity to support and engage in water restoration and protection of Minnesota's waters. The exhibits developed under this effort were built with funding that has since expired. The Clean Water Council and those commenting to the Council consider this effort successful and important to educating Minnesotans on the importance of our water resources.

This unique educational approach is directly related to the MPCA's long-term water goals and the Clean Water Council's strategic plan Goal 4, which is:

Goal 4: All Minnesotans value water and take actions to sustain and protect it.

- *Build capacity of local communities to protect and sustain water resources*
- *Provide education and outreach to inform Minnesotans' water choices*
- *Encourage community and citizen engagement on water issues*
- *Incorporate the needs and assets of Minnesota's diverse communities*

Support agency efforts to inform, educate, and encourage the participation of citizens, stakeholders, and others in the protection and restoration of Minnesota's waters. Efforts should include the biennial Clean Water Fund Performance Report, traveling exhibits, more integrated presentation of projects and outcomes supported by the Clean Water Fund on state web sites, etc.

Proposal:

We Are Water MN is a traveling exhibit and community engagement initiative that builds local capacity to support and engage in water restoration and protection. It is supported by a unique collaboration among the Minnesota Humanities Center, the Minnesota Pollution Control Agency, the Minnesota Historical Society, and the Minnesota Departments of Agriculture, Health, and Natural Resources. Local organizations host the exhibit and become an exhibit tour-cohort during their 2-year commitment to the program. Soil and water conservation districts, museums, arts organizations, and Tribal governments have all been hosts in the past.

The state agencies and host sites practice the Minnesota Humanities Center's Absent Narratives Approach--an equity-based approach to partnership building and community engagement--which emphasizes building and strengthening relationships, recognizing the power of story and the danger of absence, learning from and with

multiple voices, and amplifying community solutions for change. State partners provide training and reflective experiences for host sites, develop local content for the exhibit, and connect host sites with resources. Host sites build partnerships and plan public activities. All of this is designed to build Minnesotans' relationships with and responsibilities to water and build local capacities for sustainable watershed management.

The project started in 2016 using a combination of grant and sponsorship funds. We are now in our third tour (2016-2017, 2018-2019, and 2020-2021). The state agencies have been contributing to the projects through grants and contracts with the Minnesota Humanities Center and staff time. Foundation and other non-state dollars have also been leveraged by the Minnesota Humanities Center. This FY22-23 Clean Water Fund appropriation will support the continuation of this successful initiative. No staffing is included with these costs – all costs are to develop the exhibits and supporting materials.

We Are Water MN will work with new, additional communities throughout the state and continue to build community capacity for clean water. Because of the cohort nature of the program, we'll work with six communities over the course of the biennium and public activities will happen with three sites per year.

We Are Water is a successful and proven initiative that builds strong local and statewide networks which promote positive social norms and enable the development of a communitywide vision for water stewardship. This funding will allow for six host sites over the biennium and achieve similar outcomes as described below. The 2018-2019 cohort, which included 8 host sites, achieved the following:

- State employees on the project team improve ability to engage with communities historically underrepresented.
- Host sites built and strengthened their networks. There were 240 partnerships across eight sites and nearly half were described as active or deep partnerships. These networks were described as: 30% being new relationships and nearly 40% as relationships with an organization or community not normally represented in the host site's work. We continue to hear from past host sites that the relationships they began during We Are Water MN are enduring and leading to new opportunities.
- Over 9,000 individuals attended 28 community events. These events strengthened informal social bonds, facilitated knowledge exchange and provided a shared sense of community and responsibility.
- Many people learned about water. Over 34,000 people attended the exhibit, including 1,500 school children. A visitor survey of 457 attendees, spoke to the value of how the exhibit: 51% said they learned something new, 54% expressed feeling a greater responsibility to water resources, and 48% felt motivated to take personal action regarding the personal use of water.

Impact on Children and Families:

This initiative is intended to bring all members of a community together and help them understand water issues. Such information allows families and their children become engaged in local efforts to protect the water resources in their area and across Minnesota; thus, ensuring all have access to quality water for recreational uses and drinking water.

Equity and Inclusion

The structures and practices of the initiative are centered in the Minnesota Humanities Center's equity-based approach to civic and community engagement. We Are Water MN is built to start with the social and relational aspects of water issues instead of thinking of those as add-ons or "nice but not necessary." By starting from relationships, the state agency collaborators contribute to building communities that are better equipped to solve problems collaboratively and be more resilient in the face of current and future water and environmental issues. By putting many ways of knowing water together, we can improve communities' abilities to work together on water issues.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - National Park Water Quality Protection Program

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
Clean Water Fund				
Expenditures	700	700	0	0
Net Fiscal Impact = (Expenditures – Revenues)	700	700	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends appropriation of \$700,000 in each FY 2022 and FY 2023 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Municipal Division for restoration of water quality in Voyageurs National Park through sanitary sewer projects.

In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget, if funded. The FY 2022-23 request represents an 8% reduction from previous requests.

Rationale/Background:

Protection of water quality in Voyageurs National Park is dependent, in part, upon the functionality of wastewater and SSTS infrastructure in communities surrounding the Park. A comprehensive study found that there is a 64% non-complying/failing septic system rate in the Namakan basin area, which includes thousands of septic systems. The Voyageurs National Park Clean Water Joint Powers Board (Board) was created to implement a Comprehensive Plan for this area. This Plan describes wastewater collection and treatment system (including centralized and decentralized treatment) projects needed to ensure the areas surrounding Voyageurs National Park meet state wastewater treatment standards.

Proposal:

The Governor proposes continuation of funding for activities overseen and coordinated by the Board. The initiative of \$1,400,000 is for the purpose of planning, design, permitting, and constructing the Ash River, Crane Lake, and Kabetogama projects. Grants will be awarded to local government units for these projects, as approved by the Board. Grant awards must be matched by at least 25% from sources other than the Clean Water Fund.

The Board will report the following results:

- names and types of projects within grand-funded communities
- numbers of septic systems certified as passing County inspections
- anticipated changes in water quality through installation of systems supported by grants

Impact on Children and Families:

Voyageurs National Park is one of America's treasures and all Minnesotan's will be able to visit and recreate in the Park without fear of a public health concern due to wastewater and septic system discharges that do not meet standards. This proposal will ensure those living in the area and those visiting will have access to quality water.

Equity and Inclusion:

The Board will ensure that community meetings and processes for selecting projects are open to all.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Clean Water Legacy - Clean Water Council

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
Clean Water Fund				
Expenditures	275	275	0	0
Net Fiscal Impact = (Expenditures – Revenues)	275	275	0	0
FTEs	1.0	1.0	0	0

Recommendation:

The Governor recommends appropriation of \$275,000 in each FY 2022 and FY 2023 from the Clean Water Fund to the Minnesota Pollution Control Agency's (MPCA) Operations Division for Clean Water Council operations.

The recommended appropriation of \$550,000 for the biennium will cover one FTE (Council Administrator), costs of meetings, necessary travel for members, communications, and the production of the Council's biennial report. The increase from FY 2020-21 is cost-neutral to the Clean Water Fund; as the staff costs for the Council Administrator had previously been borne by other MPCA line items for the Clean Water Fund and are now removed. This cost is reflected in this request for transparency.

In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget, if funded.

During FY 2022-23, the Council will build upon changes made in FY 2020-21 to better meet its mission in M.S. 114D.30.

- Strategic plan: The Council approved its first strategic plan in early 2020. This plan will guide the Council's activities and funding recommendations through 2034 when the Legacy Amendment expires, with periodic reviews to adapt to changing circumstances.
- Interagency communications plan: The Council is coordinating an interagency communications strategy to provide better accountability to taxpayers on the outcomes of the Clean Water Fund required in M.S. 114D.

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 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 funding for Clean Water Council operations in FY 2022-23. Appropriations from the Clean Water Fund may only be authorized as one-time funding. 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.

Impact on Children and Families:

The Council through its recommendations helps ensure Minnesota's waters are meet standards and allow children and families the opportunity to safely fish, swim and ensure clean and safe drinking water.

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. The Council's new Strategic Plan directs the Council to develop a Diversity, Equity, and Inclusion Plan in 2021. Staff has completed Tribal-State Relations Training and is reaching out to the state's four ethnic councils.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Per- and Polyfluoroalkyl Substances Water Monitoring

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	200	200	200	200
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	200	200	200	200
FTEs	0	0	0	0

Recommendation:

The Governor recommends an appropriation for \$200,000 in each of FY 2022 and FY 2023 from the Environmental Fund to the Minnesota Pollution Control Agency's Environmental Analysis and Outcomes Division for sampling fish and water for per- and polyfluoroalkyl substances (PFAS) at multiple surface waters. The information will support the establishment of fish consumption guidelines where high levels of PFAS are found in fish, in order to protect Minnesotans that eat them. The data will aid in the development of PFAS water quality standards for multiple beneficial uses: aquatic consumption (fish tissue) by both humans and fish-eating wildlife and aquatic life (healthy aquatic life). The data will also help evaluate trends in PFAS in Minnesota's waters.

The requested appropriation of \$200,000 for FY 2022-23 is new and intended to be ongoing. The funds will be used for an outside vendor to complete the analyses needed as these analyses require specialized lab resources. There have not been dedicated state funds for this activity. Some funds, including Clean Water Fund funds for contaminants of emerging concerns, have been used through the Fish Contaminant Monitoring program to collect and analyze levels of PFAS in fish, but not at a sustained level.

In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget.

Rationale/Background:

PFAS are a group of synthetic chemicals that have been used in a wide array of consumer and industrial products since the 1940s. These chemicals do not easily break down, resulting in a relatively permanent reservoir in the environment that continues to impact the environment and human health. A few of the most studied PFAS are known to be hazardous to human health and we continue to learn more about the negative impacts of various PFAS chemicals.

The most extensively studied PFAS chemicals to date are perfluorooctonate sulfonate (PFOS) and perfluorooctanoic acid (PFOA), which have known human health concerns. In the early 2000s, several companies announced voluntary phase-outs of PFOS and PFOA. These two chemicals are no longer produced in the United States (U.S.). However, there are over 5000 PFAS chemicals. Manufacturers continue to develop replacement PFAS chemicals and even the phased out PFOS and PFOA are still imported in consumer goods.

States around the country are working to understand the presence of PFAS in the environment and the potential effects on human health and the environment to develop appropriate standards (drinking water, fish tissue, etc.) to reduce those adverse effects. Studies have found PFAS in surface waters, groundwater, fish, sediment, precipitation, solid waste facilities, wastewater, and wastewater biosolids. There is a need for additional fish and

invertebrate data to understand and assess how PFAS bioaccumulate through the environment and what is needed to protect human health, wildlife, and aquatic communities.

Proposal:

This proposal requests funds to establish a new PFAS sampling program for fish and water to support the development and implementation of PFAS fish consumption advice and water quality standards for fish tissue and aquatic life, in order to protect Minnesotans that eat them. The data will also help understand ongoing changes in levels of PFAS in the environment. The funds will enable sampling at seven locations at watershed pour points, where fish fillets are already collected and analyzed as part of the MPCA's regular watershed schedule. Fish fillets (to understand PFAS in the parts of the fish eaten by people) and whole fish (to understand PFAS in the parts of the fish eaten by other animals) will be collected. The funds will allow additional analysis of the already collected fish fillets, water analysis, and collection and analysis of whole fish.

Fish Fillets		Whole fish – 5 fish composites	
Sample type	Number of samples	Number of fish	Number of analyses
Fish fillet	70	70	14
Water	15		

The remaining funds will cover PFAS fish and water analysis at 15 sites with known higher levels of PFAS. Sixty waters need such re-testing, and additional sites may be found through other work. Each surface water tested includes 15 fish fillet, 5 whole fish, and two water samples. Sample collection is conducted by existing staff using existing equipment. The data collected will help understand change over time at contaminated sites and the difference between whole fish and fish fillets.

Fish Fillets		Whole fish – 5 fish composites	
Sample type	Number of samples	Number of fish	Number of analyses
Fish fillet	225	225	45
Water	30		

MPCA will work with other agencies to discuss PFAS issues through interagency fish contaminant monitoring meetings. Measures will be primarily on how much data was collected. Data will be made available through the PFAS website: <https://www.pca.state.mn.us/waste/pfas-pollution>.

Impact on Children and Families:

Anyone who eats fish caught in Minnesota will benefit from improved understanding of levels of PFAS in the environment. This proposal provides essential information to establish which populations are exposed to PFAS. PFAS is a developmental toxicant. It is especially important to protect pregnant women and developing fetuses, since PFAS is a developmental toxicant.

Equity and Inclusion:

Sampling priority will ensure some locations will be in Environmental Justice (EJ) areas. Underserved communities will be asked to participate in determining sampling locations. EJ communities often are near industrial sources of pollution. An important source of PFAS in humans is the consumption of fish contaminated with PFAS. Fish consumption is generally higher in members of Minnesota's tribal nations, and other communities practicing subsistence fishing. We need to understand the levels found in fish to mitigate exposure.

IT Related Proposals: Not Applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Per- and Polyfluoroalkyl Substances Inventory Pilot

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	450	250	250	250
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	450	250	250	250
FTEs	1	1	1	1

Recommendation:

The Governor recommends an appropriation of \$450,000 in FY 2022 and \$250,000 in FY 2023 from the Environmental Fund to the Minnesota Pollution Control Agency's (MPCA) Environmental Analysis and Outcomes Division for the acceleration and expansion of the MPCA's pilot project inventorying types of facilities that are the potential source of per- and polyfluoroalkyl substances (PFAS) contamination. Also, the funding will allow for a one-time sampling of wastewater treatment plants. The request anticipates ongoing needs of \$250,000 per year through FY 2025.

In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget.

Rationale/Background:

PFAS are a group of synthetic chemicals that have been used in a wide array of consumer and industrial products since the 1940s. These chemicals do not easily break down, resulting in a relatively permanent reservoir in the environment that continues to impact the environment and human health. A few of the most studied PFAS are known to be hazardous to human health and we continue to learn more about the negative impacts of various PFAS chemicals.

The most extensively studied PFAS chemicals to date are perfluorooctonate sulfonate (PFOS) and perfluorooctanoic acid (PFOA), which have known human health concerns. In the early 2000s, several companies announced voluntary phase-outs of PFOS and PFOA. These two chemicals are no longer produced in the United States (U.S.). However, there are over 5000 PFAS chemicals. Manufacturers continue to develop replacement PFAS chemicals and even the phased out PFOS and PFOA are still imported in consumer goods.

States around the country are working to understand the presence of PFAS in the environment and the potential effects on human health and the environment to develop appropriate standards (drinking water, fish tissue, etc.) to reduce those adverse effects. Studies have found PFAS in surface waters, groundwater, fish, sediment, precipitation, solid waste facilities, wastewater, and wastewater biosolids. We do not have a clear understanding of which facilities are the source of PFAS contamination into the environment. Some facilities, such as wastewater treatment plants and solid waste facilities, do not use PFAS or products that contain PFAS, rather are "conduits" for waste streams containing PFAS.

Proposal:

The effort will help us understand sources of PFAS contamination and allow for more targeted work in reducing negative impacts to Minnesotans and the environment from these chemicals.

The proposed work will be conducted in two parts. The first part will accelerate and expand the inventory of potential historical and current industrial sources of PFAS. This phase will include multiple media investigation of, air sources (especially incinerators), compost facilities, large manufacturing facilities, open and closed landfills, and other facilities. The expenditure for this part is \$250,000 per year (128,000 for 1 FTE and \$122,000 for project expenses). The second part will conduct a one-time sampling for PFAS at wastewater treatment plants. The expenditure for the second part is a onetime appropriation of \$200,000.

Success will be measured by identifying PFAS contamination sources and the response measures taken to protect Minnesotans from exposure to it. Also, how the information helps us understand where PFAS is coming from to be able to implement policies to protect human health and the environment. MPCA will continue to work with other agencies to discuss PFAS issues. Data will be made available through the PFAS website:

<https://www.pca.state.mn.us/waste/pfas-pollution>.

Impact on Children and Families:

Anyone who lives near a source or conduit of PFAS will benefit from improved understanding of levels of PFAS in the environment. This proposal provides essential initial information to establish which populations are being exposed to PFAS and where it is coming from, so that we can take action to make people better off. It is especially important to protect pregnant women and developing fetuses, since PFAS is a developmental toxicant.

Equity and Inclusion:

Environmental Justice (EJ) communities often are found near industrial sources of pollution. Understanding levels of PFAS in the environment is important to understanding what these communities may be exposed to and provide for appropriate actions to mitigate the situation.

IT Related Proposals:

Not Applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Per- and Polyfluoroalkyl Substances Source Evaluation

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	300	200	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	300	200	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends a one-time appropriation of \$300,000 in FY 2022 and \$200,000 in FY 2023 from the Environmental Fund to the Minnesota Pollution Control Agency's (MPCA) Environmental Analysis and Outcomes Division for evaluation of feedstock to wastewater and solid waste facilities that result in high levels of per- and polyfluoroalkyl substances (PFAS) at these locations.

The requested appropriation of \$300,000 in FY 2022 and \$200,000 in FY 2023 is new, state funds have not been previously used for this activity. In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget.

Rationale/Background:

PFAS are a group of synthetic chemicals that have been used in a wide array of consumer and industrial products since the 1940s. These chemicals do not easily break down, resulting in a relatively permanent reservoir in the environment that continues to impact the environment and human health. A few of the most studied PFAS are known to be hazardous to human health and we continue to learn more about the negative impacts of various PFAS chemicals.

The most extensively studied PFAS chemicals to date are perfluorooctonate sulfonate (PFOS) and perfluorooctanoic acid (PFOA), which have known human health concerns. In the early 2000s, several companies announced voluntary phase-outs of PFOS and PFOA. These two chemicals are no longer produced in the United States (U.S.). However, there are over 5000 PFAS chemicals. Manufacturers continue to develop replacement PFAS chemicals and even the phased out PFOS and PFOA are still imported in consumer goods.

States around the country are working to understand the presence of PFAS in the environment and the potential effects on human health and the environment to develop appropriate standards (drinking water, fish tissue, etc.) to reduce those adverse effects. Studies have found PFAS in surface waters, groundwater, fish, sediment, precipitation, solid waste facilities, wastewater, and wastewater biosolids. Some facilities, such as wastewater treatment plants and solid waste facilities, do not use PFAS or products that contain PFAS, rather are "conduits" for waste streams containing PFAS. More information is needed on the products (feedstocks), including consumer goods, that go to these conduits as part of the waste stream.

Proposal:

This proposal requests new funds to evaluate feedstock materials and handling procedures that cause the levels of PFAS seen at wastewater and solid waste facilities and ultimately moves into the environment. The one-time

funding will enable contracted evaluations of feedstocks (e.g. consumer goods, industrial products) coming into compost facilities and landfills and possible sources to municipal wastewater treatment plants. This information will support the development of policy to prevent these materials or sources of PFAS from going to these conduit facilities. In addition, it will help with the development of proper guidance for facility operators to reduce impacts to the environment. Private and public (cities and counties) operators of these facilities are looking for ways to address this emerging challenge. The work will start in FY 2022.

This work will fill critical data needs on feedstocks PFAS levels at wastewater and solid waste facilities and complement other PFAS work within the agency. MPCA will continue to work with other Minnesota state agencies and other states to understand and develop actions to mitigate PFAS risks. Measures will be primarily on how much data was collected. Data will be made available through the PFAS website:

<https://www.pca.state.mn.us/waste/pfas-pollution>.

Impact on Children and Families:

Anyone who lives near a source or conduit of PFAS will benefit from improved understanding of levels of PFAS in the environment. This proposal provides essential initial information to establish which populations are being exposed to PFAS and where it is coming from, so that we can take action to make people better off. It is especially important to protect pregnant women and developing fetuses, since PFAS is a developmental toxicant.

Equity and Inclusion:

Environmental Justice (EJ) communities often are found near industrial sources of pollution. Understanding levels of PFAS in feedstocks is important to understanding what these communities may be exposed to and provide for appropriate actions to mitigate the situation.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: New Equipment for Compliance and Enforcement in Environmental Justice Areas

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Funds				
Expenditures:	0	180	4	4
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	180	4	4
FTEs	0	0	0	0

Recommendation:

The Governor recommends appropriation of \$180,000 in FY 2023 and \$4,000 each year thereafter from the Environmental Fund to the Minnesota Pollution Control Agency's (MPCA) Industrial Division. The \$180,000 will be used to make a one-time purchase equipment and the \$4,000 in FY 2024 and FY 2025 will be used for ongoing maintenance of the equipment. This is new monitoring equipment, and there is no existing budget for it.

In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget.

Rationale/Background:

The MPCA is responsible for assessing compliance with air quality regulations and permits, determining compliance with applicable emission limits and requirements through review of submittals including stack test reports and continuous monitoring reports, conducting appropriate enforcement for violations, providing technical assistance, and educating regulated parties about applicable requirements. These activities are necessary to ensure compliance, provide a deterrent to violators, create a level playing field, and recover economic benefit gained from violations. The MPCA currently does not have the equipment necessary to identify Volatile Organic Compounds (VOC) and Hazardous Air Pollutants (HAPs) while in the field. When emitted, VOCs can form ozone and create smog, and HAP emissions are known to cause cancer or other serious health effects.

As demonstrated in its strategic plan, the MPCA is committed to incorporating environmental justice (EJ) into all programs and improving air quality in population centers. This request would help the agency pursue both goals by improving our ability to monitor and detect air quality issues. While air quality has generally improved across Minnesota and meets federal standards, some communities experience impacts from cumulative exposure to multiple pollutants and experience higher air pollution levels from local sources such as highways, railyards, small businesses like auto body shops and dry cleaners, scrap yards, wood burning, and industrial facilities and even cars and trucks with tampered pollution control equipment. The USEPA has approved the use of this air emissions monitoring equipment.

Proposal:

We propose to purchase new air emissions monitoring equipment in FY 2023 and focus its use on compliance and enforcement in EJ areas. We do not currently have this equipment and thus, have no way to complete this work without the purchase of new equipment. The equipment will enhance existing compliance and enforcement efforts. The purchases will be made in the following manner:

1. Forward Looking Infrared (FLIR) Camera purchased for \$155,500. If we see leaks with the camera, no matter how small, we have evidence of a violation. The readings can be used directly as evidence, and in other instances the readings are used for screening. The USEPA uses this evidence directly when the requirement is to “capture all emissions” or the permit requires “100% capture”.
2. Toxic Vapor Analyzer (TVA) (measures gas concentrations down to parts per million (ppm)) purchased for \$10,000 with an ongoing cost of \$1,000 per year. This piece of equipment is used primarily for the Leak Detection and Repair (LDAR) provisions of National Emissions for Hazardous Air Pollutants (NESHAPs). Leaks or detectable emission are those that measure above 500 ppm. We would use the FLIR to detect leaks and then use the TVA to quantify the release in ppm. If the result is greater than 500 ppm, there is a violation. This piece of equipment works in tandem with the FLIR for the LDAR program (ethanol plants and refineries are facilities that have LDAR requirements). Both can be used separately though, but the TVA is relied upon as direct evidence of a violation.
3. Digital Opacity Software Package purchased for \$11,000 with an ongoing cost of \$2,500 per year. This package provides an opacity result that can be directly compared to an opacity limit in the permit or rule. Method Alt 082 is an approved substitute for Method 9. Given that method Alt082 is an approved method, digital opacity software can be used to directly determine permit violations.

Impact on Children and Families:

Through this change item, staff will have enhanced air emission detection capabilities to ensure that environmental issues are addressed in a timely manner to help improve air quality in disproportionately impacted communities. The new air emissions monitoring equipment will allow greater accuracy in determining the compliance of facilities within environmental justice areas, whose emissions can disproportionately impact children and families residing in these areas.

Equity and Inclusion:

The air emissions compliance and enforcement program works to ensure human health and environmental risks are managed to benefit all Minnesotans. Many air emission facilities are in former or current industrialized areas, which are often co-located within MPCA designated environmental justice areas. Currently, hundreds of air emission facilities are located within MPCA defined environmental justice areas. This proposal will help improve the air quality in any community but primarily EJ communities located near a facility that has an air emissions permit.

MPCA models show lower income communities and areas of higher concentrations of people of color are at a greater risk from air pollution. Residents in 46% of lower income areas and 91% of communities of color experience air pollution risk above health guidelines. The requested funding for air monitoring equipment will ensure that facilities located in these areas comply.

This air emissions monitoring equipment along with increased inspections, compliance determination and enforcement activities at air emission facilities will allow greater emphasis to be placed on and promote the prioritization of air emission facilities within disadvantaged environmental justice areas.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Enhance Compliance and Enforcement in Environmental Justice Areas

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	384	384	384	384
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	384	384	384	384
FTEs (New)	3	3	3	3

Recommendation:

The Governor recommends appropriation of \$384,000 in each year of the FY 2022-23 biennium and each year thereafter from the Environmental Fund to the Minnesota Pollution Control Agency's (MPCA) Industrial Division. This proposal will enhance MPCA's ability to determine compliance with permits and take enforcement action to protect human health and the environment when permit conditions are violated. The proposal will also enhance the MPCA's ability to focus compliance and enforcement (C&E) activities in Environmental Justice (EJ) areas. This proposal will result in a change from the base budget of \$990,000 (10 FTE).

In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget.

Rationale/Background:

The MPCA has a strategic goal to improve air quality and reduce the disproportionate effect of air pollution on EJ communities and population centers by the year 2022. To make substantial progress on this goal, more staff resources are required for compliance and enforcement efforts, and community outreach and engagement activities.

This proposal will enhance air regulatory program efforts at industrial facilities in EJ areas. The MPCA will prioritize enhanced levels of activity at facilities where air emissions have the potential to impact local communities. Under this proposal, Metro and Greater Minnesota communities characterized by a legacy of industrial facilities will experience enhanced efforts to engage and share information with community members, conduct inspections, and determine compliance, and initiate actions to reduce or eliminate potential impacts.

Many regulated industries and businesses were originally located, and continue to operate, in densely populated areas and rural communities; and thus, residents of these communities experience disproportionate impacts from air pollution. These communities will receive enhanced regulatory efforts to determine compliance with air quality regulations. The result of increased compliance presence and resolution of noncompliance in EJ areas will achieve the goal of reducing air pollution impacts in these communities.

Proposal:

The additional new funding will build capacity in the air regulatory program to address compliance and enforcement activities, focused primarily upon EJ areas of the state with disproportionately impacted communities. The recommendation is for an additional 3 FTEs for a cost of \$384,000 per year. This request complements existing air quality work beginning in FY 2022, once the FTEs are hired and trained.

Additional program capacity of 3 new staff will work with regulated facilities in impacted communities, including:

- Primary focus on air emission facilities in or near environmental justice and/or disproportionately impacted population centers.
- Increased inspections conducted, leading to noncompliance being identified sooner, potentially tighter permit limits, and cleaner air.
- Identification and resolution of compliance determinations on regulatory matters more quickly, reducing the duration of negative environmental and human health impacts.
- Additional compliance and enforcement staff for assistance to agency permit writers.
- Increased assistance on compliance matters to prevent and reduce regulatory and enforcement burden, resulting in reduced negative environmental and human health impacts.

Impact on Children and Families:

Through this initiative, staff capacity will increase to ensure that key program strategies and priority environmental issues are addressed in a timely manner to help improve air quality in disproportionately impacted communities. Specifically, this initiative will ensure that compliance and enforcement strategies are successfully implemented, including inspection, compliance determination and enforcement activities are started and completed within a timely manner along with managing the public health threats posed by air emissions. Compliance and enforcement activities are labor intensive but critical for protecting public health. The additional FTE will allow greater emphasis on new and existing sites occurring within environmental justice areas, which can disproportionately impact children and family's residing in these areas.

Equity and Inclusion:

The air emissions compliance and enforcement program strives to ensure human health and environmental risks are managed in a manner that benefits all Minnesotans. Many air emission facilities are in former or current industrialized areas, which are often co-located within MPCA designated environmental justice areas. Currently, hundreds of air emission facilities are located within an MPCA defined environmental justice areas.

MPCA models show lower income communities and areas of higher concentrations of people of color are at a greater risk from air pollution. Residents in 46% of lower income areas and 91% of communities of color experience air pollution risk above health guidelines. The requested funding for additional C&E staff will ensure that permitted facilities located in these areas comply with applicable regulations.

Increased inspections, compliance determination and enforcement activities at air emission facilities in historically underserved areas will help improve the air quality located near a facility that has an air emissions permit. This proposal will allow greater emphasis to be placed on and promote the prioritization of air emission facilities within disadvantaged environmental justice areas throughout the State.

As a result, this change item would be a direct benefit to the health of many people in EJ communities.

The change item will be sustained through an existing training and mentoring program.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: St. Louis River Mercury Total Maximum Daily Loads

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	350	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	350	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends a one-time appropriation of \$350,000 in FY 2022 from the Environmental Fund to the Minnesota Pollution Control Agency's Environmental Analysis and Outcomes Division for needed water quality modeling to complete the St. Louis River Mercury total maximum daily load (TMDL) study.

The recommended appropriation of \$350,000 for FY 2022 is new, state funds have not been used previously for this activity. In FY 2022, this appropriation will represent less than 1% of the MPCA's biennial budget.

Rationale/Background:

Lakes and rivers not meeting water quality standards are put on the state's impaired waters list. Impaired waters require a total maximum daily load (TMDL) study, which uses all available information to determine how much of the specific pollutant the water body can receive and still achieve the water quality standard. Many waters in Minnesota are impaired for mercury—primarily because of high levels of mercury in fish tissue. The Minnesota Statewide Mercury TMDL was approved by United States Environmental Protection Agency (USEPA) in March 2007. It set a mercury emissions reduction goal of 93% (from 1990) to meet the mercury water quality standard in fish tissue.

Across the state, 385 impairments for mercury in fish were not included in the Statewide TMDL because of exceptionally high mercury concentrations. For these waters, a 93% reduction in human induced mercury emissions is predicted to help reduce mercury concentrations but would be insufficient to meet the standard for mercury in fish tissue. In the Statewide TMDL, the explicit intention for those waters not included in the TMDL was to consider individual mercury TMDLs after the goals of the Statewide TMDL had been achieved. Although the goals of the statewide TMDL have not been achieved, mercury emissions in Minnesota decreased 54% between 2005 and 2017. Point-source water discharges in the state are currently below the allowable load of 24 pounds per year included in the statewide TMDL implementation plan.

In 2011, USEPA Region 5 initiated development of a Toxics TMDL for the St. Louis River (SLR), to include mercury and other toxic organic contaminants in the SLR estuary (e.g., PCBs and pesticides). The consultants contracted by USEPA, with the oversight of a committee of representatives from USEPA Region 5, MPCA, Wisconsin DNR, and Fond du Lac Tribe, evaluated available data and prepared preliminary computer models. This project completed in May 2013 with reports on the preliminary modeling effort, a field sampling plan to support the further development of the models, and a "Road Map for Moving Forward". MPCA experts found the preliminary models evaluated did not adequately address the production of methylmercury, likely key component of high mercury levels in the SLR watershed.

With this proposal, the MPCA would move forward with the development of a TMDL for the SLR and Cloquet watersheds. There has been significant interest from local partners to work on addressing the mercury impairments in these areas. The MPCA is focusing on the St Louis River watershed, as opposed to other high mercury waters, because of the tribal interest and the quantity of mercury data already acquired. Additionally, the MPCA will leverage and collaborate this work with other work to improve water quality in the St Louis River watershed, including local planning efforts. Having that information from the TMDL process will help local planning processes effectively integrate local actions and projects important for reducing mercury methylation.

Proposal:

These funds will enable the MPCA to develop a mercury TMDL for the St. Louis River (SLR), following the “Road Map for Moving Forward” as defined during the multi-party collaborative initial planning for the SLR Toxics TMDL done in the early 2010s. The project is expected to begin in FY 2022 and continue for three years. The funds will be used in the first year of the biennium to purchase one-time modeling expertise and resources for developing the technical path forward with this TMDL. This specialized expertise is constrained in existing programs. After this initial work is completed, remaining work will be completed with existing resources. The MPCA will partner with tribal governments, other governments, and state government entities, and engage with citizens and stakeholders to complete this work.

Impact on Children and Families:

Reducing mercury in fish tissue will benefit everyone who consumes fish caught in the waterbodies of the St Louis River watershed. There will be benefits for children and those who consume higher levels of fish. Mercury is a neurotoxin and exposure can damage the central nervous system. Children and fetuses are especially vulnerable because their nervous systems are still developing.

Equity and Inclusion:

This proposal builds on work completed with tribal governments and will lead to greater understanding of the production of methylmercury within the watershed. Greater understanding will lead to watershed planning and management that can be targeted towards reduction of mercury levels in fish tissue. This is significant as fish consumption is generally higher among members of Minnesota’s tribal nations, and Minnesota’s Tribes have treaty fishing rights in the St Louis River.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY2022-23 Biennial Budget Change Item

Change Item Title: Railroad and Pipeline Safety Assessment

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures (DPS)	2,500	2,372	2,372	2,372
Revenues (DPS)	2,500	2,500	2,500	2,500
Transfer Out (DPS)	0	128	128	128
Transfer In (MPCA)	0	128	128	128
Expenditures (MPCA)	0	128	128	128
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs (DPS)	1.5	1.5	1.5	1.5
FTEs (MPCA)		1	1	1

Recommendation:

The Governor recommends reinstating the railroad and pipeline safety assessment in the amount of \$2.5 million annually to ensure response to hazardous material incidents across the state from current State Hazardous Materials Response Teams, and for local preparedness and state support to 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 assistance are state-contracted hazmat response teams and on-call staff to provide advice, guidance, and support for preparedness and response activities.

Currently, Minnesota has 11 hazmat response teams comprised of chemical assessment teams (CAT) and emergency response teams (ERT). Minnesota's hazmat response teams are used frequently, deploying about once a week over the past several years. The teams responded to 51 calls outside their normal jurisdiction in 2019.

These teams also function as a part of the local fire department and have responded to an additional 32 in-jurisdiction calls in 2019. 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 fiscal year 2021. Reinstatement of the assessment is necessary to maintain this critical asset for Minnesota.

DPS purchased much of the required equipment with federal homeland security grants after 9/11. Many of those items have reached the end of their service life, and federal monies are no longer available to cover the replacement of this equipment. 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 and other challenges. 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. Additionally, all these functions are critical assets due to the 62,000 miles of pipeline and 4,444 route miles of railroads throughout the State of Minnesota.

In recent years, there has been a heightened level of concern specific to the installation of the Enbridge Line 3 gas line and oil transportation via the railroad. These funds ensure operational readiness for our fire departments, communities, and state response teams.

Proposal:

The Governor recommends reinstating the annual \$2.5 million assessment of railroad and pipeline companies. Given that adequate funding is no longer available from the previous railroad/pipeline safety assessment and the federal government for hazmat response and incident preparedness activities, this assessment will support critical activities, including:

- \$225,000 for 1.5 existing FTE (and on-call funding) at DPS-SFMD.
- \$122,000 for program operating expenses.
- \$128,000 to MPCA for program operating expenses.
- \$125,000 for MBFTE training programs (fire departments)
- \$200,000 to facilitate and support trainings and exercises for State Response Teams.
- \$200,000 to support local planning.
- \$200,000 to replace state hazmat response team equipment.
- \$700,000 Capital Equipment – Vehicle Replacement
- \$600,000 for state-wide rail crossing improvements

This funding is needed by July 1, 2021 in order to maintain current activities. No special implementation steps are required.

Impact on Children and Families:

The state hazardous materials incident response support helps ensure that all children and families can live in safe communities.

Equity and Inclusion:

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

IT Related Proposals:

N/A

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Accelerated Online Services

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	300	300	300	300
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	300	300	300	300
FTEs	1	1	1	1

Recommendation:

The Governor recommends appropriation increase of \$300,000 in FY 2022 and FY 2023 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 of \$300,000 per year increase will bring the total appropriation to \$1.1M supporting 5 FTE in total.

The increase will fund one new FTE to support program's redesigning their processes to better take advantage of online services. The funds also provide some contract support by a vendor to update the MPCA's environmental database to support the process changes.

This appropriation is less than a 1% increase to MPCA's Environmental Fund FY 2022-23 base budget, if funded.

Rationale/Background:

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

The MPCA offers 90 activities online from permitting to citizens submitting monitoring data with another 40 expected by the end of the current biennium. However, more than 400 service activities are needed to meet customer expectations. Current services support annual licensing of 6,000 hazardous waste generators, issuance of 3,000 for each construction and industrial stormwater permit types, 2,000 citizen monitors, registration available online for 16,000 feedlot owners, and provide online monthly reporting for over 1,400 wastewater operators. Over 15,000 individuals have signed into the online services with more than 100,000 transactions completed. MPCA analysts have identified innovative improvements, such as recent work on the industrial stormwater permit process. We were able through the online service and automation of granting coverage, tailor the coverage document to the permittee automatically. Permittees received a permit in two days not seven days and had a 33-page document instead of a 99-page document eliminating information not critical to their facility.

Improved online and reporting services allows the efficient use of resources and improves the timeliness related issue of licenses, certifications, permits, and to obtain information for property redevelopment and environmentally protective permits. 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 to the data.

Proposal:

The Governor proposes to maintain levels of funding and expand work started with the previous 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 4 full-time employees and add an additional new full-time employee dedicated to expanding the types and number of online services. The balance of funding is for contracted services to maintain the existing database that accepts the data from the online services and manages program workflow to expedite work activities through standardization.

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;
- 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 proactively engages 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:

- Citizens need an upgraded tool to submit complaints about environmental concerns, whether it is illegal discharges, dumping of waste or air quality issues
- 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.
- Air permittees have requested to have the ability to submit all permit applications online
- Construction stormwater permits for subdivisions could be improved to meet development timeframes.

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

Impact on Children and Families:

Better timelines allows for environmental protections to take place quickly and thus, indirectly improving the quality of life for children and families.

Equity and Inclusion:

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 protecting their quality of life.

IT Related Proposals:

This proposal does not expand IT work, but rather the business readiness activities for process work and contract work that does not include IT resources.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Records Management Support for Contaminated Site Reassessments

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Remediation Fund				
Expenditures:				
Superfund Administration	120	120	120	0
Petroleum Administration	60	60	60	0
Revenues				
Superfund Project	120	120	120	0
Petroleum Project	60	60	60	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	3	3	3	0

Recommendation:

The Governor recommends a redirection of funds in the amount of \$180,000 in FY 2022 and FY 2023 within the Remediation Fund. This request would redirect Superfund and Petroleum project dollars in the Remediation Fund to Superfund and Petroleum Administration appropriations for three new temporary program FTEs starting in FY 2022 for three years. These FTE will support the records management needs associated with the Superfund and Petroleum closed site reassessment projects.

The MPCA Superfund program receives \$4.086 million in annual appropriations from the Remediation Fund to support 27.5 FTE and \$9.4 million for project work. The Petroleum Program receives \$6.4 million to support 35 FTE and \$5.9 million for projects. The proposal would redirect \$120,000 from Superfund projects to the Superfund Administration appropriation for two new temporary FTE and \$60,000 from Petroleum projects to Petroleum Administration for a new temporary FTE. This change represents 1% decrease in project funding. This repurposing of existing funds will not result in an increase in total funding from the Remediation Fund for the Superfund or Petroleum programs.

Rationale/Background:

The MPCA Petroleum Remediation and Superfund Programs exist to manage human health and environmental risks at sites contaminated with hazardous substances or petroleum chemicals. The MPCA Records Management team provides critical records management functions for the MPCA. The Superfund and Petroleum closed site reassessment projects represent a significant increase in workload that cannot be absorbed by existing Records Management staff. To maintain current records management services for the MPCA and meet the needs and timelines of the closed site reassessment projects, an infusion of three temporary records management FTE is needed.

In 2014, Superfund and Petroleum programs began to reassess drinking water risks at previously closed sites where decisions were made using older policies and human health standards compared to today's practices. Over the past ten years, several drinking water standards for volatile organic chemicals (VOCs) have decreased due to updated science and toxicology data for specific chemicals. Chemicals of interest to the closed site reassessment efforts include the industrial solvent trichloroethylene (TCE) along with the gasoline additives 1,2 dichloroethane (DCA) and ethylene dibromide (EDB). The second aspect to the closed site reassessment effort has focused on

reevaluating closed sites for vapor intrusion risks from VOC releases. Vapor intrusion did not become a standard part of environmental assessments until 2015; but is one of the leading reasons for environmental response actions taken at active sites. These reasons drove the need to develop a closed site reassessment framework to ensure site decisions made in the past are adequately protective based on today's policy and standards. Getting files digitized is critical to accomplish this work.

Many of the files and records associated with the closed site reassessment projects only exist in hardcopy format and have not been digitized into the MPCA's database systems. This work represents a significant effort for the Records staff to support the closed site assessment work and the day to day file and data practices requests for all MPCA programs. Records staff process 7,000 data requests each year for internal and external customers while scanning thousands of documents each year to make them easily accessible and available to the public.

Proposal:

The three FTE supported through this proposal would provide the Records Management Unit with staffing to absorb the additional workload resulting from the closed site reassessment projects. Without dedicated records management support, the closed site reassessment projects will not be able to fully meet their objectives and timelines for project completion by 2028, at which time dedicated legislative funds for the Superfund closed site reassessment project will expire. Failing to complete the closed site reassessment projects within the timeline will have a direct negative impact on the public health and welfare for Minnesotan's residing near these closed contaminated sites. The infusion of three temporary staff will allow approximately 2,333 project files to be digitized per year over the next three years for a total of 7000 files and allow the 2028 timeline to be met.

In addition, as the agency's major information systems increasingly support the major functions of the MPCA (permitting, compliance and enforcement, remediation, watersheds, etc.), accurate processing of records through the Records Management Unit is essential for efficient and effective processes and compliance with state and federal statutes.

Without the additional staffing, the Records Management staff would need to dedicate three of its seven trained staff to meet the demands of this very large reassessment project. This would significantly increase the current backlog of over 300 boxes in queue for a dozen other programs/business units and would concurrently decrease response time and operating efficiency for other business units within the MPCA.

Impact on Children and Families:

The MPCA's closed site reassessment projects are designed to ensure risk management decisions made in the past are adequately protective using today's policy and human health standards. Children and developing fetuses can be disproportionately impacted by exposure to environmental contaminants. This effort will provide direct benefits to Minnesota's children and families residing near contaminated sites by understanding and resolving risks at-closed sites.

Equity and Inclusion:

This proposal will directly impact and improve the lives of Minnesotan's living throughout the State, including many disadvantaged communities that are disproportionately impacted by contaminated sites. About 65% of all Superfund sites and 41% of Petroleum Remediation sites are within 1 mile of an environmental justice area. This project will help complete reviews of all closed sites by 2028.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Landfill Responsibility Act

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures				
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	670	1,170	1,170	1,170
Revenues	670	1,170	1,170	1,170
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	5	5	5	5

Recommendation:

The Governor recommends approval of \$670,000 in FY 2022 and \$1.170 million each year afterwards from the Special Revenue Fund to the Minnesota Pollution Control Agency's (MPCA) Resource Management and Assistance Division to carry out the duties of the Landfill Responsibility Act (LRA). The expenditure would be offset by an annual assessment on Mixed Municipal Solid Waste (MMSW) landfills to cover MPCA's expenses to administer and staff the program.

Rationale/Background:

Landfills currently have no formal incentives to reduce the amount of waste they receive and slow their growth in size, despite the clear societal and environmental benefits. In 2019, there were 20 active MMSW landfills, collecting about 2.1 million tons of waste.

Waste prevention and reusing materials are priorities in Minnesota's efforts to combat climate change. Life cycle assessment data shows significant greenhouse gas emissions are emitted during the production phase of many materials, including food/beverages, electronics, furnishings, and textiles.

For example, if Minnesotans doubled the useful life of our clothing and household furnishings through increased repair and reuse, the greenhouse gas emissions savings would be equal to increasing the efficiency of all Minnesotan's personal vehicles by 15 percent. On average preventing food from being wasted, for example through the tools to right size food usage at restaurants, is 20 times better than composting it.

Reuse activities can include electronics repair, sharing libraries, secondhand clothing and home furnishings, and more. These activities all stimulate Minnesota's reuse, rental, and repair economy, which is responsible for 77,800 jobs and \$10.26 billion in total sales as of 2015 (2019 Solid Waste Policy Report).

Proposal:

The LRA is a new initiative designed to complement existing work on waste prevention, reuse, and quantifying environmental impacts of waste. It's proposed goals are to:

- Reduce environmental and climate impacts by incentivizing prevention of waste and material reuse
- Minimize landfill dependence and the costly responsibilities of post-closure care
- Preserve landfill space; minimize landfill impacts to neighboring communities
- Bolster the reuse economy; reduce waste; save money for individuals or businesses generating waste
- Provide access to services for environmental justice (EJ) communities of concern

These goals would be achieved through requiring all Mixed Municipal Solid Waste (MMSW) landfills to decrease their environmental impacts by funding waste prevention and reuse projects equal to three percent of their annual gross revenue from MMSW disposal. The MPCA will solicit waste prevention and reuse/repair projects, compiling an eligible list. Landfills will choose projects from the list to fund, equal to three percent of their annual gross revenue from MMSW disposal, as part of their Waste Prevention Plan, which is submitted every three years for MPCA approval. A minimum 40% of LRA funds from each landfill must be allocated to projects serving EJ areas.

Waste prevention also leads to cost savings for businesses and individuals. For example, Leanpath, a company that invented an automated food waste tracking tool for large-scale kitchens, reports that their customers see on average a two to eight percent reduction on their food purchases.

For measurement, MPCA will collect the weight of waste diverted from landfills and eligible project organizations and convert the weights into GHG emissions saved and other environmental impact measures. The greenhouse gas emissions savings will be calculated using peer-reviewed life cycle assessment or modeling performed by a life cycle modeler at the MPCA. To measure statewide progress, MPCA will conduct waste composition studies to track changes in the amount and prevalence of waste streams, ideally seeing an overall decline. MPCA will also use the waste composition studies to calculate greenhouse gas emissions and track other environmental indicators related to landfilled materials.

If the LRA is not funded, Minnesota will continue to expand landfills to accommodate increased generation of waste and bear the climate consequences of maintaining landfills and generating more waste. This will be a missed opportunity to support communities and individuals consuming more sustainably, reduce statewide greenhouse gas emissions, and bolster the local reuse economy. The LRA also helps counties and cities meet their prevention and reuse goals, determined by their county plans.

Impact on Children and Families:

All Minnesotans benefit from the reduction in waste generation and savings in greenhouse gas emissions. Many potential partner organizations working on waste prevention and reuse efforts provide valuable social services as well – e.g., food banks across the state prevent wasted food, and help families access healthy food. The LRA will help ensure that the next generation of Minnesotans will have access to safe land, air, and water.

Equity and Inclusion:

Environmental justice communities are more vulnerable to the impacts extreme weather, health risks, and other effects of climate change. A goal of the LRA is reduce greenhouse gases that contribute to climate change.

The LRA specifies that 40% of waste prevention and reuse activities must directly serve communities in environmental justice areas. Minnesota's network of food donation organizations including farmers, retailers, food distributors, food banks, food shelves, etc. would benefit from LRA funding to collect and redistribute more food to hungry people.

Minnesota's repair and reuse businesses will benefit from using LRA funds to refurbish more electronics, clothing, furniture, appliances, etc. Thrift stores could also benefit. Minnesota's building deconstruction and building material retail businesses could benefit from using LRA funds to bolster their deconstruction projects and sustainable building projects in both Greater Minnesota and the Metro Area. All of this makes more affordable food and home goods available to the underserved.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Air Appropriation Increase

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	318	636	636	636
Net Fiscal Impact = (Expenditures – Revenues)	318	636	636	636
FTEs	0	0	0	0

Recommendation:

The Governor recommends appropriation of \$318,000 in FY 2022 and \$636,000 in FY 2023 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 \$29,000/\$58,000; Environmental Analysis and Outcomes \$107,000/\$214,000; Operations \$13,000/\$26,000; and, Industrial \$169,000/\$338,000. The appropriation increase will maintain service levels provided by the Air Program.

The funding maintains the existing air FTE complement of 88 funded from the Environmental Fund to complete permitting and compliance activities. This Request happens every 2 years.

The recommendation would increase the agency's similar funding in FY 2022-2023 to \$16,247,000 by 2% and the MPCA's Environmental Fund base budget by less than a 1 percent, if approved.

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 2020-21 levels, it would force the MPCA to reduce program service levels in FY 2022-23 by the amount of that increase.

The MPCA collects the fee for two years and then requests authority to spend. Federal and state law require the MPCA to collect air emission fees to cover the program costs. This appropriation maintains resources supporting existing air permits.

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 (\$16,267,000), identifying the consumer price index increase for the last biennium (1.8%) and distributing that calculated increase – \$318,000 in FY 2022 and \$636,000 in FY 2023 – across agency Air Program appropriations.

This requested funding increase allows sustained provision of Air Program services at the FY 2020-21 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.

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.

Impact on Children and Families:

By maintaining current service levels for the Air Program, children and families should benefit from improved air quality and more access to the permitting process as the MPCA's communication and engagement are part of the process for permitting facilities.

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 areas where high concentrations of many air pollutants are typically found by reviewing 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 continue to encourage facilities to improve and increase their own engagement with their surrounding communities.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Use of Closed Landfill Investment Fund

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Closed Landfill Investment Fund				
Expenditures	2000	3600	3600	3600
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2000	3600	3600	3600
FTEs	0	0	0	0

Recommendation:

The Governor recommends an open statutory appropriation beginning in FY 2022 from the Closed Landfill Investment Fund (CLIF) to the Minnesota Pollution Control Agency's (MPCA) Remediation Division to provide for the state's obligation for long-term care and maintenance of closed landfills statewide. The MPCA anticipates spending \$2,000,000 in FY 2022 and \$3,600,000 annually in subsequent years from the CLIF.

The anticipated spending of \$2,000,000 from the CLIF in FY 2022 represents an increase of 23% to similar efforts in FY 2020 – FY 2021; less than a 1% increase to the FY 2022 – FY 2023 Remediation Division's budget

Rationale/Background:

The Minnesota Legislature originally established the Closed Landfill Investment Fund in 1999. By statute, CLIF was to be available for use only after FY 2020. This delay in spending served two purposes: 1) to allow time for investment earnings to accumulate so the fund balance could support long-term care costs of the closed landfill program, and 2) to allow time to complete known major construction work so the fund would predominantly support operation and maintenance and unanticipated construction and repair costs. The second goal has only been partially realized, as the biggest construction project for the program, Freeway Landfill, remains.

Proposal:

The Governor recommends clarifying that the Closed Landfill Investment Fund is statutorily available to the agency for spending on qualified closed landfill expenses beginning in fiscal year 2022. The change would mirror how the Remediation Fund and other accounts, including the newly established Natural Resources Damages Account and Water Quality and Sustainability Account (3M Natural Resources Damages Settlement), are utilized to respond to contaminated sites. This recommendation will help to ensure that the Legislature's foresight in establishing CLIF can be successfully and efficiently implemented.

The flexibility of a statutory appropriation is needed to address required environmental responses, including human health and environmental emergencies. Required unexpected environmental responses often cannot wait for legislative sessions, when non-statutory appropriation amounts are set.

Access to the CLIF will allow the Closed Landfill Program to make progress on emerging contamination issues, along with define and communicate to the public areas of contamination around the closed landfills. Leachate from some landfills contribute to higher levels of PFAS in our state's waters. CLIF funds would carry out projects to address more traditional and new emerging contamination issues.

The MPCA will measure and report on the following:

- Number of closed landfill projects completed
- Amount of money spent and how the money was spent on sites
- Number of closed landfill projects in proximity to environmental justice communities completed

Impact on Children and Families:

By having enough funding to properly maintain the long-term care and maintenance of closed landfills, the MPCA will be able to act swiftly when a need arises to protect drinking water and prevent other environmental impacts to children and families.

Equity and Inclusion:

The closed landfill program is intended to protect human health and the environment for all Minnesotans through management of contamination from closed landfills across the state, with special attention to protection of children and families close to closed landfills. One agency-level goal of the MPCA is to ensure that pollution does not have a disproportionate impact on any group of people.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Superfund Program Capacity and Staffing Increase

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Remediation Funds				
Expenditures (Administration)	256	256	256	256
Revenues: (Remediation Project)	256	256	256	256
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	2	2	2	2

Recommendation:

The Governor recommends a redirection of funds in the amount of \$256,000 in FY 2022 and FY 2023 within the Remediation Fund. This request would redirect Superfund project dollars in the Remediation Fund to the Superfund Administrative appropriation for two new program FTEs. These new FTE are critically needed to keep pace with the increasing number of active Superfund sites in Minnesota.

The MPCA Superfund program receives \$4.086 million in annual appropriations from the Remediation Fund to support 27.5 FTE and \$9.4 million for project work. This change represents 2.7% decrease in project funding. This repurposing of existing funds will not result in an increase in total funding from the Remediation Fund for the Superfund program.

Rationale/Background:

The Superfund Program manages risks to public health and the environment from the releases of hazardous substances into the environment. The program provides regulatory oversight to responsible parties and directs site investigations and cleanup at fund-financed sites (orphan sites, where the State must take action) in order to ensure human health and environmental risks are properly managed. These actions result in restoring contaminated land to productive reuse. The Program works with a large and diverse group of public and private entities, including developers, communities (counties and cities), consultants, state and federal partners, and the citizens of Minnesota. This initiative will help rebalance the Superfund program's capacity to protect public health and the environment in a timely manner and begin eliminating a growing backlog of sites.

Superfund has been operating in a "triage state" where the program responds only to the highest risk sites with immediate human health risks, such as sites with negative drinking water or soil vapor impacts. This has resulted in many sites with moderate risks, such as sites with unacceptable soil contamination or sites that have not been fully investigated, to be idled with no work being completed. The continued trend of increasing active sites without an associated staffing increase will result in idling additional existing sites and limit the program's ability to effectively manage new sites requiring immediate human health response actions.

The current Superfund staffing complement has proven insufficient to keep pace with the nearly three-fold increase in the number of active Superfund sites the program has gained since 2010. The influx of sites can be attributed to two principle drivers, the first being the increased number of cooperative responsible party sites and the second resulting from a general increase in the number sites with complex vapor intrusion risks entering the program. These two factors have resulted in a widening gap between active sites and program FTE in the Superfund program. The Superfund program's goal is to review 90% of all reports for active sites and provide

timely responses within 60 days of receipt of reports or project correspondence. Even with several efficiencies implemented, the continued growth in active sites without a staffing correction will only further increase the program's backlog and worsen response time.

Proposal:

This proposal seeks to add two new FTE to the MPCA Superfund Program by redirecting \$256,000 from project funds to administrative funds. The proposal will shift funds from our project dollars in open/statutory appropriation to administration dollars that are legislative appropriated. The result would be 2 new FTE, critically needed to address a nearly three-fold increase in active Superfund sites over the past ten years. It will not increase in total funding from the Remediation Fund for the Superfund Program. This new staff capacity will provide more timely advancement of active sites through the Superfund process and thus, reduce the risk associated with the sites.

If this initiative is not funded, the Superfund Program will not be able to adequately manage the risks to public health and the environment associated with the releases of hazardous substances. Delayed oversight or the need to idle additional sites due overwhelming caseloads will have a direct negative impact on public health, environmental protection, and economic redevelopment in Minnesota. Without narrowing the FTE to active site gap, the Superfund Program will have to continue triaging active sites by focusing its resources on the most pressing, high-risk sites potentially resulting of contaminated drinking water or breathing polluted air.

Impact on Children and Families:

This initiative will better position the Superfund program to react to public health threats to ensure children, families, and other sensitive populations are adequately protected from contaminated sites.

Equity and Inclusion:

The Superfund process is designed to ensure human health and environmental risks are managed in an appropriate manner. Superfund sites are often located in former or current industrialized areas, which are often co-located within environmental justice areas. About 65% of all Superfund sites are located within 1 mile of an environmental justice area. This proposal seeks to provide the resources needed to rebalance the program's staffing capacity to more timely advance active sites through the Superfund process and thus, reduce the risk associated with sites.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Internal Funding Realignment

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	SEE TABLE BELOW	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	SEE TABLE BELOW	0	0	0

Recommendation:

The Governor recommends the realignment of appropriations for the Minnesota Pollution Control Agency (MPCA) to better reflect the current organizational structure. The MPCA's appropriation follows its structure (i.e. appropriations are made at the Division level) and thus, when a change in structure is made to better align the work, changes in the funding alignment are necessary.

This proposal does not increase or decrease the funding to the MPCA but merely aligns the funding and FTE to the proper Division for transparency and accuracy on where the spending occurs. The source funds do not change under this proposal.

Rationale/Background:

Periodically, the MPCA shifts its structure to better align work and create efficiencies in managing the agency. Within the FY 2020 – 2021 biennium, the MPCA made some significant changes to align its work. This alignment paid dividends in being prepared to manage operational issues related to the current COVID19 Pandemic. Prior to the Pandemic, the MPCA moved its emergency preparedness section from the Remediation Division to the Operations Division to align with work completed by that Division. Because the Emergency Preparedness Section was moved into the Operations Division, the MPCA responded quickly and decisively to the pandemic needing to prepare to have its staff within two weeks move to full-time telework. This was successful because now the safety director and continuity of operations coordinator, who are housed with the Emergency Preparedness Section, were immediately available to the Operations Division leadership in standing up the proper command structure, policies and resources to respond immediately to need to have staff work from home.

Similarly, the MPCA's external training unit was shifted from the Resource Management and Assistance Division to the Municipal Division. This allows the training unit to better connect with its largest consumer of training and certification activities; wastewater treatment operators. The training unit now has more immediate access to wastewater permit writers and is better suited to meeting the needs of wastewater treatment operators when they understand the permit requirements and performance standards written into those permits.

With the individuals shifting, it seems appropriate that the spending authority as represented in appropriations be adjusted as well. This proposal is only intended to make the spending alignment changes, with no increase or decrease to actual spending in the individual units or sections.

Proposal:

The following table shows how the funding shifts would be made to align the proper spending and FTE to the proper Division based on the movement of units and Sections:

Div	Fund	Appr	Appr Name	FY22	FY23	FY22 Adj	FY23 Adj	Adjusted FY22 Operating Budget	Adjusted FY23 Operating Budget	FTE EACH FY
Resource Management and Assistance	2800	R32D104	Air Program Operations	1,463	1,463	(33)	(33)	1,430	1,430	-0.3
Operations	2800	R32F103	Air Program Operations	655	655	33	33	688	688	0.3
Watershed	2800	R32R103	Haz Waste Admin	177	177	(177)	(177)	-	-	-1.5
Resource Management and Assistance	2800	R32D111	Haz Waste Admin	220	220	177	177	397	397	1.5
Remediation	2800	R32G114	Haz Waste Admin	615	615	(470)	(470)	145	145	-3.6
Operations	2800	R32F107	Haz Waste Admin	256	256	470	470	726	726	3.6
Remediation	2801	R32G107	Petroleum Remediation Admin	3,961	3,961	(763)	(763)	3,198	3,198	-4.7
Operations	2801	R32F111	Petroleum Remediation Admin	180	180	763	763	943	943	4.7
Resource Management and Assistance	2800	R32D106	EACM Program Operations	7,594	7,594	(435)	(435)	7,159	7,159	-3
Operations	2800	R32F104	EACM Program Operations	1,497	1,497	243	243	1,740	1,740	1.7
Municipal	2800	R32B105	Solid Waste Admin	83	83	111	111	194	194	0.9
Industrial	2800	R32H103	Solid Waste Admin	171	171	(171)	(171)	-	-	-1.8
Resource Management and Assistance	2800	R32D110	Solid Waste Admin	3,995	3,995	104	104	4,099	4,099	1.2
Resource Management and Assistance	2800	R32D113	Water Program Operations	1,037	1,037	(137)	(137)	900	900	-1.3
Municipal	2800	R32B107	Water Program Operations	6,107	6,107	285	285	6,392	6,392	2.3
RMAD	2800	R32D112	SSTS Activities	112	112	(112)	(112)	-	-	-0.9
RMAD	2800	R32D114	SSTS Activities	169	169	(169)	(169)	-	-	-1.2
Municipal	2800	R32B106	SSTS Activities	671	671	281	281	952	952	2.1
Operations	2801	R32F109	Superfund Admin	292	292	310	310	602	602	1.3
Remediation	2801	R32G100	Superfund Admin	4,086	4,086	(310)	(310)	3,776	3,776	-1.3
Resource Management and Assistance	1200	R32D102	Wastewater Operator Cert	75	75	(75)	(75)	-	-	-0.8
Municipal	1200	R32BXX2	Wastewater Operator Cert	-	-	75	75	75	75	0.8

Impact on Children and Families:

This proposal does not have a direct impact on children and families; but operating more efficiently does improve the MPCA's response times to emergencies reducing risks to individuals.

Equity and Inclusion:

When work and funding is aligned, the MPCA is better able to focus on its efforts to ensure everyone is included in its work. In the case of this proposal, the MPCA's environmental justice unit is supported by the Operational Division to ensure all divisions have access to consultation by the unit staff. This is critical as the agency works to expand its efforts to ensure we engage and work with all parties, including the underserved.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Establish Climate Adaptation and Resiliency Program

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	1,358	1,606	1,482	1,482
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,358	1,606	1,482	1,482
FTEs	1	1	1	1

Recommendation:

The Governor recommends an appropriation \$1.358 million for FY 2022 and \$1.606 million for FY 2023 from the General Fund and \$1.482 million each year thereafter from the General Fund to the Minnesota Pollution Control Agency's (MPCA) Resource Management and Assistance Division. These funds will provide grants to local governmental units (LGUs) for climate resiliency planning. Because this is a new program, we anticipate local government demand for grants will exceed the \$1.482 per fiscal year beginning in FY2024.

In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget. It represents a 24% increase to the MPCA's General Fund budget.

Rationale/Background:

Minnesota continues to experience record-breaking precipitation. The past five years are some of the wettest on record across the state. Excess precipitation negatively impacts human health and the environment in many ways, including increased incidences of community flooding from aging and undersized storm sewers. The lack of adequate stormwater infrastructure combined with leaky sanitary sewers that allow groundwater and precipitation to enter the sanitary sewer system results in flooded streets, flooded residential and business properties, and can lead to wastewater treatment systems that overflow partially or fully treated sewage, so the risk can be from the flooding activity.

The need for this program was highlighted in the six recommendations for action of *Adapting to Climate Change in Minnesota*, the 2017 Report of the Interagency Climate Adaptation Team (ICAT). Those recommendations were reinforced by stakeholder comments through a series of engagement sessions during the past three years, first organized by ICAT, then by the Environmental Quality Board (EQB) as part of the state water planning that included nine online engagement sessions with partners and stakeholders during summer 2020. The need for grants was incorporated into the *2020 State Water Plan* and as an action recommendation by the Climate Subcabinet.

This project proposal is based on a recommendation from the multi-agency Resilience and Adaptation Action Team of the Governor's Subcabinet on climate change. This initiative is directly linked to the MPCA's strategic goal of acting on opportunities to increase resilience of communities and the environment to climate change impacts, and it also relates to the MPCA strategic water goal of reducing the flow of nutrient to state waters.

This initiative will address a major barrier to climate resiliency projects: climate risk assessment, planning, and pre-design are needed for infrastructure bond funding but are not eligible for existing funding, and municipalities

often cannot afford this preparatory work. This new grant program will provide much-needed financial support for local governments to lay the groundwork for implementation of plans and infrastructure projects to provide greater resiliency in Minnesota's changing climate.

Proposal:

The proposal is a new grant effort with no previous funding. There has been no MPCA funds available for this work. The grants will support the assessment of local infrastructure, development of vulnerability assessments and climate resiliency plans, and the technical specifications for stormwater and wastewater infrastructure project proposals. The MPCA expects an increased demand by LGUs for planning and resiliency work resulting in a potential need for additional funding. Such an estimate cannot be made at this point, and thus, we have projected a base level of funding for future years.

This is a completely new grant and technical assistance program that will be created specifically to fund climate risk assessment, planning, and pre-design needed to inform the development of projects for bond funding. These activities are not eligible for existing funding. Grant recipients will be local units of government and tribal communities. The geographic reach will be statewide. Detailed requests for proposal will be developed. The grants will support assessment of local infrastructure, development of vulnerability assessments and climate resiliency plans, technical review of stormwater and wastewater infrastructure project proposals that are required by local climate resiliency plans, and prioritization of such infrastructure proposals. Specific criteria will be developed for measurement of outcomes in reducing climate change impacts including extreme precipitation. This will start as a pilot program with the intention to scale up over time to meet the need for resiliency planning. This initiative is directly focused on assisting communities to adapt to the increasing effects of a changing climate.

The proposal includes one new FTE (\$128,000 per year) and the remainder for grants. The number of awarded grants will depend on project costs. This new grant program will begin implementation in FY 2022.

This initiative complements other work at MPCA on stormwater, wastewater, and community and business assistance. This is a major new initiative to plan for climate impacts and provide better information regarding the additional resources needed for capital projects to replace or upgrade facilities and infrastructure that are inadequate for Minnesota's changing climate.

Impact on Children and Families:

MPCA has focused resources on identifying environmental justice areas, initiating authentic engagement with tribal nations, and conducting climate vulnerable population assessments for communities. Children, youth, and families will be affected in a positive way by efforts to increase resilience of communities. This planning and assessment effort will serve the entire community as well as target specific neighborhoods likely to be impacted by extreme precipitation events. This will reduce climate change risks for children, youth, and families.

Data from the Federal Emergency Management Administration (FEMA) shows that for every dollar of investment in resilient infrastructure, six dollars of benefit accrue from avoided loss due to extreme precipitation, flooding and other disasters.

Equity and Inclusion:

Environmental Justice communities are more vulnerable to the impacts extreme weather, health risks, and other effects of climate change. By providing grant funds for LGUs to assess climate change vulnerabilities and plan how to adapt and increase resilience to climate change, this initiative is expected to reduce vulnerability to extreme weather and other climate change impacts and improve health and safety outcomes in these communities, and thereby advance equity and reduce disparities.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Environmental Justice Authority

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

Recommendation:

The Governor recommends clarifying and expanding the Minnesota Pollution Control Agency's (MPCA) authorities as they relate to environmental justice. The MPCA is not seeking additional funding to align with this request, but rather is seeking to update its statutory authorities and ensure that environmental justice is a key outcome of the MPCA's work.

This proposal does not include a budget request, as the MPCA expects the work to be completed within existing staff activities. Not every project or permit or compliance effort requires the same level of review for environmental justice impacts. However, for certain activities in certain areas of the state, an environmental justice focus is needed to address the disproportionate impact of permitted emissions and discharges on Black, Indigenous, people of color, low-income people and Tribal Nations. The agency in 2018 mapped out environmental justice areas of the state based on levels of poverty, presence of people of color and/or Tribal Nations. This authority clarification and expansion will focus the agency's activities in these areas to produce environmental justice as an outcome which is key in protecting public health and the environment.

Rationale/Background:

The MPCA's statutory authority (Minn. Stat. §116) dates back to the mid-1960s. Initially, it was scoped only to address the existing environmental conditions. Over time, these statutes have been amended to address new and emerging issues, which have resulted in substantial statewide environmental improvements. The statute, while generally successful, has been unable to address the environmental and health-based disparities that still exist in Minnesota, often affecting areas populated by Black, Indigenous, people of color, and low-income residents.

The language being proposed is not currently in statute or rule. The proposal will provide a legal foundation for environmental policy, program development, and implementation to produce environmental justice as an outcome.

Proposal:

The proposal allows the MPCA to incorporate and prioritize environmental justice goals into all our work through activities such as:

- Conducting comprehensive assessments of vulnerabilities to pollution and underlying health disparities within communities, with an emphasis on air pollution.
- Analyzing the cumulative levels and effects of past, current, and future pollution from all sources that are likely to impact a community, with an emphasis on air pollution

- c. Evaluating the potential human health effects of new policies, programs, or development projects in Minnesota using existing public health surveillance data, medical literature reviews, and field studies.
- d. Collaborating with local government, business, community, Tribal Nations, including populations which are vulnerable due to age, disability, low income, cultural/language barriers, and legacy pollution and discrimination.
- e. Ensuring that educational, outreach, and engagement efforts regarding the assessment and analysis of air pollution sources are directed to these communities in a way that is transparent, understandable, and culturally accessible.
- f. Prioritizing state resources to address the disparities within disproportionately impacted communities.
- g. Reducing emissions of, and exposures to, air pollution in communities that are disproportionately impacted.

The proposal also expands environmental justice statutory authority in two key ways: First, it allows the commissioner the option of permit denial based solely on environmental justice impacts for new permits in environmental justice areas. Second, allows the commissioner to require public engagement in permits issued in environmental justice areas of Minnesota. Public engagement is defined as public meetings and other activities that bring facility officials into direct contact with citizens living in neighborhoods around their facilities.

Environmental and health-disparity topics are a national conversation; however, tangible solutions remain elusive. Foundational statutory authority is lacking in Minnesota and federally. The proposed statutory language amendment fills this need, providing the MPCA and citizens with opportunities to improve environmental conditions and reverse generations of environmental inequities in areas of concern, enhancing environmental quality, and providing economic opportunities for future generations of Minnesotans.

Other states have implemented or are implementing environmental justice initiatives. Most recently, New Jersey in September 2020, passed a landmark environmental justice bill. Several bills introduced in the 2020 Minnesota Legislature focused on environmental justice. The agency is working with authors of these bills to forge language that is implementable.

Impact on Children and Families:

Through this initiative, the agency will have statutory authority to implement environmental justice activities in areas of the state where Black, Indigenous, people of color, low-income families, and Tribal Nations have long suffered from disproportionate impacts of pollution. This work will reduce pollution in these areas, and thereby improve public health and the environment – from which children residing in that area will benefit.

Equity and Inclusion:

This proposal will make it clear that the state of Minnesota believes it important that our environmental work address these long-term inequities in the impact of pollution.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Tribal Access to Rural Recycling Grants

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

Recommendation:

The Governor recommends a modification to Minnesota Statutes to include Tribal Nations in greater Minnesota as eligible for the Greater Minnesota Recycling and Composting Grants. This change request does not add or subtract funding or require any additional staffing resources or oversight. The funds will remain the same. The only change is to expand the eligibility so that Minnesota Tribal Governments located in greater Minnesota may apply.

This change does nothing to change the amount of grant dollars available or increase staffing needs.

Rationale/Background:

Tribal Nations are not considered political subdivisions under Minn. Stat. §465.719, and political subdivisions are the only eligible applicants under the Greater Minnesota Recycling and Composting Grant Program Minn. Stat. §115A.565. Creating equitable accessibility for Tribal Governments to this solid waste grant funding requires amendments to Minn. Stat. §115A.565. This change would allow equal access to future composting/recycling grants for Tribal Governments and their members. When this law was passed to provide composting/recycling grants for Greater Minnesota, the MPCA believes it was an oversight to exclude Tribal Governments. Changing this statute will provide equal opportunity for these grants. The MPCA consulted with the Minnesota Tribal Environmental Committee (MNTEC), who indicated an interest and support for this change.

Proposal:

This change is to allow Tribal Governments to be eligible for the Greater Minnesota Recycling and Composting Grants. It will allow them to apply for the same grants local governments can currently use to improve and expand their recycling and composting programs. It does not increase or decrease current funding or staffing resource needs. If this change is not made, the Tribal Governments in Greater Minnesota will continue to be ineligible for this important grant funding that helps local units of government improve and expand their recycling and composting programs which are critical to meeting the goals and objectives of the Waste Management Act (Minn. Stat. §115A). Tribes located outside of the seven-county metro include 10 out of the 11 federally recognized Tribal Nations in Minnesota.

Impact on Children and Families:

This change to statute will allow fair and equal access to grant funding for MN Tribes to improve and expand their recycling and composting programs. This change has significant equity implications and has the potential to improve the quality of life for tribal members in Minnesota. We coordinated with the 11 Minnesota Tribal Governments through their MNTEC group and have heard from Tribal leadership at Minnesota Indian Affairs Council meetings that eligibility for state grants is desired. MNTEC sees this as an important tool for improving their local and regional environmental programs.

Equity and Inclusion:

This proposal is specifically being submitted to reduce or eliminate inequities for Tribal Nations by expanding the list of eligible applicants. Access to these grants will allow Tribal Governments to apply for Greater Minnesota Recycling and Composting Grants which will help them improve and expand their programs. There are no negative impacts to this proposal other than more people will be allowed to apply for these grants making them more competitive.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Uniform Labeling for Compostable Products

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

Recommendation:

This Governor recommends no change in appropriation for Minnesota Pollution Control Agency's Resource Management and Assistance Division for this change item. The MPCA's will provide 0.25 FTE of support dedicated to educating retailers and distributors of an expanded compostable plastic labeling requirement. The education and outreach activities to manufacturers, distributors and retailers will explain the labeling requirements in the law. This same FTE will also coordinate compliance activities, as needed.

Rationale/Background:

Many products have confusing labels that imply an environmental benefit to consumers when in some cases those claims may be dubious. The Legislature addressed this issue with respect to plastic bags in 2009 by adopting labeling standards that define when it is appropriate to label bags as compostable or biodegradable in Minn. Stat. §325E.046. The proposed amendment would expand the requirement to include other types of products including plates, cups, bowls, utensils and any other item that may be labeled compostable or biodegradable.

This change will ensure that claims made on labels meet industry standards and clarify for consumers what items may go into organics recycling bins. This will help reduce contamination at compost facilities by reducing the amount of packaging they receive that is not appropriately designed for composting.

Proposal:

This proposal will provide the implementation support for amending Minn. Stat. §325E.046. The proposed amendment would expand the existing labeling requirement to a wider array of products as the current law only applies to plastic bags.

Impact on Children and Families:

The impacts of this budget item and the associated policy are primarily indirect for children and families. The proposal will reduce their exposure to inaccurate or misleading labeling. Better labeling will support efforts to compost more organic waste, reducing reliance on landfills and incinerators. These better practices are beneficial to children, families and all Minnesotans because of the environmental benefits offered by composting and because it reduces the obligations associated with the legacies of landfill management after landfills close.

Equity and Inclusion:

This proposal would allow for clear, truthful and accurate labeling practices for compostable and biodegradable products. Reducing confusing and misleading labels will benefit all people living in Minnesota. Increased compost results in less material going to landfills and incinerators. Less reliance on those facilities can help reduce burdens on people living near them. However, the policy/budget item does not directly address inequity issues.

The proposal assumes that a concerted effort for three years after enactment will be sufficient to implement the updated policy. After such time it is expected that ongoing compliance monitoring would be maintained without additional resource focus.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Enhance Efficiency by Eliminating Duplicative Report

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

Recommendation:

The Governor recommends modifying Minn. Stat. § 115.44 to eliminate subdivision 9, which requires the Minnesota Pollution Control Agency (MPCA) to submit an annual wastewater report:

Minn. Stat. § 115.44 subdivision 9 (a) By January 15 each year, the commissioner shall post on the Pollution Control Agency's website a report on the agency's activities the previous calendar year to implement standards and classification requirements into national pollutant discharge elimination system and state disposal system permits held by municipalities. The report must include:

- (1) a summary of permits issued or reissued over the previous calendar year, including any changes to permitted effluent limits due to water quality standards adopted or revised during the previous permit term;
- (2) highlights of innovative approaches employed by the agency and municipalities to develop and achieve permit requirements in a cost-effective manner;
- (3) a summary of standards development and water quality rulemaking activities over the previous calendar year, including economic analyses;
- (4) a summary of standards development and water quality rulemaking activities anticipated for the next three years, including economic analyses;
- (5) a process and timeframe for municipalities to provide input to the agency regarding their needs based on the information provided in the report; and
- (6) a list of anticipated permitting initiatives in the next calendar year that may impact municipalities and the agency's plan for involving the municipalities throughout the planning and decision-making process. The plan must include opportunities for input and public comment from municipalities on rulemaking initiatives prior to preparation of a statement of need and reasonableness required under section 14.131. The commissioner must ensure the agency's plan under this clause is implemented.

(b) For the purposes of this section, "economic analyses" must include assessments of the potential costs to regulated municipalities associated with water quality standards or rules proposed by the agency.

The savings from not doing this report would allow the staff member assigned to develop the report to work on other assistance efforts with municipalities.

Rationale/Background:

In the 2015 session, Minn. Stat. § 115.44 was changed to add subdivision 9, which requires MPCA to report annually on a variety of NPDES wastewater permitting and water quality standards development and rulemaking

activities. The report is titled National Pollutant Discharge Elimination System/State Disposal System Permits, Water Quality Standards, and Municipalities. This was a new requirement that came to the MPCA with no new resources. With this proposal to eliminate this reporting requirement, the MPCA is trying to reduce redundancy in reporting and to reduce costs.

This required report contains information that is redundant with other information the MPCA reports to the legislature. The MPCA already provides to the legislature an annual inventory of water quality standards work (Laws of Minnesota 2015, chapter 4, section 100, paragraph (b)), along with an annual rulemaking docket report (Minn. Stat§ 14.116). The MPCA is also required to survey wastewater operators and report out on infrastructure needs to the legislature every two years (Minnesota Stat. §115.03, subd. 9). Together, these reports cover many aspects of what is required by Minn. Stat. § 115.44, subd. 9. There are other ways that the MPCA can communicate program advancements and accomplishments not covered in other required reports (i.e., wastewater webpages and newsletters).

The National Pollutant Discharge Elimination System/State Disposal System Permits, Water Quality Standards, and Municipalities report requires a great deal of coordination within the Agency to generate the necessary information, such as developing data- and information-tracking tools and tracking various metrics. The current average annual cost is \$6,150 per year in staff hours.

The MPCA has submitted five annual reports to the legislature, received no feedback or questions, and are unaware of anyone using the information in the National Pollutant Discharge Elimination System/State Disposal System Permits, Water Quality Standards, and Municipalities Report.

Proposal:

This proposal is to change to an existing requirement by modifying Minn. Stat. § 115.44 to remove subdivision 9 and eliminate this required report. The MPCA estimates removing this duplicative, unnecessary reporting effort will save an average of more than \$6,000 per year in staffing costs.

This proposal will have no direct impact on children, families, or environmental justice areas. This is a housekeeping measure to remove a required report that came with no additional resources and is duplicative with other information the MPCA is already required to report.

Impact on Children and Families:

This change to statute will not have any impact to children and families

Equity and Inclusion:

This proposal will have no impact on the MPCA's efforts to include all Minnesotans in its work.

IT Related Proposals:

Not applicable.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund					
Expenditures	0	64	88	88	88
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	64	88	88	88
FTEs	0	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$64,000 in FY 2022 and \$88,000 in each subsequent year from the general fund to maintain the current level of service delivery at the Minnesota Pollution Control Agency (MPCA).

In FY 2022-23, this appropriation will represent less than 1% of the MPCA's biennial budget.

Rationale/Background:

The operating increases recommended in FY 2022 and FY 2023 fund a portion of the projected cost increases in the upcoming biennium. Each year, the cost of doing business rises—including growing costs for employer-paid health care contributions and other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year without enacted increases.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. To manage costs, most agencies find ways to become more efficient with existing resources. For the MPCA, efficiencies have already been implemented to produce savings in FY 2021 and these efficiencies will continue into FY 2022 and FY 2023 along with additional efficiencies including:

- Receiving data electronically to reduce manual data entry and reduce response times
- Using online meeting technology rather than traveling for every meeting, increasing flexibility and communication opportunities and reducing travel costs, and
- Consolidating and eliminating old technology to reduce maintenance and support costs.

Efficiencies will continue in the next biennium; however, cost growth will continue to put pressure on budgets and without additional resources, service delivery erodes. For the MPCA, this means we would reduce assistance through technology and reduce IT improvements and the progress toward efficiencies gained through online data services; collecting and providing data.

Proposal:

The Governor recommends increasing agency operating budgets to support the delivery of current services. This increase is below the assumed level of inflation, acknowledging continued efficiencies achieved by the MPCA. For the MPCA, this funding will cover expected and anticipated employee compensation growth, and IT services.

Minnesota Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Legal Costs

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures (DNR)	2,000	0	0	0
Transfer Out (DNR)	2,000	0	0	0
Transfer In (MPCA)	2,000	0	0	0
Expenditures (MPCA)	2,000	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4,000	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$4.0 million in FY22 from the General Fund to the Minnesota Department of Natural Resources (DNR) and the Minnesota Pollution Control Agency (MPCA) for anticipated legal support costs associated with defending the agencies' decisions in contested proceedings. Of this amount, \$2.0 million is for DNR legal costs and \$2 million would be transferred to the MPCA for their legal costs. These funds are proposed to be available through June 30, 2025.

Rationale/Background:

The DNR and MPCA are mandated to make natural resources and environmental regulatory, permit, leasing, and other types of decisions. DNR and MPCA decisions are often challenged in federal or state court, contested case hearings, mediation and other venues.

Defending agency decisions in these settings is expensive and puts a significant burden on agency resources. The defense costs, which are largely outside of agency control, can include staff and in-house legal counsel, outside legal counsel, Attorney General's Office fees, Office of Administrative Hearings costs, records management, and other related defense preparation expenses. A certain level of such expenses is to be expected as a routine matter and is something DNR and MPCA manage within their regular budgets. However, the number and nature of regulatory decisions being challenged in various forums has increased markedly, and the DNR and MPCA operating budgets do not include funding for large legal expenses.

Proposal:

To adequately defend natural resources and environmental regulatory, permit, leasing, and other types of agency decisions, the Governor recommends an appropriation of \$4.0 million in FY22 from the General Fund to support legal costs associated with contested decisions by DNR and MPCA.

Similar appropriations have been made in prior years. This proposal is for additional funds beyond those appropriations, based on anticipated need, as informed by both pending/anticipated matters and recent costs defending agency decisions.

Impact on Children and Families:

This proposal will have no particular impacts (positive or negative) on children and families.

Equity and Inclusion:

This proposal will have no particular impacts (positive or negative) on people of color, Native Americans, people with disabilities, people in the LGBTQ community, other protected classes, or veterans.

IT Related Proposals:

Not applicable

Pollution Control Agency

FY 2022-23 Biennial Budget Change Item

Change Item Title: Petrofund Sunset Date Repeal

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	\$22,205	\$22,205	\$22,205
Revenues	0	\$22,205	\$22,205	\$22,205
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	6	6	6

Recommendation:

The Governor recommends repealing the Petrofund sunset date in Minn. Stat. §115C.13 and expanding the eligibility criteria of the Petrofund Abandoned Underground Storage Tank (UST) Removal Program to include abandoned tanks located on properties that have been taken over by the State due to tax forfeiture.

Rationale/Background:

The Petrofund program is a necessary service utilized by Minnesotans across the state. Due to bipartisan and industry support of the Petrofund Program, the ‘sunset date’ has been extended on five previous occasions:

- **1997** – from June 30, 2000 to June 30, 2005;
- **2003** – from June 30, 2005 to June 30, 2007;
- **2005** – from June 30, 2007 to June 30, 2012;
- **2011** – from June 30, 2012 to June 30, 2017; and
- **2016** – from June 30, 2017 to June 30, 2022.

Inclusion of tax-forfeited properties into this program will allow for expedient removal of the tanks and their contents, identification and cleanup activities. Once the tanks are removed, these properties are much more likely to be purchased and developed by private parties. Redeveloping these properties is more difficult, particularly in Greater Minnesota.

Proposal:

This proposal eliminates the current Petrofund repealer in Minn. Stat. §115C.13 currently set for June 30, 2022. Owners of petroleum storage tanks and petroleum-contaminated property will see a direct financial benefit from the continued existence of the Petrofund, which provides reimbursement of up to 90 percent of costs to investigate and clean up contamination from leaking tanks. Furthermore, there would be stability for consumers by removing any uncertainty around the extension of the program’s existence.

This proposal does not increase the Department’s FTE count. It continues the program at the existing staff and funding levels. The program is funded through the Petroleum tank release cleanup fee.

This proposal also expands the eligibility criteria of the Petrofund Abandoned Underground Storage Tank (UST) Removal Program, as outlined in Minn. Stat. §115C.094, to include abandoned tanks located on properties that have been taken over by the State due to tax forfeiture.

Impact on Children and Families:

Minnesota families in proximity to each of these sites will benefit from the removal of potentially harmful contaminated soil and groundwater. In addition, removal of the USTs and addressing any necessary investigation and cleanup could expedite redevelopment of properties. The state as a whole will be better off because promptly addressing petroleum releases saves money that would otherwise be reimbursed by the Petrofund Program.

Equity and Inclusion:

All communities, including those that are under-represented, are positively affected when abandoned petroleum USTs are removed and the risk to human health and the environment is addressed. In addition, all communities are positively impacted when petroleum storage tank owners have funding available to cover costs to address contamination and/or third-party liability claims.

Providing reliable, stable funding so that contamination from leaking tanks is addressed in a timely manner helps to protect the quality of the entire state's ground and surface water resources and indoor air quality (i.e. petroleum vapors in buildings).

IT Related Proposals:

N/A

Program: Environmental Analysis and Outcomes Divisionwww.pca.state.mn.us/**AT A GLANCE**

- Develop water quality standards and evaluate 80 major watersheds against 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 AND CONTEXT

The 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 measures progress in achieving them; supports regulatory programs (such as permitting); and makes environmental data broadly accessible. The Division's efforts support human health, aquatic life, and a strong economy.

We provide leadership to implement the federal Clean Air Act by monitoring and evaluating air quality conditions, supporting air quality permitting and environmental review, and assisting sister agencies with energy and transportation projects.

We help 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 collects 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 175 monitors located at 58 sites statewide.
- Provides technical assistance and quality assurance for 32 monitors at seven industrial locations, and six monitors at five locations operated by tribal governments.
- Collects and analyzes annual emission inventories for more than 2,200 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

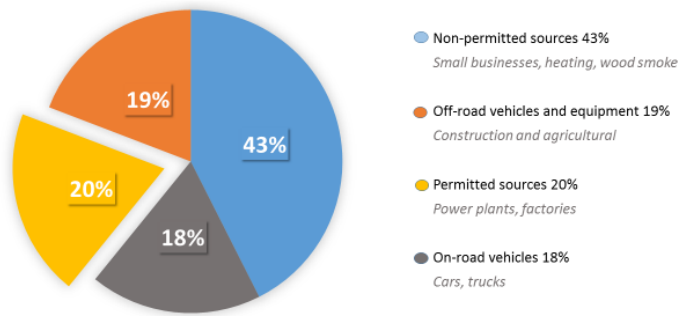
- Develops water quality standards and uses other tools to protect human health and aquatic life.
- Monitors lakes, streams and rivers, and groundwater to identify water quality trends.
- Gathers and reviews data to understand water condition and identify causes of stress on a water body.
- Tracks the 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) 18 percent
- Non-permitted sources (small businesses, heating, wood smoke) 43 percent
- Off-road vehicles (construction and agriculture) 19 percent
- Permitted sources (power plants, factories) 20 percent



Aggregate emissions NO_x, SO₂, VOC, PM_{2.5}

Aggregate emissions: Nitrogen oxides (NO_x), 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 and completed assessments across the entire state. 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 met the statutory requirement to monitor all watersheds within 10 years. The MPCA is now in the second monitoring cycle to track progress toward water quality goals.

GREENHOUSE EMISSIONS IN MINNESOTA

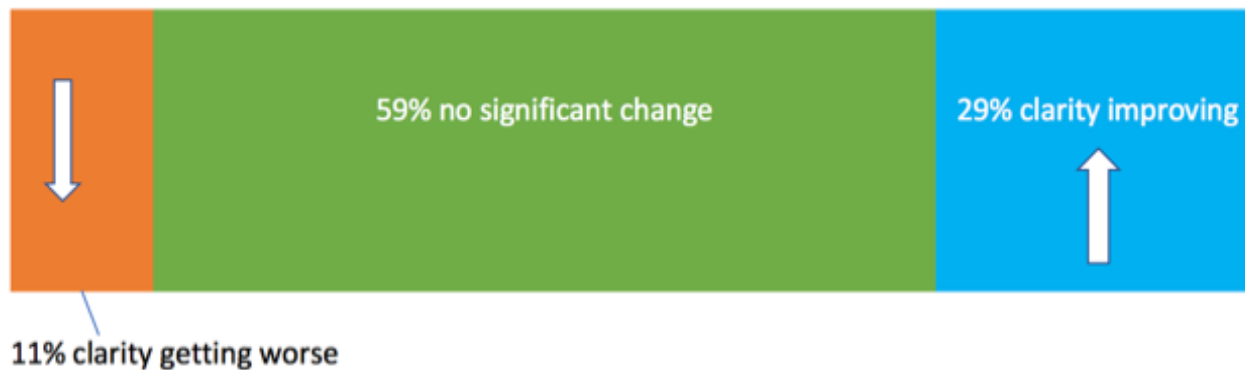
The EAO Division estimates the greenhouse gas emissions from all sources in Minnesota to track progress against the Next Generation Energy Act reduction targets. The analysis allows the EAO Division to support the Governor's Climate Change Subcabinet and Advisory Council to identify effective and cost-efficient emission reduction strategies.

The Division is completing a report to the Legislature, due January 15, 2021, that will contain the most up-to-date estimates for greenhouse gas emissions.

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 2019



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	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	142	200	197	213	204	204	214	224
2000 - Restrict Misc Special Revenue	302	109	170	544	248	248	248	248
2001 - Other Misc Special Revenue	20	20	20	20	20	20	20	20
2050 - Environment & Natural Resources	558	59	264					
2302 - Clean Water	8,937	9,124	8,576	9,788			8,166	8,166
2800 - Environmental	11,663	11,794	11,137	12,878	12,091	12,091	13,498	12,955
2801 - Remediation	181	210	155	248	201	201	201	201
3000 - Federal	3,288	2,908	3,293	5,233	3,919	3,919	3,919	3,919
Total	25,089	24,424	23,811	28,924	16,683	16,683	26,266	25,733
Biennial Change			3,222		(19,369)		(736)	
Biennial % Change			7		(37)		(1)	
Governor's Change from Base							18,633	
Governor's % Change from Base							56	

Expenditures by Activity

Env Analysis Outcomes	25,089	24,424	23,811	28,924	16,683	16,683	26,266	25,733
Total	25,089	24,424	23,811	28,924	16,683	16,683	26,266	25,733

Expenditures by Category

Compensation	14,481	14,269	14,522	16,280	11,438	11,422	15,786	15,780
Operating Expenses	9,631	9,545	9,089	12,494	5,245	5,261	10,480	9,953
Grants, Aids and Subsidies	136	128	150	150				
Capital Outlay-Real Property	27	253	8					
Other Financial Transaction	813	229	41					
Total	25,089	24,424	23,811	28,924	16,683	16,683	26,266	25,733

Total Agency Expenditures	25,089	24,424	23,811	28,924	16,683	16,683	26,266	25,733
Internal Billing Expenditures	5,958	5,904	5,906	6,111	4,012	4,029	4,012	4,029
Expenditures Less Internal Billing	19,131	18,520	17,905	22,813	12,671	12,654	22,254	21,704

<u>Full-Time Equivalents</u>	155.66	146.51	144.71	172.19	109.73	109.73	157.33	157.33
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Environmental Analysis and Outcomes Division

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		2		8				
Direct Appropriation	88	89	205	205	204	204	214	224
Transfers In	56	115						
Cancellations		6						
Balance Forward Out	2		8					
Expenditures	142	200	197	213	204	204	214	224
Biennial Change in Expenditures				68		(2)		28
Biennial % Change in Expenditures				20		(0)		7
Governor's Change from Base								30
Governor's % Change from Base								7
Full-Time Equivalents	1.89	1.78	1.71	1.85	1.85	1.85	1.85	1.85

2000 - Restrict Misc Special Revenue

Balance Forward In		106	227	296				
Receipts	124	230	238	248	248	248	248	248
Transfers In	284							
Balance Forward Out	106	227	295					
Expenditures	302	109	170	544	248	248	248	248
Biennial Change in Expenditures				303		(218)		(218)
Biennial % Change in Expenditures				74		(31)		(31)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.36	1.12	1.42	1.50	1.10	1.10	1.10	1.10

2001 - Other Misc Special Revenue

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

2050 - Environment & Natural Resources

Environmental Analysis and Outcomes Division

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
Balance Forward In		142	92					
Direct Appropriation	700		250					
Cancellations			78					
Balance Forward Out	142	83						
Expenditures	558	59	264					
Biennial Change in Expenditures				(353)		(264)		(264)
Biennial % Change in Expenditures				(57)				
Governor's Change from Base								0
Governor's % Change from Base								

2302 - Clean Water

Balance Forward In		510	1,024	1,781				
Direct Appropriation	9,446	9,447	9,332	8,092	0	0	8,166	8,166
Transfers Out				85				
Balance Forward Out	509	834	1,781					
Expenditures	8,937	9,124	8,576	9,788			8,166	8,166
Biennial Change in Expenditures				304		(18,364)		(2,032)
Biennial % Change in Expenditures				2		(100)		(11)
Governor's Change from Base								16,332
Governor's % Change from Base								
Full-Time Equivalents	46.73	44.00	44.38	53.81			46.60	46.60

2800 - Environmental

Balance Forward In	0	44		787				
Direct Appropriation	12,308	12,321	12,871	12,902	12,902	12,902	14,309	13,766
Transfers In	139	225						
Transfers Out	741	746	946	811	811	811	811	811
Cancellations		49						
Balance Forward Out	43		788					
Expenditures	11,663	11,794	11,137	12,878	12,091	12,091	13,498	12,955
Biennial Change in Expenditures				558		167		2,438
Biennial % Change in Expenditures				2		1		10
Governor's Change from Base								2,271

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
Governor's % Change from Base								9
Full-Time Equivalents	83.10	77.82	75.10	81.59	77.34	77.34	78.34	78.34

2801 - Remediation

Balance Forward In		12		47				
Direct Appropriation	181	181	201	201	201	201	201	201
Transfers In	12	19						
Cancellations		2						
Balance Forward Out	12		46					
Expenditures	181	210	155	248	201	201	201	201
Biennial Change in Expenditures				12		(1)		(1)
Biennial % Change in Expenditures				3		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.28	1.36	0.77	1.17	1.17	1.17	1.17	1.17

3000 - Federal

Receipts	3,244	2,909	3,293	5,233	3,919	3,919	3,919	3,919
Transfers In	44							
Expenditures	3,288	2,908	3,293	5,233	3,919	3,919	3,919	3,919
Biennial Change in Expenditures				2,330		(688)		(688)
Biennial % Change in Expenditures				38		(8)		(8)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	21.30	20.43	21.33	32.27	28.27	28.27	28.27	28.27

Program: Industrial Divisionwww.pca.state.mn.us/**AT A GLANCE**

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

- 3,000 industrial wastewater and stormwater sources
- 2,000 air emission sources
- 4,500 underground fuel storage tank facilities
- 26,600 hazardous waste generators

PURPOSE AND CONTEXT

The Industrial Division engages with regulated parties to manage emissions, discharges, and wastes to minimize impacts to human health, the environment, and climate change. We implement a set 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 we respond to citizen complaints. Our efforts support human health, the environment, and contribute to strong economies in Minnesota communities. The Industrial Division administers regulatory programs in support of the MPCA's environmental justice policy to avoid disproportionate impacts of pollution on any group of people.

MPCA is authorized by the Environmental Protection Agency (EPA) to administer the air quality regulatory programs under the federal Clean Air Act. About 2,000 air emission facilities are managed in the program. These programs use state and federal regulations, best management practices, technology, and site-specific determinations to control sources of air pollution. 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 and has contributed to the attainment of ambient air quality standards in the state.

MPCA is also authorized by the EPA 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 2,500 businesses through 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, commercial, and institutional facilities.
- Better connect the public, industry, and local governments by providing input opportunities on permits through community engagement, public notices, and local meetings.
- Reduce the burden on regulated parties 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 13,000 underground fuel tanks.

RESULTS

Speeding up permits

The MPCA has worked hard to speed up our permitting process without compromising our environment. We meet our 90-day and 150-day permitting timeliness goals **97% of the time for priority permits**, which are construction-focused and have the most bearing on jobs and growth.

Total new permits in 2018: 2,645

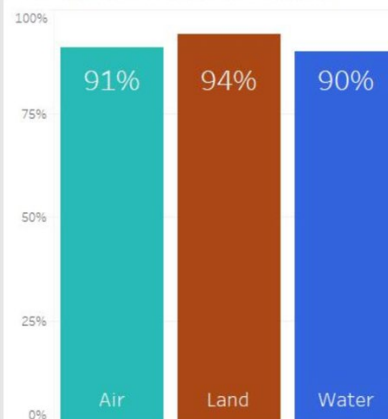


Compliance rates of inspected facilities

Issuing permits is only part of what the MPCA does to protect our environment. We also provide assistance, conduct inspections, and enforce standards to improve compliance.

Good progress

Percentage of inspections where no major non-compliance was discovered (2019)



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.

Industrial Division

Program Expenditure Overview

(Dollars in Thousands)

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

1000 - General	51	449	700				2,000	
2000 - Restrict Misc Special Revenue	551	354	394	181	30	30	30	30
2001 - Other Misc Special Revenue	257	301	336	383	300	300	300	300
2800 - Environmental	13,229	14,323	14,130	14,705	14,484	14,484	14,866	15,215
2801 - Remediation	860	1,122	1,001	1,001	1,001		1,001	1,001
3000 - Federal	2,284	1,883	3,213	3,501	2,762	2,762	2,762	2,762
Total	17,234	18,433	19,774	19,771	18,577	17,576	20,959	19,308
Biennial Change				3,878		(3,392)		722
Biennial % Change				11		(9)		2
Governor's Change from Base								4,114
Governor's % Change from Base								11

Expenditures by Activity

Industrial	17,234	18,433	19,774	19,771	18,577	17,576	20,959	19,308
Total	17,234	18,433	19,774	19,771	18,577	17,576	20,959	19,308

Expenditures by Category

Compensation	12,511	12,578	13,430	14,097	13,082	12,325	13,337	13,337
Operating Expenses	4,722	5,763	6,344	5,674	5,495	5,251	7,622	5,971
Capital Outlay-Real Property		90						
Other Financial Transaction		3						
Total	17,234	18,433	19,774	19,771	18,577	17,576	20,959	19,308

Total Agency Expenditures	17,234	18,433	19,774	19,771	18,577	17,576	20,959	19,308
Internal Billing Expenditures	4,342	4,373	4,665	4,668	4,597	4,353	4,555	4,555
Expenditures Less Internal Billing	12,892	14,060	15,109	15,103	13,980	13,223	16,404	14,753

Full-Time Equivalents

138.53	134.97	139.23	139.12	131.07	123.65	132.32	132.32
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Industrial Division

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		449						
Transfers In	500		700				2,000	
Balance Forward Out	449							
Expenditures	51	449	700				2,000	
Biennial Change in Expenditures				200		(700)		1,300
Biennial % Change in Expenditures				40				
Governor's Change from Base								2,000
Governor's % Change from Base								

2000 - Restrict Misc Special Revenue

Balance Forward In		699	107	163				
Receipts	289	(237)	449	18	30	30	30	30
Transfers In	961							
Balance Forward Out	699	107	163					
Expenditures	551	354	394	181	30	30	30	30
Biennial Change in Expenditures				(331)		(515)		(515)
Biennial % Change in Expenditures				(37)		(90)		(90)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.71	2.60	2.61	0.69	0.19	0.19	0.19	0.19

2001 - Other Misc Special Revenue

Balance Forward In		86	84	83				
Receipts			35					
Transfers In	343	300	300	300	300	300	300	300
Balance Forward Out	86	84	83					
Expenditures	257	301	336	383	300	300	300	300
Biennial Change in Expenditures				160		(119)		(119)
Biennial % Change in Expenditures				29		(16)		(16)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.31	2.08	1.97	2.50	2.00	2.00	2.00	2.00

Industrial Division

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
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2800 - Environmental

Balance Forward In		335	0	221				
Direct Appropriation	13,099	13,259	14,472	14,605	14,605	14,605	14,987	15,336
Transfers In	522	846						
Transfers Out	58		121	121	121	121	121	121
Cancellations		117						
Balance Forward Out	334		221					
Expenditures	13,229	14,323	14,130	14,705	14,484	14,484	14,866	15,215
Biennial Change in Expenditures				1,283		133		1,246
Biennial % Change in Expenditures				5		0		4
Governor's Change from Base								1,113
Governor's % Change from Base								4
Full-Time Equivalents	105.14	101.84	99.05	102.96	98.91	98.91	100.16	100.16

2801 - Remediation

Balance Forward In		127						
Direct Appropriation	980	983	1,001	1,001	1,001	0	1,001	1,001
Transfers In	7	16						
Cancellations		3						
Balance Forward Out	127							
Expenditures	860	1,122	1,001	1,001	1,001		1,001	1,001
Biennial Change in Expenditures				19		(1,001)		0
Biennial % Change in Expenditures				1		(50)		0
Governor's Change from Base								1,001
Governor's % Change from Base								
Full-Time Equivalents	6.72	9.24	7.96	8.42	7.42		7.42	7.42

3000 - Federal

Receipts	2,284	1,883	3,213	3,501	2,762	2,762	2,762	2,762
Expenditures	2,284	1,883	3,213	3,501	2,762	2,762	2,762	2,762
Biennial Change in Expenditures				2,546		(1,190)		(1,190)
Biennial % Change in Expenditures				61		(18)		(18)

Industrial Division

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	20.65	19.21	27.64	24.55	22.55	22.55	22.55	22.55

Program: Municipal Divisionwww.pca.state.mn.us/**AT A GLANCE**

- 231 wastewater permits issued in FY20.
- 2,705 construction stormwater permits issued during FY20.
- 250 municipalities operated under municipal stormwater permit coverage in FY20.
- 254 sub-surface sewage treatment systems compliance and enforcement actions taken in FY20.
- 131 construction stormwater compliance and enforcement actions taken in FY20.
- 13 municipal stormwater compliance and enforcement actions taken in FY20.
- 86 municipal wastewater compliance and enforcement actions taken in FY20.
- 136 grants totaling \$3.1 million awarded to local partners for SSTS grants in FY20.

PURPOSE AND CONTEXT

The 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.

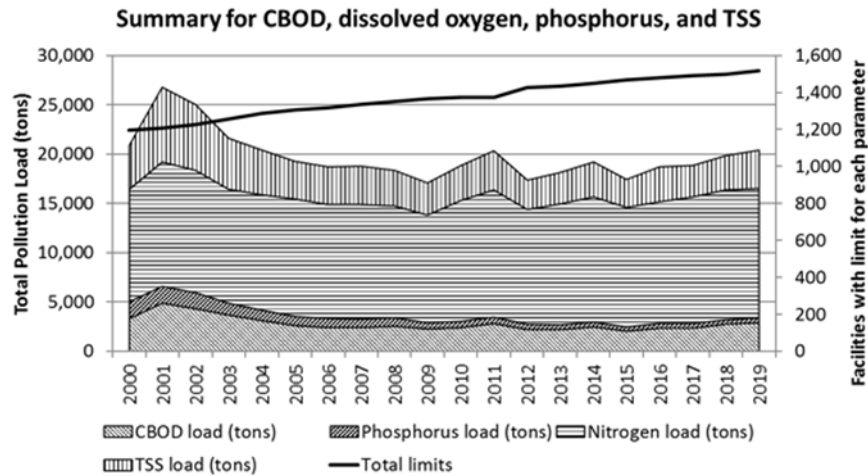
SERVICES PROVIDED

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

- Issues construction and operation permits to Minnesota businesses and municipalities
- Implements the biosolids land application program
- Assists in flood and spill response
- Inspects, assists, and enforces wastewater, stormwater, and SSTS
- Educates, licenses, and certifies wastewater and SSTS professionals
- Addresses imminent health threats from septic systems, particularly for low-income households
- Provides grants and contracts for water quality improvement projects
- Conducts technical reviews for the Public Facilities Authority funding program

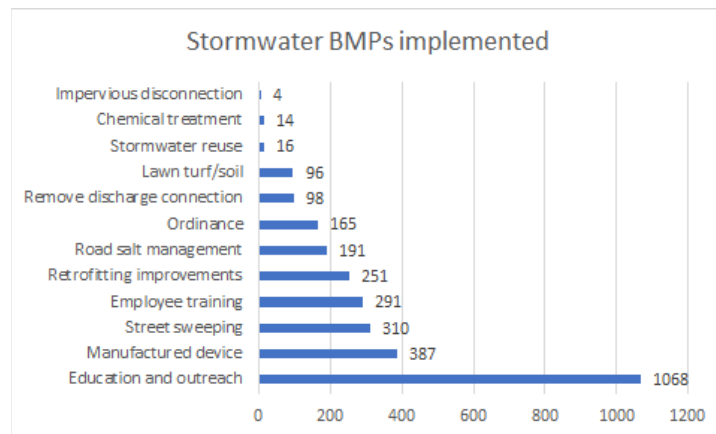
RESULTS**Municipal Wastewater**

Since 2000, pollutant load discharges from municipal wastewater plants have decreased for all parameters except nitrogen. This decrease is due to MPCA developing permit limits that achieve water quality goals. The MPCA is implementing the Nutrient Reduction Strategy and has been adding nitrogen monitoring to permits. This data will be used to develop future limits upon completion of a nitrogen water quality standard.



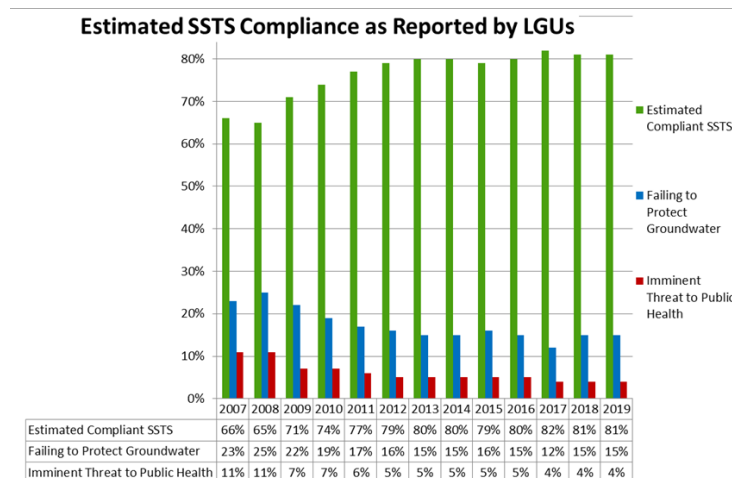
Municipal Stormwater

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



Sub-surface Sewage Treatment System (SSTS)

Compliance rates increased over the last 10 years; but have remained almost steady for the past four years.



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.

Municipal Division

Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	330	377	147	181	164	164	177	190
1200 - State Government Special Rev							75	75
2000 - Restrict Misc Special Revenue			260	766	559	559	559	559
2001 - Other Misc Special Revenue		14						
2050 - Environment & Natural Resources		697	499	4				
2302 - Clean Water	4,336	6,426	4,453	5,604			4,462	4,462
2800 - Environmental	7,069	7,749	7,486	8,176	7,645	7,645	8,322	8,322
3000 - Federal	1,052	689	962	1,181	980	980	980	980
8200 - Clean Water Revolving	1,610	1,655	1,588	1,863	1,863	1,863	1,863	1,863
Total	14,396	17,607	15,397	17,775	11,211	11,211	16,438	16,451
Biennial Change			1,168		(10,750)		(283)	
Biennial % Change			4		(32)		(1)	
Governor's Change from Base							10,467	
Governor's % Change from Base							47	

Expenditures by Activity

Municipal	14,396	17,607	15,397	17,775	11,211	11,211	16,438	16,451
Total	14,396	17,607	15,397	17,775	11,211	11,211	16,438	16,451

Expenditures by Category

Compensation	7,898	8,166	8,272	9,417	7,955	7,949	9,467	9,474
Operating Expenses	6,446	7,485	6,824	8,358	3,256	3,262	6,271	6,277
Grants, Aids and Subsidies	53	1,952	300				700	700
Capital Outlay-Real Property		0						
Other Financial Transaction	0	4						
Total	14,396	17,607	15,397	17,775	11,211	11,211	16,438	16,451

Total Agency Expenditures	14,396	17,607	15,397	17,775	11,211	11,211	16,438	16,451
Internal Billing Expenditures	3,342	3,342	2,897	2,963	2,597	2,603	2,597	2,603
Expenditures Less Internal Billing	11,054	14,265	12,500	14,812	8,614	8,608	13,841	13,848

Municipal Division

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Full-Time Equivalents</u>	81.78	84.24	84.93	93.30	77.99	77.99	94.39	94.39

Municipal Division

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		269		17				
Direct Appropriation	162	163	164	164	164	164	177	190
Transfers In	437							
Cancellations		55						
Balance Forward Out	269		17					
Expenditures	330	377	147	181	164	164	177	190
Biennial Change in Expenditures				(378)		0		39
Biennial % Change in Expenditures				(54)		(0)		12
Governor's Change from Base								39
Governor's % Change from Base								12
Full-Time Equivalents	1.74	2.75	0.92	1.00	1.00	1.00	1.00	1.00

1200 - State Government Special Rev

Direct Appropriation							75	75
Expenditures							75	75
Biennial Change in Expenditures				0		0		150
Biennial % Change in Expenditures								
Governor's Change from Base								150
Governor's % Change from Base								
Full-Time Equivalents							0.80	0.80

2000 - Restrict Misc Special Revenue

Balance Forward In				207				
Receipts			344	559	559	559	559	559
Transfers In			123					
Balance Forward Out			207					
Expenditures			260	766	559	559	559	559
Biennial Change in Expenditures				1,026		92		92
Biennial % Change in Expenditures						9		9
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.67	1.35	2.35	2.35	2.35	2.35

2001 - Other Misc Special Revenue

Municipal Division

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
Receipts		14						
Expenditures		14						
Biennial Change in Expenditures				(14)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2050 - Environment & Natural Resources

Balance Forward In		89	3	4				
Direct Appropriation	89	611	500					
Balance Forward Out	89	3	4					
Expenditures		697	499	4				
Biennial Change in Expenditures				(193)		(503)		(503)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

2302 - Clean Water

Balance Forward In		924	39	836				
Direct Appropriation	5,260	5,530	5,250	4,796	0	0	4,462	4,462
Transfers Out				28				
Balance Forward Out	924	28	836					
Expenditures	4,336	6,426	4,453	5,604			4,462	4,462
Biennial Change in Expenditures				(704)		(10,057)		(1,133)
Biennial % Change in Expenditures				(7)		(100)		(11)
Governor's Change from Base								8,924
Governor's % Change from Base								
Full-Time Equivalents	6.89	7.16	8.00	8.40			10.30	10.30

2800 - Environmental

Balance Forward In		564		531				
Direct Appropriation	6,463	6,481	8,068	7,695	7,695	7,695	8,372	8,372
Transfers In	1,220	1,193						

Municipal Division

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Transfers Out	50	50	50	50	50	50	50	50
Cancellations		439						
Balance Forward Out	564		532					
Expenditures	7,069	7,749	7,486	8,176	7,645	7,645	8,322	8,322
Biennial Change in Expenditures				844		(372)		982
Biennial % Change in Expenditures				6		(2)		6
Governor's Change from Base								1,354
Governor's % Change from Base								9
Full-Time Equivalents	52.41	53.28	55.74	61.99	54.44	54.44	59.74	59.74

3000 - Federal

Receipts	1,052	689	962	1,181	980	980	980	980
Expenditures	1,052	689	962	1,181	980	980	980	980
Biennial Change in Expenditures				402		(183)		(183)
Biennial % Change in Expenditures				23		(9)		(9)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.99	7.74	6.48	8.00	6.20	6.20	6.20	6.20

8200 - Clean Water Revolving

Balance Forward In			2					
Transfers In	1,610	1,657	1,586	1,863	1,863	1,863	1,863	1,863
Balance Forward Out		2						
Expenditures	1,610	1,655	1,588	1,863	1,863	1,863	1,863	1,863
Biennial Change in Expenditures				187		275		275
Biennial % Change in Expenditures				6		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	12.75	13.31	12.12	12.56	14.00	14.00	14.00	14.00

Program: Operations Divisionwww.pca.state.mn.us/**AT A GLANCE**

- “What’s in My Neighborhood” web application provides public access to environmental data.
- More than 2 million visits to the MPCA website with 5.3 million-page views in FY20.
- Processed and completed 15,266 data and information requests in the FY19-20 biennium, an increase of 22 percent over the previous biennium.
- 88 online services currently available and 123 projected by end of FY21.
- Over 15,000 online users have submitted over 117,000 permit applications and monitoring reports.
- First Minnesota government agency to achieve the prestigious Malcolm Baldrige Quality Award in recognition of performance excellence.
- Governor’s Outstanding Safety Award for FY19.
- One of the top state agencies for employee engagement and continuous improvement.
- Triage approximately 3,200 emergency notifications and respond to about 2,500 spills every year.

PURPOSE AND CONTEXT

The Operations Division manages the agency’s business services in alignment with the MPCA’s mission and values.

- It sustains the agency’s environmental work by managing fiscal services, internal controls and risk assessment, human resources, communications, organizational improvement, facilities management, data systems and online services, data analysis, document and records management, emergency readiness, and non-litigation legal support.
- It promotes performance excellence by seeking new or improved ways of delivering agency services, data, and information.
- It enhances cost effective and sustainable business practices by reducing agency fuel consumption, purchasing recycled and environmentally preferred products, strengthening agency-wide recycling efforts, and reducing travel through use of web conferencing technology.
- It advances an agency culture that values diversity, inclusion, and equity centric practices.
- It cleans up spills or leaks that can affect health and environment.

SERVICES PROVIDED

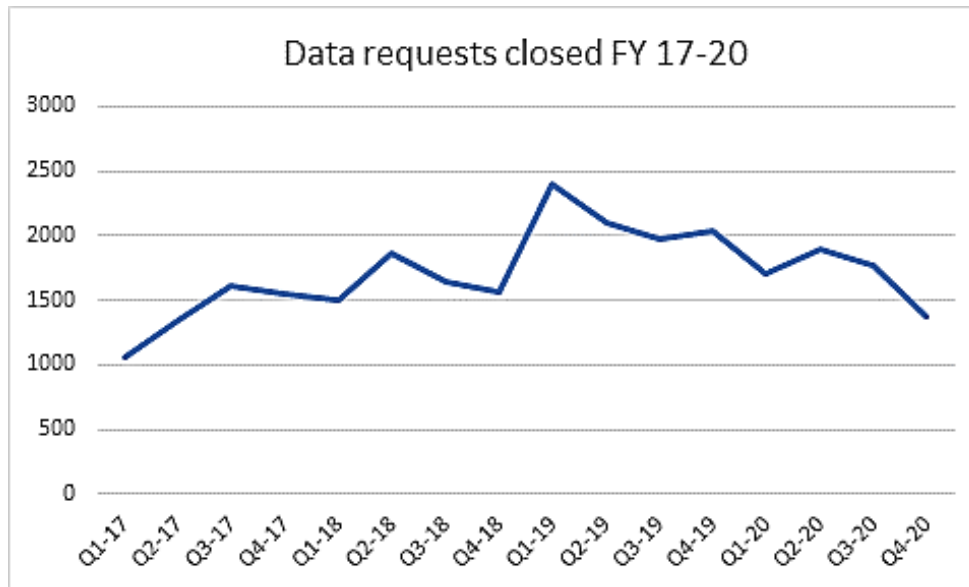
- Provides leadership and guidance on financial matters and performs accounting, budgeting, contracting, internal controls, and procurement business functions.
- Manages agency data and records (paper and electronic), and ensures effective, secure, and efficient data and document management systems and 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 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.
- Uses the Malcolm Baldrige Performance Excellence System framework to identify and prioritize organizational improvement opportunities. Manages agency-wide services including facilities

management, safety, continuity of operations planning, mobile device management, lease administration, space planning, copy and print services, security access system, and fleet management.

- Enhances user-friendly electronic web-based services to create process efficiencies, improve data quality, accessibility and usability, and reduce paper transactions.
- Assesses environmental risk and oversees the cleanup of contaminated land, groundwater and surface water. Works with railroads, pipelines, industry, and local government to improve their preparedness and response to spills. In the event of a spill, assists local responders and oversees cleanup.

RESULTS

Data Services: Data practices and information requests allow for timely property redevelopment or construction. Over half (55 percent) of requests are for petroleum, leaks, tanks and environmental review documents, and over a third (37 percent) are for solid waste, hazardous waste, and superfund documents.



Communication: On average, more than 121,000 people view the MPCA website each month, an increase of 23 percent compared to the same period in 2019. The average person views 2.5 pages per visit, a 7 percent increase from 2019. The MPCA maintains a robust presence on its social media channels – Facebook, Instagram, LinkedIn, Twitter, and YouTube. In the past 12 months, the MPCA gained more than 2,500 new followers. More importantly, the agency’s engagement rate on its social channels has seen significant increases over the past year – Instagram (+145 percent), LinkedIn (+72 percent), Facebook (+52 percent) and Twitter (+38 percent). Lastly, the engagement rates for the MPCA’s Facebook, Instagram, and LinkedIn channels are four to six times higher than industry average.

Online Services: MPCA’s number of online services have steadily increased since FY14-15. MPCA’s e-Services feature allows users to apply for permits, close out permitted sites, submit regulatory data and information for compliance requirements; and pay fees and invoices.

<i>Name of Measure</i>	FY14-15	FY16-17	FY18-19	FY20-21
Number of online services	10	20	70	123

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 Division

Program Expenditure Overview

(Dollars in Thousands)

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

Expenditures by Fund

1000 - General	2,290	2,490	2,490	2,490	2,490	2,490	2,531	2,532
1200 - State Government Special Rev	2	3	1	2	2	2	2	2
2001 - Other Misc Special Revenue	27,691	27,964	29,337	31,917	29,702	29,689	29,702	29,817
2302 - Clean Water	117	136	96	47	3,157		3,157	
2800 - Environmental	4,315	5,251	5,015	5,508	5,306	5,306	6,365	6,378
2801 - Remediation	877	910	884	923	916	736	2,169	2,169
3000 - Federal	885	834	937	1,496	905	905	905	905
Total	36,177	37,587	38,761	42,383	42,478	39,128	44,831	41,803
Biennial Change				7,380		462		5,490
Biennial % Change				10		1		7
Governor's Change from Base								5,028
Governor's % Change from Base								6

Expenditures by Activity

Operations	36,177	37,587	38,761	42,383	42,478	39,128	44,831	41,803
Total	36,177	37,587	38,761	42,383	42,478	39,128	44,831	41,803

Expenditures by Category

Compensation	14,172	15,166	15,932	16,806	15,653	15,413	17,291	17,359
Operating Expenses	21,900	21,678	22,806	25,477	26,775	23,665	27,490	24,394
Capital Outlay-Real Property	39	6	1					
Other Financial Transaction	65	738	23	100	50	50	50	50
Total	36,177	37,587	38,761	42,383	42,478	39,128	44,831	41,803

Total Agency Expenditures	36,177	37,587	38,761	42,383	42,478	39,128	44,831	41,803
Internal Billing Expenditures	1,524	1,543	1,646	1,712	1,711	1,667	1,711	1,667
Expenditures Less Internal Billing	34,653	36,045	37,115	40,671	40,767	37,461	43,120	40,136

Full-Time Equivalent

139.89	145.28	149.35	171.66	155.83	153.28	171.43	171.48
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Operations Division

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Direct Appropriation	2,346	2,605	2,490	2,490	2,490	2,490	2,531	2,532
Transfers Out	56	115						
Expenditures	2,290	2,490	2,490	2,490	2,490	2,490	2,531	2,532
Biennial Change in Expenditures				200		0		83
Biennial % Change in Expenditures				4		0		2
Governor's Change from Base								83
Governor's % Change from Base								2

1200 - State Government Special Rev

Open Appropriation	2	3	1	2	2	2	2	2
Expenditures	2	3	1	2	2	2	2	2
Biennial Change in Expenditures				(1)		1		1
Biennial % Change in Expenditures				(18)		17		17
Governor's Change from Base								0
Governor's % Change from Base								0

2001 - Other Misc Special Revenue

Balance Forward In		4,790	5,323	4,661	2,233	1,680	2,233	1,680
Receipts	28,806	28,489	28,627	29,455	29,115	29,199	29,115	29,199
Internal Billing Receipts	28,759	28,438	28,579	28,853	28,469	28,546	28,469	28,546
Transfers In	1,524		104	104	104		104	128
Transfers Out	98	82	56	70	70	70	70	70
Balance Forward Out	2,541	5,232	4,661	2,233	1,680	1,120	1,680	1,120
Expenditures	27,691	27,964	29,337	31,917	29,702	29,689	29,702	29,817
Biennial Change in Expenditures				5,600		(1,863)		(1,735)
Biennial % Change in Expenditures				10		(3)		(3)
Governor's Change from Base								128
Governor's % Change from Base								0
Full-Time Equivalents	95.85	98.87	102.98	120.09	108.24	107.24	108.24	108.24

2302 - Clean Water

Balance Forward In		33	62		3,157		3,157	
Direct Appropriation	110	110						

Operations Division

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Open Appropriation	40	55	35	3,040	0	0	0	0
Transfers In				164				
Balance Forward Out	33	62		3,157				
Expenditures	117	136	96	47	3,157		3,157	
Biennial Change in Expenditures				(110)		3,014		3,014
Biennial % Change in Expenditures				(43)		2,102		2,102
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	1.02	1.12	1.22					

2800 - Environmental

Balance Forward In		716		202				
Direct Appropriation	6,349	7,166	5,008	5,019	5,019	5,019	6,078	6,091
Open Appropriation	22,261	22,276	22,203	22,279	22,279	22,279	22,279	22,279
Transfers In	194	310	6	8	8	8	8	8
Transfers Out	23,774	24,879	22,000	22,000	22,000	22,000	22,000	22,000
Cancellations		338						
Balance Forward Out	715		201					
Expenditures	4,315	5,251	5,015	5,508	5,306	5,306	6,365	6,378
Biennial Change in Expenditures				958		89		2,220
Biennial % Change in Expenditures				10		1		21
Governor's Change from Base								2,131
Governor's % Change from Base								20
Full-Time Equivalents	28.70	31.45	31.79	35.37	34.49	34.49	41.09	41.09

2801 - Remediation

Balance Forward In		15		7				
Direct Appropriation	1,074	1,295	828	828	828	648	2,081	2,081
Open Appropriation	95	98	63	88	88	88	88	88
Transfers In	31,741	27,295	27,264	27,264	27,264	22,000	27,264	27,264
Transfers Out	310	528	1,200					
Cancellations	31,708	27,265	26,064	27,264	27,264	22,000	27,264	27,264
Balance Forward Out	15		7					

Operations Division

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Expenditures	877	910	884	923	916	736	2,169	2,169
Biennial Change in Expenditures				19		(155)		2,531
Biennial % Change in Expenditures				1		(9)		140
Governor's Change from Base								2,686
Governor's % Change from Base								163
Full-Time Equivalents	6.57	6.24	6.19	6.80	6.70	5.15	15.70	15.75

3000 - Federal

Receipts	885	834	937	1,496	905	905	905	905
Expenditures	885	834	937	1,496	905	905	905	905
Biennial Change in Expenditures				714		(623)		(623)
Biennial % Change in Expenditures				42		(26)		(26)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.75	7.60	7.17	9.40	6.40	6.40	6.40	6.40

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

- Assess over 3,100 sites per year for risk to public health and the environment.
- Approximately 93,173 acres of contaminated land cleaned up and returned to productive use since 2003.
- Maintenance of 110 closed landfills.
- Assess approximately 330 superfund and 900 petroleum leak sites per year.

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, and restoring contaminated land to productive use.

We work with a large and diverse group of public and private entities, including property owners and developers, counties and cities, industry consultants, state and federal partners, and citizens.

SERVICES PROVIDED

We work with public and private partners to protect Minnesota's environment, public health, and quality of life through the proper management and cleanup of contaminated sites, which include petroleum tank leak sites, superfund sites, and closed landfills. Cleaning up contaminated land and groundwater, while costly and time consuming, is the core activity of this Division.

Our services 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 and petroleum to determine extent, magnitude, and risk to public health and the environment.
- Provide technical support to hazardous waste enforcement, permitting, and corrective action efforts.
- Identify risk to proposed property developments on contaminated sites and work with developers to mitigate risk.
- Assist other agencies with assessment of Natural Resource Damages.

Cleanup

- Oversee land cleanup at contaminated sites and recover costs from responsible parties.
- Conduct cleanups and design and install protection systems at state-funded superfund and petroleum sites.
- Help developers return contaminated sites to productive use.

Long-term maintenance

- Monitor and manage operation and maintenance activities at 110 closed landfills and 330 superfund sites.
- Work with local units of government on land use restrictions near sites.

RESULTS

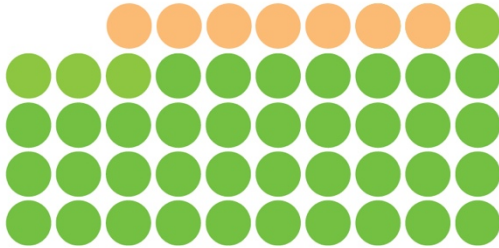
A SNAPSHOT: 2008-2018

How much polluted land has been cleaned up for productive use?

The MPCA cleans up and puts abandoned, idled, or underused industrial and commercial properties back into productive use. This benefits a community by addressing public health threats, increasing the tax base, and creating jobs. **Good progress**

Petroleum remediation sites cleaned up 2008 – 2018

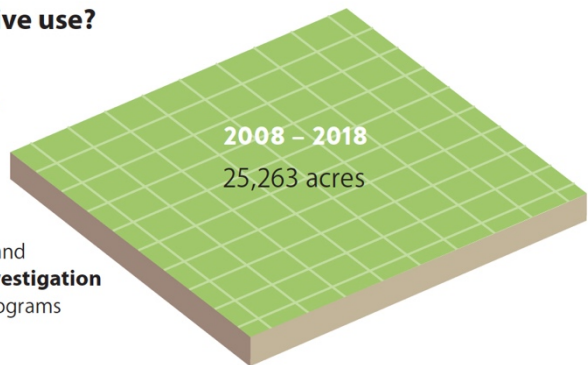
● Sites cleaned up ● Identified for cleanup (1 dot equals 100 sites)



Over **4,000** sites have been cleaned up since 2008.

We're cleaning up sites faster than new ones emerge and the **backlog is getting smaller**.

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



Superfund sites and hazardous material sites

2008 through 2018



Minnesota Statutes, Chapters 114D (<https://www.revisor.mn.gov/statutes/cite/114D>), 115 (<https://www.revisor.mn.gov/statutes/cite/115>), 115A (<https://www.revisor.mn.gov/statutes/cite/115A>), 115C (<https://www.revisor.mn.gov/statutes/2019/cite/115C>), 116 (<https://www.revisor.mn.gov/statutes/2019/cite/116>) and 116B (<https://www.revisor.mn.gov/statutes/2019/cite/116B>) provide the agency with its main authorities to provide regulatory, monitoring, and assistance services.

Remediation Division

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
<u>Expenditures by Fund</u>								
1000 - General	215	217	216					
2000 - Restrict Misc Special Revenue	562	541	584	990	605	605	605	605
2001 - Other Misc Special Revenue	200	223	141	46	134		134	
2050 - Environment & Natural Resources	83	159	158					
2302 - Clean Water			653	1,204			750	750
2800 - Environmental	752	849	782	1,150	978	978	508	508
2801 - Remediation	155,616	33,494	53,924	90,132	112,374	126,689	111,557	136,233
2802 - Closed Landfill Investment	620	1,101	1,408	214			2,000	3,600
3000 - Federal	3,396	2,549	5,116	5,118	4,539	4,539	4,539	4,539
Total	161,445	39,134	62,979	98,854	118,630	132,811	120,093	146,235
Biennial Change			(38,745)		89,608		104,495	
Biennial % Change			(19)		55		65	
Governor's Change from Base							14,887	
Governor's % Change from Base							6	

Expenditures by Activity

Remediation	161,445	39,134	62,979	98,854	118,630	132,811	120,093	146,235
Total	161,445	39,134	62,979	98,854	118,630	132,811	120,093	146,235

Expenditures by Category

Compensation	10,545	10,877	12,668	14,880	12,837	9,918	12,094	12,186
Operating Expenses	150,727	27,011	32,341	33,705	30,371	21,686	32,577	32,842
Grants, Aids and Subsidies	0	1,095	17,924	50,269	75,422	101,207	75,422	101,207
Capital Outlay-Real Property	150	107	46					
Other Financial Transaction	24	43						
Total	161,445	39,134	62,979	98,854	118,630	132,811	120,093	146,235

Total Agency Expenditures	161,445	39,134	62,979	98,854	118,630	132,811	120,093	146,235
Internal Billing Expenditures	3,719	3,628	4,376	4,342	4,018	3,051	3,661	2,694
Expenditures Less Internal Billing	157,726	35,506	58,603	94,512	114,612	129,760	116,432	143,541

Remediation Division

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Full-Time Equivalents</u>	102.52	105.13	121.40	129.60	126.38	93.57	119.68	119.67

Remediation Division

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22FY23		Governor's Recommendation FY22FY23	
1000 - General								
Balance Forward In		1	0					
Direct Appropriation	216	216	216					
Balance Forward Out	1							
Expenditures	215	217	216					
Biennial Change in Expenditures				(216)		(216)		(216)
Biennial % Change in Expenditures				(50)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	1.71	1.52	1.34					

2000 - Restrict Misc Special Revenue

Balance Forward In		151	309	385				
Receipts	667	699	659	605	605	605	605	605
Transfers In	45							
Balance Forward Out	151	309	385					
Expenditures	562	541	584	990	605	605	605	605
Biennial Change in Expenditures				471		(364)		(364)
Biennial % Change in Expenditures				43		(23)		(23)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.60	4.11	3.84	5.70	4.45	4.45	4.45	4.45

2001 - Other Misc Special Revenue

Balance Forward In		13	22	16				
Receipts	36	118	135	30	134		134	
Transfers In	170	104						
Balance Forward Out	7	11	16					
Expenditures	200	223	141	46	134		134	
Biennial Change in Expenditures				(236)		(53)		(53)
Biennial % Change in Expenditures				(56)		(28)		(28)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	1.13	1.13	0.04					

Remediation Division

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
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2050 - Environment & Natural Resources

Balance Forward In		317	158					
Direct Appropriation	400							
Cancellations			0					
Balance Forward Out	317	158						
Expenditures	83	159	158					
Biennial Change in Expenditures				(84)		(158)		(158)
Biennial % Change in Expenditures				(35)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	1.38	3.21	3.15					

2302 - Clean Water

Balance Forward In				559				
Direct Appropriation			750	657	0	0	750	750
Transfers In			461					
Transfers Out				12				
Balance Forward Out			558					
Expenditures			653	1,204			750	750
Biennial Change in Expenditures				1,857		(1,857)		(357)
Biennial % Change in Expenditures						(100)		(19)
Governor's Change from Base								1,500
Governor's % Change from Base								
Full-Time Equivalents			0.81	0.85			0.90	0.90

2800 - Environmental

Balance Forward In		22		51				
Direct Appropriation	688	691	832	1,099	978	978	508	508
Transfers In	86	140						
Cancellations		4						
Balance Forward Out	22		50					
Expenditures	752	849	782	1,150	978	978	508	508

Remediation Division

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Biennial Change in Expenditures				331		24		(916)
Biennial % Change in Expenditures				21		1		(47)
Governor's Change from Base								(940)
Governor's % Change from Base								(48)
Full-Time Equivalents	5.25	4.89	5.00	7.02	6.67	6.67	3.07	3.07

2801 - Remediation

Balance Forward In		727,799	723,640	728,715	693,864	632,284	693,864	632,284
Direct Appropriation	10,766	10,794	11,846	11,846	11,846	7,885	11,029	11,029
Open Appropriation	14,656	10,544	11,878	14,149	13,900	13,900	13,900	13,900
Receipts	855,869	18,442	27,736	22,769	18,905	14,690	18,905	14,690
Transfers In	7,198	10,334	35,246	22,800	76,400	100,000	76,400	106,400
Transfers Out	5,777	25,232	30,994	16,283	70,257	100,257	70,257	100,257
Cancellations		647						
Balance Forward Out	727,095	722,260	728,715	693,864	632,284	541,813	632,284	541,813
Expenditures	155,616	33,494	53,924	90,132	112,374	126,689	111,557	136,233
Biennial Change in Expenditures				(45,055)		95,007		103,734
Biennial % Change in Expenditures				(24)		66		72
Governor's Change from Base								8,727
Governor's % Change from Base								4
Full-Time Equivalents	68.65	72.85	78.88	94.67	95.88	63.07	91.88	91.87

2802 - Closed Landfill Investment

Balance Forward In		2,561		214				
Direct Appropriation	3,000		1,622					
Open Appropriation							2,000	3,600
Cancellations		1,460						
Balance Forward Out	2,380		214					
Expenditures	620	1,101	1,408	214			2,000	3,600
Biennial Change in Expenditures				(100)		(1,622)		3,978
Biennial % Change in Expenditures				(6)		(100)		245
Governor's Change from Base								5,600
Governor's % Change from Base								

Remediation Division

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
Full-Time Equivalents		0.23	1.00					

3000 - Federal

Balance Forward In				29				
Receipts	3,396	2,695	5,145	5,089	4,539	4,539	4,539	4,539
Balance Forward Out		146	29					
Expenditures	3,396	2,549	5,116	5,118	4,539	4,539	4,539	4,539
Biennial Change in Expenditures				4,289		(1,156)		(1,156)
Biennial % Change in Expenditures				72		(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	19.80	17.19	27.34	21.36	19.38	19.38	19.38	19.38

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 supports the agency's 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 review of projects proposed for federal permits or license to protect state water quality, and work with a diverse group of public and private entities and citizens to reduce the impacts products or production activities have on water. The Non-Point Air Program works with many partners to improve air quality. 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.

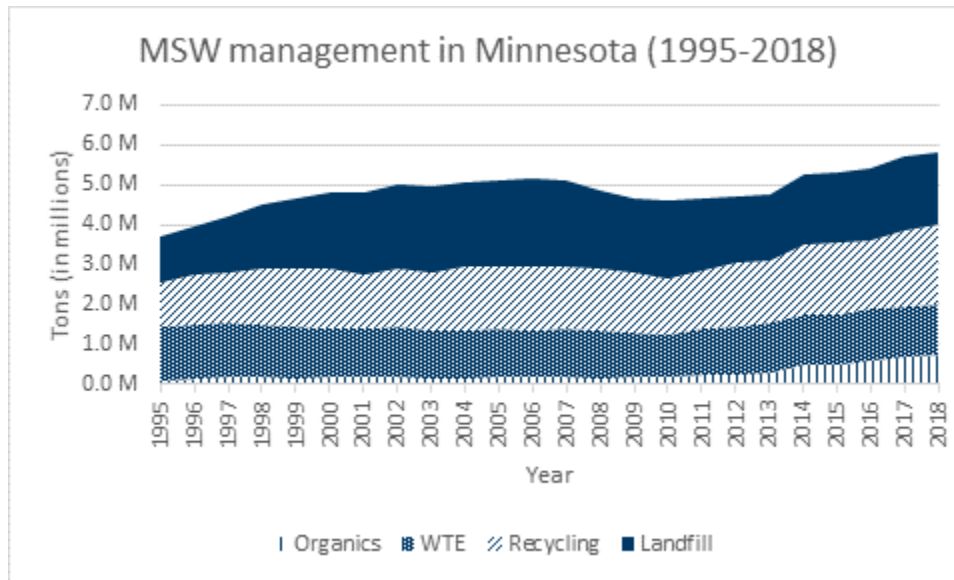
SERVICES PROVIDED

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

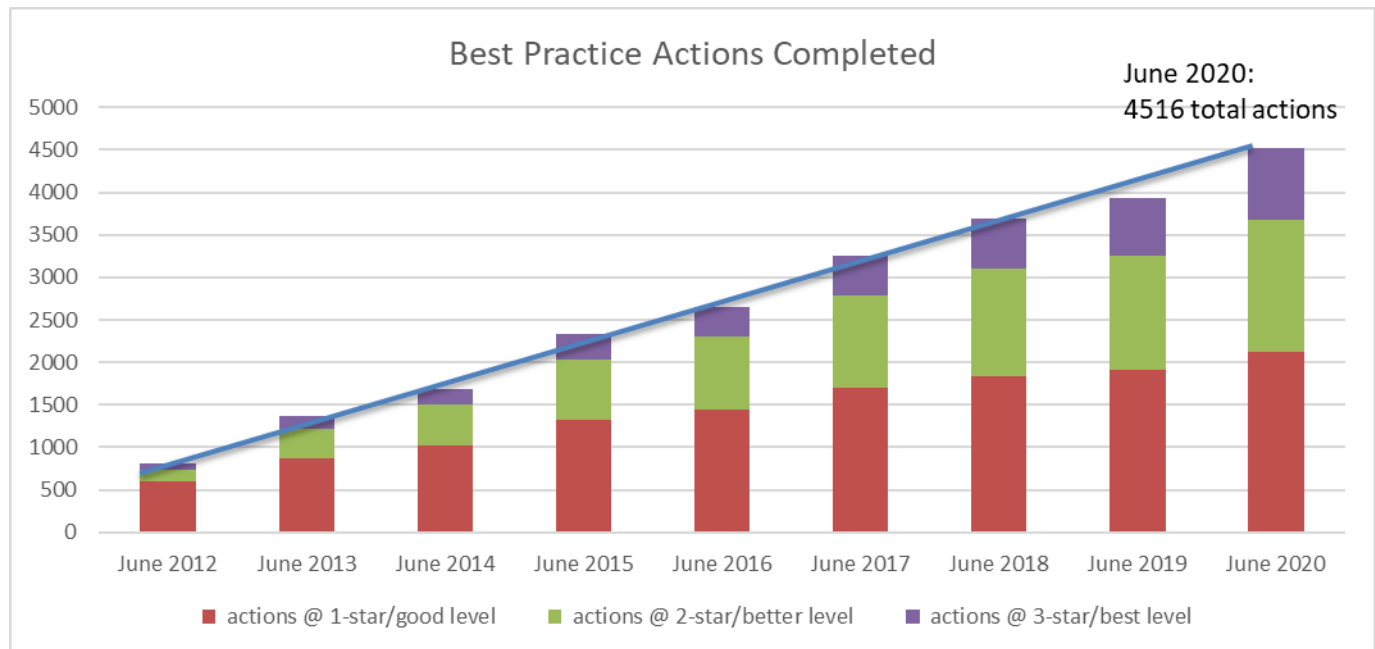
- Conducts environmental review to reduce potentially negative impacts from proposed projects.
- Writes administrative and technical rules with engagement from stakeholders.
- Works collaboratively with communities in Environmental Justice areas to reduce environmental impacts.
- Manages Section 401 water quality certifications to ensure that federally permitted/licensed projects do not violate state water quality standards.
- 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.
- Assists 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 drop in recycling from 2014 to 2015 is 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, 141 Minnesota cities and Tribal Nations (encompassing 49 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>).

(Dollars in Thousands)

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

1000 - General		1,400		1,325	300	300	1,658	1,906
1200 - State Government Special Rev	75	75	75	75	75	75	0	0
2000 - Restrict Misc Special Revenue	4,151	3,767	3,478	3,959	4,028	4,028	4,698	5,198
2001 - Other Misc Special Revenue	16	10						
2302 - Clean Water	125	100	98	257			540	540
2403 - Gift		2,613	8,579	9,782	8,520	6,335	8,520	6,335
2800 - Environmental	34,253	37,212	36,133	39,947	38,025	38,025	37,449	37,478
3000 - Federal	1,894	1,466	2,195	3,061	2,604	2,604	2,604	2,604
Total	40,515	46,644	50,557	58,406	53,552	51,367	55,469	54,061
Biennial Change				21,805		(4,044)		567
Biennial % Change				25		(4)		1
Governor's Change from Base								4,611
Governor's % Change from Base								4

Expenditures by Activity

Resource Mgmt Assistance	40,515	46,644	50,557	58,406	53,552	51,367	55,469	54,061
Total	40,515	46,644	50,557	58,406	53,552	51,367	55,469	54,061

Expenditures by Category

Compensation	10,433	11,682	12,086	12,222	11,773	11,767	12,114	12,608
Operating Expenses	6,323	5,640	8,240	13,108	10,918	10,924	12,494	12,777
Grants, Aids and Subsidies	23,755	29,235	30,212	33,059	30,844	28,659	30,844	28,659
Capital Outlay-Real Property	2	86						
Other Financial Transaction	2	1	19	17	17	17	17	17
Total	40,515	46,644	50,557	58,406	53,552	51,367	55,469	54,061

Total Agency Expenditures	40,515	46,644	50,557	58,406	53,552	51,367	55,469	54,061
Internal Billing Expenditures	4,369	4,299	4,451	4,557	4,504	4,511	4,389	4,396
Expenditures Less Internal Billing	36,146	42,345	46,106	53,849	49,048	46,856	51,080	49,665

Full-Time Equivalents

97.98	107.42	108.92	114.50	109.92	109.92	112.12	112.12
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Resource Management and Assistance Division

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		700		700				
Direct Appropriation	700	700	700	625	300	300	1,658	1,906
Balance Forward Out	700		700					
Expenditures		1,400		1,325	300	300	1,658	1,906
Biennial Change in Expenditures				(75)		(725)		2,239
Biennial % Change in Expenditures								
Governor's Change from Base								2,964
Governor's % Change from Base								494
Full-Time Equivalents							1.00	1.00

1200 - State Government Special Rev

Balance Forward In		0						
Direct Appropriation	75	75	75	75	75	75	0	0
Cancellations		0						
Balance Forward Out	0		0					
Expenditures	75	75	75	75	75	75	0	0
Biennial Change in Expenditures				0		0		(150)
Biennial % Change in Expenditures				(0)		0		(100)
Governor's Change from Base								(150)
Governor's % Change from Base								(100)
Full-Time Equivalents	0.67	0.76	0.77	0.77	0.77	0.77	-0.03	-0.03

2000 - Restrict Misc Special Revenue

Balance Forward In		82	130	16				
Receipts	4,163	3,813	3,486	3,943	4,028	4,028	4,698	5,198
Transfers In	70							
Transfers Out		0	123					
Balance Forward Out	82	128	16					
Expenditures	4,151	3,767	3,478	3,959	4,028	4,028	4,698	5,198
Biennial Change in Expenditures				(482)		619		2,459
Biennial % Change in Expenditures				(6)		8		33
Governor's Change from Base								1,840
Governor's % Change from Base								23

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Full-Time Equivalents	2.49	2.33	1.46	0.08	0.08	0.08	5.08	5.08

2001 - Other Misc Special Revenue

Receipts	16	10						
Expenditures	16	10						
Biennial Change in Expenditures				(26)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.20							

2302 - Clean Water

Balance Forward In			25	177				
Direct Appropriation	125	125	250	104	0	0	540	540
Transfers Out				24				
Balance Forward Out		25	176					
Expenditures	125	100	98	257			540	540
Biennial Change in Expenditures				130		(355)		725
Biennial % Change in Expenditures				58		(100)		204
Governor's Change from Base								1,080
Governor's % Change from Base								
Full-Time Equivalents	0.76	0.68	0.67	1.00			1.00	1.00

2403 - Gift

Balance Forward In			4,432	2,531				
Receipts		5,047	6,678	7,251	8,520	6,335	8,520	6,335
Balance Forward Out		2,433	2,531					
Expenditures		2,613	8,579	9,782	8,520	6,335	8,520	6,335
Biennial Change in Expenditures				15,747		(3,506)		(3,506)
Biennial % Change in Expenditures						(19)		(19)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		4.46	5.13	4.60	4.60	4.60	4.60	4.60

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
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2800 - Environmental

Balance Forward In		5,342	4,222	5,642	2,995	2,954	2,995	2,954
Direct Appropriation	32,842	32,877	34,900	34,999	35,324	35,324	34,748	34,777
Receipts	3,020	3,155	2,974	2,735	2,735	2,735	2,735	2,735
Transfers In	3,745	115						
Transfers Out	27	24	23	26	26	26	26	26
Net Loan Activity	16	113	(299)	(408)	(49)	(49)	(49)	(49)
Cancellations		145						
Balance Forward Out	5,342	4,222	5,641	2,995	2,954	2,913	2,954	2,913
Expenditures	34,253	37,212	36,133	39,947	38,025	38,025	37,449	37,478
Biennial Change in Expenditures				4,615		(30)		(1,153)
Biennial % Change in Expenditures				6		(0)		(2)
Governor's Change from Base								(1,123)
Governor's % Change from Base								(1)
Full-Time Equivalents	82.03	87.47	89.03	93.48	89.90	89.90	85.90	85.90

3000 - Federal

Receipts	1,894	1,466	2,195	3,061	2,604	2,604	2,604	2,604
Expenditures	1,894	1,466	2,195	3,061	2,604	2,604	2,604	2,604
Biennial Change in Expenditures				1,896		(48)		(48)
Biennial % Change in Expenditures				56		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	11.83	11.72	11.86	14.57	14.57	14.57	14.57	14.57

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 18,000 feedlot operations that are required to be registered. Approximately 14,000 of these feedlots are in delegated counties and approximately 4,000 are in non-delegated counties for which the MPCA has direct regulatory responsibility.
- The Clean Water Partnership Loan Program provided \$13 million in interest-free loans to 21 counties and watershed districts for local improvement projects in FY19/FY20.
- Clean Water Act Section 319 federal funding provides \$2.8 million per year to local partners to implement waterbody restoration and protection actions in 10 prioritized watersheds.

PURPOSE & CONTEXT

The Watershed Division 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 to address them. WRAPS help inform and guide 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 1,200 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 approximately 14,000 smaller livestock operations to meet the same goals.
- The Clean Water Partnership Loan Program provides about \$6.6 million per year for projects focused on restoring and protecting waters, with most of the funding used to address failing or noncompliant septic systems. Federal Clean Water Act Section 319 Small Watershed Focus Program grants provide over \$2.8 million per year for watershed restoration and protection and leverages almost \$2.2 million in state and local match.

SERVICES PROVIDED

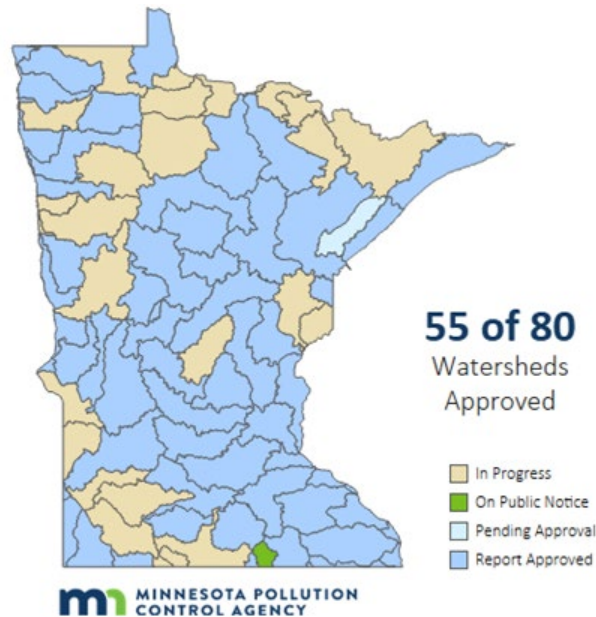
The Watershed Division conducts activities to ensure that the state's lakes, rivers, streams, and groundwater are clean, healthy, and sustainable. These activities include:

- 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 WRAPS reports for all 80 major watersheds. These reports are a blueprint for local water resource managers to use in their local water plans, and more than two thirds of the reports 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 grant projects.
- Issuing feedlot permits, overseeing delegated county programs, providing compliance assistance, conducting inspections, and as necessary taking enforcement. The program uses a 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 18,000 feedlots are registered statewide.

Activity	MPCA	County
National Pollutant Discharge Elimination System (NPDES) and State Disposal System (SDS) Permitted Facilities	1,192 NPDES & SDS <ul style="list-style-type: none"> • 1,138 General Permits • 54 Individual Permits (53 NPDES, 1 SDS) 	Counties are not authorized to issue NPDES and SDS permits.
Inspections:		
• Compliance	201	1,515
• Construction	116	202
• Land application	4	83
• Complaint	33	53

*Inspection stats are from 10/1/2018-9/30/2019; Permits issued is current status. Registration numbers are 2018 (most current).

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.

Watershed

Program Expenditure Overview

(Dollars in Thousands)

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

1000 - General	2,071	1,945	1,959	1,959	1,959	1,959	1,959	1,959
2302 - Clean Water	8,966	11,704	6,790	8,393			6,879	6,879
2800 - Environmental	6,987	7,166	7,105	7,480	7,142	7,142	6,965	6,965
2801 - Remediation	226	218	207	261	234	112	234	234
3000 - Federal	6,168	5,811	5,546	6,309	6,206	6,156	6,206	6,156
Total	24,417	26,843	21,606	24,402	15,541	15,369	22,243	22,193
Biennial Change				(5,252)		(15,098)		(1,572)
Biennial % Change				(10)		(33)		(3)
Governor's Change from Base								13,526
Governor's % Change from Base								44

Expenditures by Activity

Watershed	24,417	26,843	21,606	24,402	15,541	15,369	22,243	22,193
Total	24,417	26,843	21,606	24,402	15,541	15,369	22,243	22,193

Expenditures by Category

Compensation	10,799	10,852	10,804	11,044	7,471	7,379	11,107	11,107
Operating Expenses	10,791	12,956	6,516	8,239	2,932	2,902	5,998	5,998
Grants, Aids and Subsidies	2,825	2,883	4,178	5,114	5,138	5,088	5,138	5,088
Capital Outlay-Real Property	1	0						
Other Financial Transaction	1	151	108	5				
Total	24,417	26,843	21,606	24,402	15,541	15,369	22,243	22,193

Total Agency Expenditures	24,417	26,843	21,606	24,402	15,541	15,369	22,243	22,193
Internal Billing Expenditures	5,210	5,087	4,362	4,330	2,529	2,499	2,486	2,456
Expenditures Less Internal Billing	19,208	21,756	17,244	20,072	13,012	12,870	19,757	19,737

Full-Time Equivalents

117.44	115.20	110.40	118.97	73.60	72.10	108.15	108.15
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Watershed

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In	0	12						
Direct Appropriation	1,959	1,959	1,959	1,959	1,959	1,959	1,959	1,959
Transfers In	112							
Cancellations		26						
Balance Forward Out			0					
Expenditures	2,071	1,945	1,959	1,959	1,959	1,959	1,959	1,959
Biennial Change in Expenditures				(98)		0		0
Biennial % Change in Expenditures				(2)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.70							

2050 - Environment & Natural Resources

Direct Appropriation		7,300						
Cancellations		7,300						

2302 - Clean Water

Balance Forward In		1,919	1,399	1,808				
Direct Appropriation	10,849	11,078	7,660	6,600	0	0	6,879	6,879
Transfers Out			461	15				
Balance Forward Out	1,883	1,293	1,809					
Expenditures	8,966	11,704	6,790	8,393			6,879	6,879
Biennial Change in Expenditures				(5,487)		(15,183)		(1,425)
Biennial % Change in Expenditures				(27)		(100)		(9)
Governor's Change from Base								13,758
Governor's % Change from Base								
Full-Time Equivalents	36.10	37.10	35.42	37.82			36.00	36.00

2800 - Environmental

Balance Forward In		93		338				
Direct Appropriation	7,043	7,063	7,442	7,142	7,142	7,142	6,965	6,965
Transfers In	36	58						
Cancellations		48						

Watershed

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
Balance Forward Out	92		337					
Expenditures	6,987	7,166	7,105	7,480	7,142	7,142	6,965	6,965
Biennial Change in Expenditures				432		(301)		(655)
Biennial % Change in Expenditures				3		(2)		(4)
Governor's Change from Base								(354)
Governor's % Change from Base								(2)
Full-Time Equivalents	55.10	54.21	51.18	57.55	52.00	52.00	50.55	50.55

2801 - Remediation

Balance Forward In		1		27				
Direct Appropriation	218	218	234	234	234	112	234	234
Transfers In	9	15						
Cancellations		17						
Balance Forward Out	1		27					
Expenditures	226	218	207	261	234	112	234	234
Biennial Change in Expenditures				24		(122)		0
Biennial % Change in Expenditures				5		(26)		0
Governor's Change from Base								122
Governor's % Change from Base								35
Full-Time Equivalents	2.85	2.71	2.58	2.75	2.75	1.25	2.75	2.75

3000 - Federal

Receipts	6,168	5,811	5,546	6,309	6,206	6,156	6,206	6,156
Expenditures	6,168	5,811	5,546	6,309	6,206	6,156	6,206	6,156
Biennial Change in Expenditures				(123)		507		507
Biennial % Change in Expenditures				(1)		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	22.69	21.18	21.22	20.85	18.85	18.85	18.85	18.85

8200 - Clean Water Revolving

Balance Forward In		22,066	24,669	6,389	434	634	434	634
Receipts	286	246	218	200	200	200	200	200

Watershed

Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
Transfers In	22,072							
Transfers Out			5,000					
Net Loan Activity	(4,405)	2,358	(13,498)	(6,155)	0	0	0	0
Balance Forward Out	17,953	24,669	6,389	434	634	834	634	834

Program: Environmental Quality Board<https://www.eqb.state.mn.us>**AT A GLANCE**

- Board made up of public members 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 per the Minnesota Environmental Policy Act (1973).
- Convenes monthly public meetings on the third Wednesday of every month to provide a forum for the public and state leaders to collaborate on environmental policy.
- Leads interagency coordination on emerging environmental issues.
- Convenes Environmental Congresses, advisory panels, and other public events and processes to provide avenues for meaningful public engagement.
- Provides support to Local Governments on environmental review and the implementation of other environmental policies and programs.

PURPOSE & CONTEXT

Problems related to the environment often encompass the responsibilities of several state agencies. Developing innovative solutions that meet the diverse needs of Minnesotans 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 works to strategically:

- Ensure adequate review and foster public understanding of proposed projects that have the potential for significant environmental impact.
- Provide a public forum for discussion of state environmental policies and programs.
- Develop and lead an integrated response to complex environmental issues with broad cross-sector impacts.
- Support local partners with guidance and technical resources.
- Foster connections and facilitate collaborative problem solving on issues related to the environment, health, transportation, agriculture, and energy.
- 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 the public 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 complex environmental issues with 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 environmental 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 public 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 environmental review projects and general notices in the *EQB Monitor*, including (for Fiscal Year 2020): 50 general notices, 10 citizen petitions, 62 Environmental Assessment Worksheets, 17 Alternative Urban Areawide Reviews, 5 Environmental Impact Statements, and 77 total associated records of decision.
- Finalized administrative rule revisions to streamline Environmental Review and held training for local governments.
- Finalized Enterprise Environmental Review and Technical Services Master Contract Program to improve document quality and increase efficiency in contracting process and held a training for local governments.
- Led and facilitated an interagency technical team to examine how climate change could be effectively and efficiently integrated into Environmental Review.
- Hosted an Environmental Congress in December 2019 in Mankato for 300 attendees and 100 online viewers.
- Led and facilitated an interagency effort to develop recommendations for addressing challenges associated with Emerald Ash Borer in Minnesota.
- Led and facilitated an interagency effort to develop the 2020 State Water Plan focused on sustainable water management in the context of climate change.
- As directed by Executive Order 19-28, facilitated an interagency pollinator protection team and developed an annual update to the Pollinator Report as well as a civic engagement process.
- Facilitated an interagency study assessing the barriers and opportunities for solar development on Minnesota's closed landfills.
- Assisted 137 cities and 4 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	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	1,071	992	1,020	1,201	1,081	1,081	1,081	1,081
2800 - Environmental	184	201	371	215	193	193	193	193
2801 - Remediation			233	67				
Total	1,256	1,192	1,624	1,483	1,274	1,274	1,274	1,274
Biennial Change				659		(559)		(559)
Biennial % Change				27		(18)		(18)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Activity

Environmental Quality Board	1,256	1,192	1,624	1,483	1,274	1,274	1,274	1,274
Total	1,256	1,192	1,624	1,483	1,274	1,274	1,274	1,274

Expenditures by Category

Compensation	697	707	855	944	891	891	891	891
Operating Expenses	559	485	769	539	383	383	383	383
Total	1,256	1,192	1,624	1,483	1,274	1,274	1,274	1,274

Total Agency Expenditures	1,256	1,192	1,624	1,483	1,274	1,274	1,274	1,274
Internal Billing Expenditures	308	272	311	311	311	311	311	311
Expenditures Less Internal Billing	947	920	1,313	1,172	963	963	963	963

Full-Time Equivalents

	7.55	7.07	8.41	8.59	8.70	8.70	8.70	8.70
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Environmental Quality Board

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
1000 - General								
Balance Forward In		142	59	120				
Direct Appropriation	1,072	1,076	1,081	1,081	1,081	1,081	1,081	1,081
Transfers In	91							
Transfers Out		150						
Cancellations		17						
Balance Forward Out	92	59	120					
Expenditures	1,071	992	1,020	1,201	1,081	1,081	1,081	1,081
Biennial Change in Expenditures				158		(59)		(59)
Biennial % Change in Expenditures				8		(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.27	5.74	7.04	7.15	7.40	7.40	7.40	7.40

2800 - Environmental

Balance Forward In		8		22				
Direct Appropriation	192	193	393	193	193	193	193	193
Cancellations		0						
Balance Forward Out	8		22					
Expenditures	184	201	371	215	193	193	193	193
Biennial Change in Expenditures				201		(200)		(200)
Biennial % Change in Expenditures				52		(34)		(34)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.28	1.33	1.13	1.20	1.30	1.30	1.30	1.30

2801 - Remediation

Balance Forward In				67				
Direct Appropriation			300					
Balance Forward Out			67					
Expenditures			233	67				
Biennial Change in Expenditures				300		(300)		(300)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0

Environmental Quality Board

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Governor's % Change from Base								
Full-Time Equivalents			0.24	0.24				

Minnesota Pollution Control Agency

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 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.		\$ 293	\$ 322	\$ 322	\$ 322	No	2.30
Environmental Protection Agency CFDA 66.419	Water Pollution Control Program Support: Grants supporting surface water monitoring activities in streams, wetlands and lakes.		\$ 18	\$ 441	\$ 417	\$ 417	No	5.90
US Geological Services CFDA 15.980	National Ground Water Monitoring Network: Agency's Statewide Water Quality Data in monitoring network database.		\$ -	\$ 35	\$ 35	\$ 35	No	0.00
Environmental Protection Agency CFDA 66.034	Particulate Monitoring (PM) 2.5 Monitoring: Supports air quality fine particle monitoring.		\$ 463	\$ 485	\$ 485	\$ 485	No	3.30
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.		\$ 2,519	\$ 3,806	\$ 2,660	\$ 2,660	MOE	16.77
Environmental Protection Agency CFDA 66.204	Multipurpose Grants to States and Tribes: To implement high priority activities, complementing programs under established environmental statutes.		\$ -	\$ 144	\$ -	\$ -	No	0.00
	Environmental Analysis and Outcomes Total		\$ 3,293	\$ 5,233	\$ 3,919	\$ 3,919		28.27
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.		\$ 623	\$ 551	\$ 527	\$ 527	Match	3.60
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.		\$ 2,590	\$ 2,950	\$ 2,235	\$ 2,235	MOE	18.95
	Industrial Total		\$ 3,213	\$ 3,501	\$ 2,762	\$ 2,762		22.55
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.		\$ 962	\$ 1,181	\$ 980	\$ 980	MOE	6.20
	Municipal Total		\$ 962	\$ 1,181	\$ 980	\$ 980		6.20

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
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.		\$ 937	\$ 1,496	\$ 905	\$ 905	MOE	6.40
	Operations Total		\$ 937	\$ 1,496	\$ 905	\$ 905		6.40
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.		\$ 166	\$ 290	\$ 279	\$ 279	No	1.25
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.		\$ 698	\$ 1,105	\$ 882	\$ 882	Match	3.31
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.		\$ 2,325	\$ 1,443	\$ 1,410	\$ 1,410	Match	10.32
Environmental Protection Agency CFDA 66.809	CORE Program: Administration and implementation of the State's Superfund Program.		\$ 129	\$ 81	\$ 112	\$ 112	Match	0.60
Environmental Protection Agency CFDA 66.817	Brownfields Response Program: Development and enhancement of the Voluntary Investigation and Cleanup and Petroleum Brownfields Programs.		\$ 728	\$ 963	\$ 731	\$ 731	No	0.00
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.		\$ 72	\$ 23	\$ -	\$ -	No	0.00
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.		\$ 595	\$ 648	\$ 630	\$ 630	No	2.40
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.		\$ 239	\$ 260	\$ 260	\$ 260	No	0.30
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.		\$ 164	\$ 305	\$ 235	\$ 235	MOE	1.20
	Remediation Total		\$ 5,116	\$ 5,118	\$ 4,539	\$ 4,539		19.38

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
U.S. Fish and Wildlife Service CFDA 15.658	Natural Resource Damage Assessment and Restoration: Restore natural resources and services that have been injured by an oil spill or hazardous substance release.		\$ 35	\$ 376	\$ 376	\$ 376	No	2.15
Environmental Protection Agency CFDA 66.040	MN Clean Diesel Program: Decreases diesel fuel emissions through grants and loans for emission reduction technologies.		\$ 502	\$ 604	\$ 498	\$ 498	Match	1.00
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.		\$ 1,658	\$ 2,081	\$ 1,730	\$ 1,730	MOE	11.42
	Resource Management and Assistance Total		\$ 2,195	\$ 3,061	\$ 2,604	\$ 2,604		14.57
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.		\$ 2,667	\$ 3,350	\$ 3,375	\$ 3,325	Match	0.00
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.		\$ 2,879	\$ 2,959	\$ 2,831	\$ 2,831	MOE	18.85
	Watershed Total		\$ 5,546	\$ 6,309	\$ 6,206	\$ 6,156		18.85
	Federal Fund – Agency Total		\$ 21,262	\$ 25,899	\$ 21,915	\$ 21,865		116.22

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 2020-2021 biennium, the MPCA received \$33 million in the form of grants or cooperative agreements. Federal revenues accounted for approximately 8.96% of the MPCA's budget in the FY 2020-2021 biennium and are projected at 7.27% in the FY 2022-2023 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.