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

### AT A GLANCE

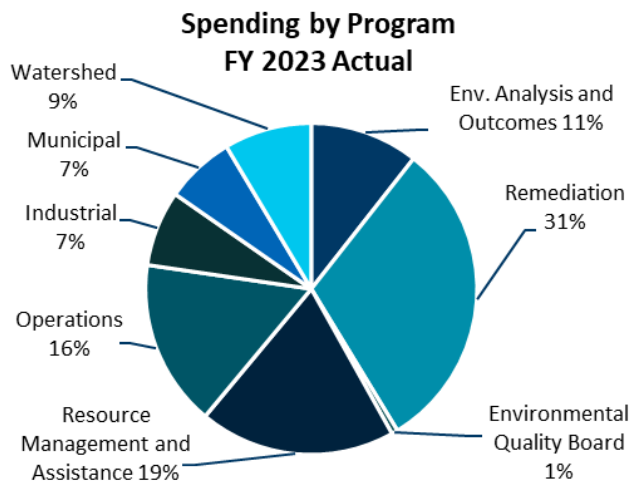
- 885 employees in FY23: 644 in Saint Paul and 241 in six regional offices; 32 are student workers or seasonal employees
- Protect and improve the environment and human health by issuing and modifying more than 16,700 permits with environmental standards to avoid or limit pollution
- Monitor the condition 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
- Offer 172 online e-services to increase efficiencies, which is used by over 20,000 state and external users
- Awarded 168 grants for \$21 million to replace old diesel engines with new cleaner models and install electric vehicle charging stations from the Volkswagen Environmental Settlement
- Awarded nearly \$200 million in grant funds from the U.S. Environmental Protection Agency (EPA) to reduce climate impacts through Smart Food Systems by reducing greenhouse gases, and air pollution, with new technologies to build food security in low-income and disadvantaged communities

### PURPOSE

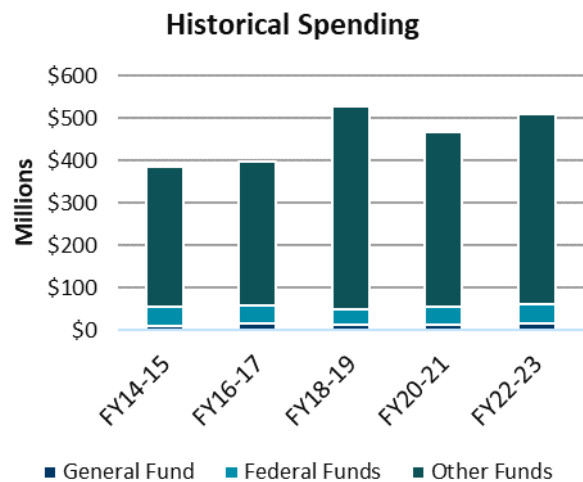
The Minnesota Pollution Control Agency (MPCA) mission is to protect and improve the environment and human health. The MPCA fosters a diverse, equitable, and inclusive workplace and throughout its agency operations.

The MPCA completes the following activities: monitors environmental quality, offers technical and financial assistance, enforces environmental regulations, and finds and cleans up spills/leaks that can affect human health and the environment. These activities accelerate progress to reduce greenhouse gas emissions, ensure waters are fishable and swimmable, ensure Minnesotans have safe, abundant drinking water, and reduce Minnesotans' food waste. Additionally, the MPCA develops statewide policy, supports environmental education, and helps ensure pollution does not have a disproportionate impact on any individual or group of individuals living in Minnesota. The MPCA's work addresses several of the One MN goals including: Minnesota's environment, Healthy Minnesotans, and Equity and inclusion.

## BUDGET



Source: Budget Planning & Analysis System (BPAS)



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

Source: Consolidated Fund Statement

MPCA's budget is funded from multiple state government funds and federal grants. The funding MPCA received from the general fund has decreased over time, as has the federal funding. The bulk of the MPCA's funding has come from the Environmental, Remediation and Petroleum Funds, with a significant addition from the Clean Water Fund. The Environmental Fund is a consolidation of permit fees, penalties, and similar fee payments. The Clean Water Fund is a legacy fund created when voters passed a constitutional amendment in November 2008.

## STRATEGIES

In 2024, the MPCA updated its 5-year Strategic Plan. The Strategic Plan charts the agency's direction and reflects insights gathered from external stakeholders and thoughtful review from agency staff and management. The MPCA will complete its priority work based on six (6) priority strategies outlined in its Strategic Plan:

- Reduce direct exposures to known pollutants, including their cumulative impacts
- Reduce levels of high priority pollutants
- Advance environmental justice and protect Minnesotans who are disproportionately impacted
- Advance the Climate Action Framework
- Modernize capabilities to collect, manage, and share data
- Foster a diverse, equitable, and inclusive workplace and throughout agency operations

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 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 Minnesotans
- 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

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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 FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26FY27		Governor's Recommendation FY26FY27	
<b><u>Expenditures by Fund</u></b>								
1000 - General	8,872	7,952	57,743	227,054	8,729	8,729	9,229	9,391
1200 - State Government Special Rev	77	71	78	102	92	92	92	92
2000 - Restrict Misc Special Revenue	8,539	4,596	2,202	3,435	2,523	2,523	2,523	3,267
2001 - Other Misc Special Revenue	29,847	32,059	37,645	51,799	44,814	44,814	44,814	44,814
2050 - Environment & Natural Resources	2,117	407	3,366	2,330				
2302 - Clean Water	22,420	22,506	24,005	37,315			24,102	25,102
2340 - Renewable Development				1,000				
2403 - Gift	3,009	3,921	17,129	10,587	6,600	6,600	6,600	6,600
2800 - Environmental	82,825	95,418	93,501	130,049	116,024	120,100	122,202	127,995
2801 - Remediation	59,086	78,318	111,713	213,802	142,138	162,105	143,853	164,087
2802 - Closed Landfill Investment	1,956	2,525	3,722	4,500			6,500	6,500
3000 - Federal	24,427	19,258	32,156	63,976	127,144	83,070	127,144	83,070
8200 - Clean Water Revolving	1,829	2,034	2,385	3,205	2,602	2,602	2,602	2,602
<b>Total</b>	<b>245,003</b>	<b>269,066</b>	<b>385,644</b>	<b>749,154</b>	<b>450,666</b>	<b>430,635</b>	<b>489,661</b>	<b>473,520</b>
Biennial Change				620,730		(253,497)		(171,617)
Biennial % Change				121		(22)		(15)
Governor's Change from Base								81,880
Governor's % Change from Base								9

## **Expenditures by Program**

Environmental Analysis and Outcomes Division	28,130	28,542	40,674	170,483	93,804	59,862	105,642	72,250
Industrial Division	18,871	19,867	24,962	57,491	25,773	28,413	28,288	31,587
Municipal Division	17,076	18,235	22,528	27,502	15,703	15,703	21,936	22,075
Operations Division	41,220	43,825	59,147	98,653	60,480	60,363	61,226	61,375
Remediation Division	65,159	82,806	128,644	245,362	144,520	164,520	152,359	172,566
Resource Management and Assistance Division	51,375	51,619	79,849	119,017	89,595	80,983	92,722	85,009
Watershed Division	21,902	23,046	28,097	28,637	19,289	19,289	25,943	27,076
Environmental Quality Board	1,271	1,125	1,742	2,009	1,502	1,502	1,545	1,582
<b>Total</b>	<b>245,003</b>	<b>269,066</b>	<b>385,644</b>	<b>749,154</b>	<b>450,666</b>	<b>430,635</b>	<b>489,661</b>	<b>473,520</b>

## **Expenditures by Category**

## Pollution Control

## Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Compensation	90,531	96,743	105,470	138,701	116,769	119,495	137,292	143,812
Operating Expenses	99,588	102,533	125,583	525,264	271,469	251,770	290,133	270,530
Grants, Aids and Subsidies	53,711	68,637	154,257	79,841	56,186	55,957	55,994	55,765
Capital Outlay-Real Property	1,028	1,051	157					
Other Financial Transaction	145	102	177	5,348	6,242	3,413	6,242	3,413
<b>Total</b>	<b>245,003</b>	<b>269,066</b>	<b>385,644</b>	<b>749,154</b>	<b>450,666</b>	<b>430,635</b>	<b>489,661</b>	<b>473,520</b>

Total Agency Expenditures	245,003	269,066	385,644	749,154	450,666	430,635	489,661	473,520
Internal Billing Expenditures	30,014	32,038	43,978	46,832	33,766	34,748	33,766	34,748
<b>Expenditures Less Internal Billing</b>	<b>214,989</b>	<b>237,028</b>	<b>341,667</b>	<b>702,322</b>	<b>416,900</b>	<b>395,887</b>	<b>455,895</b>	<b>438,772</b>

<b><u>Full-Time Equivalents</u></b>	<b>839.70</b>	<b>896.85</b>	<b>889.52</b>	<b>1,235.05</b>	<b>1,059.11</b>	<b>1,085.79</b>	<b>1,181.26</b>	<b>1,210.19</b>
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# Pollution Control

# Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In	42	2,457	1,211	122,830				
Direct Appropriation	8,339	7,285	181,674	107,211	8,729	8,729	9,229	9,391
Transfers In	2,000							
Transfers Out			2,313	2,987				
Cancellations		579						
Balance Forward Out	1,509	1,211	122,829					
Expenditures	8,872	7,952	57,743	227,054	8,729	8,729	9,229	9,391
Biennial Change in Expenditures				267,973		(267,339)		(266,177)
Biennial % Change in Expenditures				1,593		(94)		(93)
Governor's Change from Base								1,162
Governor's % Change from Base								7
Full-Time Equivalents	8.67	8.64	24.64	87.37	15.63	15.63	20.63	20.63

## 1200 - State Government Special Rev

Balance Forward In		0		10				
Direct Appropriation	75	75	85	90	90	90	90	90
Open Appropriation	2	1	3	2	2	2	2	2
Cancellations		5						
Balance Forward Out	0		10					
<b>Expenditures</b>	<b>77</b>	<b>71</b>	<b>78</b>	<b>102</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>
Biennial Change in Expenditures				32		4		4
Biennial % Change in Expenditures				22		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.67	0.61	0.58	0.58	0.58	0.58	0.58	0.58

## 2000 - Restrict Misc Special Revenue

Balance Forward In	4,273	322	400	467				
Receipts	4,580	4,675	2,268	2,968	2,523	2,523	2,523	3,267
Transfers Out		0						
Balance Forward Out	314	400	467					
<b>Expenditures</b>	<b>8,539</b>	<b>4,596</b>	<b>2,202</b>	<b>3,435</b>	<b>2,523</b>	<b>2,523</b>	<b>2,523</b>	<b>3,267</b>
Biennial Change in Expenditures				(7,499)		(591)		153

## Pollution Control

## Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Biennial % Change in Expenditures				(57)		(10)		3
Governor's Change from Base								744
Governor's % Change from Base								15
Full-Time Equivalents	11.66	7.38	6.10	7.26	6.76	6.76	6.76	10.76

### 2001 - Other Misc Special Revenue

Balance Forward In	6,374	7,696	8,292	19,687	15,963	11,354	15,963	11,354
Receipts	30,276	32,163	44,092	47,435	39,410	40,392	39,410	40,392
Internal Billing Receipts	30,014	32,038	43,978	46,806	38,781	39,763	38,781	39,763
Transfers In	404	404	5,147	860	860	860	860	860
Transfers Out	112	125	200	220	65	65	65	65
Balance Forward Out	7,095	8,079	19,686	15,963	11,354	7,727	11,354	7,727
<b>Expenditures</b>	<b>29,847</b>	<b>32,059</b>	<b>37,645</b>	<b>51,799</b>	<b>44,814</b>	<b>44,814</b>	<b>44,814</b>	<b>44,814</b>
Biennial Change in Expenditures				27,538		184		184
Biennial % Change in Expenditures				44		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	102.77	111.57	122.84	173.20	177.40	177.40	177.40	177.40

### 2050 - Environment & Natural Resources

Balance Forward In	2,604	1,287	3,680	1,455				
Direct Appropriation	800	2,800	1,562	875	0	0	0	0
Cancellations			422					
Balance Forward Out	1,287	3,680	1,454					
<b>Expenditures</b>	<b>2,117</b>	<b>407</b>	<b>3,366</b>	<b>2,330</b>				
Biennial Change in Expenditures				3,172		(5,696)		(5,696)
Biennial % Change in Expenditures				126		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.01	0.62	1.24	1.12				

### 2302 - Clean Water

Balance Forward In	9,701	8,787	7,588	7,760		
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## Pollution Control

## Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Direct Appropriation	21,024	21,153	24,187	29,514	0	0	24,102	25,102
Open Appropriation	35	30	52	41	0	0	0	0
Cancellations	0	215	63					
Balance Forward Out	8,339	7,249	7,759					
<b>Expenditures</b>	<b>22,420</b>	<b>22,506</b>	<b>24,005</b>	<b>37,315</b>			<b>24,102</b>	<b>25,102</b>
Biennial Change in Expenditures				16,393		(61,320)		(12,116)
Biennial % Change in Expenditures				36		(100)		(20)
Governor's Change from Base								49,204
Governor's % Change from Base								
Full-Time Equivalents	83.31	89.60	84.68	108.84			105.15	105.15

### 2340 - Renewable Development

Direct Appropriation			2,000	1,000	0	0	0	0
Transfers Out			2,000					
<b>Expenditures</b>				<b>1,000</b>				
Biennial Change in Expenditures				1,000		(1,000)		(1,000)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

### 2403 - Gift

Balance Forward In	8,693	9,911	13,601	3,987				
Receipts	4,227	7,611	7,514	6,600	6,600	6,600	6,600	6,600
Balance Forward Out	9,911	13,601	3,987					
<b>Expenditures</b>	<b>3,009</b>	<b>3,921</b>	<b>17,129</b>	<b>10,587</b>	<b>6,600</b>	<b>6,600</b>	<b>6,600</b>	<b>6,600</b>
Biennial Change in Expenditures				20,786		(14,516)		(14,516)
Biennial % Change in Expenditures				300		(52)		(52)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.89	4.85	4.19	4.00	4.00	4.00	4.00	4.00

### 2800 - Environmental

Balance Forward In	4,213	10,948	4,920	19,896	8,549	8,828	11,269	10,128
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## Pollution Control

## Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Direct Appropriation	114,460	109,223	130,055	141,018	137,978	142,018	144,156	149,913
Open Appropriation	247	255	365	324	408	324	408	324
Receipts	2,906	3,085	6,849	6,797	6,917	7,031	6,917	7,031
Transfers In	8	2,696	2,751	5,595	2,819	2,819	2,819	2,819
Transfers Out	28,726	25,696	28,647	28,958	28,902	28,902	28,902	28,902
Net Loan Activity	99	115	(159)	(487)	(106)	(6)	(1,526)	(806)
Cancellations	6	288	2,740	2,867	2,811	2,811	2,811	2,811
Balance Forward Out	10,376	4,921	19,893	11,269	8,828	9,201	10,128	9,701
<b>Expenditures</b>	<b>82,825</b>	<b>95,418</b>	<b>93,501</b>	<b>130,049</b>	<b>116,024</b>	<b>120,100</b>	<b>122,202</b>	<b>127,995</b>
Biennial Change in Expenditures				45,307		12,574		26,647
Biennial % Change in Expenditures				25		6		12
Governor's Change from Base								14,073
Governor's % Change from Base								6
Full-Time Equivalents	380.64	435.32	396.45	540.79	540.63	567.93	550.63	576.18

### 2801 - Remediation

Balance Forward In	710,673	687,725	56,889	34,094				
Direct Appropriation	14,546	14,546	19,671	20,247	20,247	20,247	21,962	22,229
Open Appropriation	11,455	11,448	12,620	14,925	14,958	14,925	14,958	14,925
Receipts	8,935	11,987	23,117	21,366	7,414	46,327	7,414	46,327
Transfers In	45,206	51,111	62,586	311,659	195,035	196,122	195,035	196,122
Transfers Out	40,533	643,196	28,839	188,489	95,516	115,516	95,516	115,516
Cancellations		4	235					
Balance Forward Out	692,787	55,298	34,095					
<b>Expenditures</b>	<b>59,086</b>	<b>78,318</b>	<b>111,713</b>	<b>213,802</b>	<b>142,138</b>	<b>162,105</b>	<b>143,853</b>	<b>164,087</b>
Biennial Change in Expenditures				188,111		(21,272)		(17,575)
Biennial % Change in Expenditures				137		(7)		(5)
Governor's Change from Base								3,697
Governor's % Change from Base								1
Full-Time Equivalents	92.50	114.54	107.90	140.04	145.51	145.51	147.51	147.51

### 2802 - Closed Landfill Investment

Direct Appropriation	4,500	4,500	4,500	4,500	0	0	0	0
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## Pollution Control

## Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Open Appropriation							6,500	6,500
Cancellations	2,544	1,975	778					
<b>Expenditures</b>	<b>1,956</b>	<b>2,525</b>	<b>3,722</b>	<b>4,500</b>			<b>6,500</b>	<b>6,500</b>
Biennial Change in Expenditures				3,741		(8,222)		4,778
Biennial % Change in Expenditures				84		(100)		58
Governor's Change from Base								13,000
Governor's % Change from Base								

### 3000 - Federal

Balance Forward In	16		11	156				
Receipts	24,411	19,258	32,301	63,820	127,144	83,070	127,144	83,070
Balance Forward Out			156					
<b>Expenditures</b>	<b>24,427</b>	<b>19,258</b>	<b>32,156</b>	<b>63,976</b>	<b>127,144</b>	<b>83,070</b>	<b>127,144</b>	<b>83,070</b>
Biennial Change in Expenditures				52,447		114,082		114,082
Biennial % Change in Expenditures				120		119		119
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	141.31	108.73	125.61	155.55	151.30	150.68	151.30	150.68

### 8200 - Clean Water Revolving

Balance Forward In	14,863	14,171	11,852	8,789	5,806	2,806	5,806	2,806
Receipts	170	138	101	578	578	578	578	578
Transfers In	3,829	2,102	2,379	2,644	2,102	2,102	2,102	2,102
Net Loan Activity	(2,862)	(2,524)	(3,158)	(3,000)	(3,078)	(884)	(3,078)	(884)
Balance Forward Out	14,171	11,852	8,790	5,806	2,806	2,000	2,806	2,000
<b>Expenditures</b>	<b>1,829</b>	<b>2,034</b>	<b>2,385</b>	<b>3,205</b>	<b>2,602</b>	<b>2,602</b>	<b>2,602</b>	<b>2,602</b>
Biennial Change in Expenditures				1,728		(386)		(386)
Biennial % Change in Expenditures				45		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	13.27	14.99	15.29	16.30	17.30	17.30	17.30	17.30

# Pollution Control

# Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
<b>FY2025 Appropriations</b>	<b>107,211</b>	<b>107,211</b>	<b>107,211</b>	<b>214,422</b>
<b>Base Adjustments</b>				
All Other One-Time Appropriations		(48,405)	(48,405)	(96,810)
Current Law Base Change		(50,083)	(50,083)	(100,166)
Minnesota Paid Leave Allocation		6	6	12
<b>Forecast Base</b>	<b>107,211</b>	<b>8,729</b>	<b>8,729</b>	<b>17,458</b>
<b>Change Items</b>				
Operating Adjustment		160	322	482
Permitting Efficiency		1,340	1,340	2,680
Adjustment to County Feedlot Program Appropriation		(1,000)	(1,000)	(2,000)
<b>Total Governor's Recommendations</b>	<b>107,211</b>	<b>9,229</b>	<b>9,391</b>	<b>18,620</b>
<b>Fund: 1200 - State Government Special Rev</b>				
<b>FY2025 Appropriations</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>180</b>
<b>Forecast Base</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>180</b>
<b>Total Governor's Recommendations</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>180</b>
<b>Fund: 2050 - Environment &amp; Natural Resources</b>				
<b>FY2025 Appropriations</b>	<b>875</b>	<b>875</b>	<b>875</b>	<b>1,750</b>
<b>Base Adjustments</b>				
All Other One-Time Appropriations		(875)	(875)	(1,750)
<b>Forecast Base</b>	<b>875</b>			
<b>Total Governor's Recommendations</b>	<b>875</b>			
<b>Fund: 2302 - Clean Water</b>				
<b>FY2025 Appropriations</b>	<b>29,514</b>	<b>29,514</b>	<b>29,514</b>	<b>59,028</b>
<b>Base Adjustments</b>				
One-Time Legacy Fund Appropriations		(29,514)	(29,514)	(59,028)
<b>Forecast Base</b>	<b>29,514</b>			
<b>Change Items</b>				
Clean Water Legacy - Chloride Reduction		650	650	1,300
Clean Water Legacy - Clean Water Council		461	461	922
Clean Water Legacy - Enhanced SSTs Program Support		3,441	3,441	6,882
Clean Water Legacy - Groundwater Assessment		1,000	1,000	2,000
Clean Water Legacy - River & Lake Monitoring & Assessment		9,450	9,450	18,900
Clean Water Legacy - Wastewater Stormwater TMDL Implementation		1,600	1,600	3,200
Clean Water Legacy - Watershed Restoration and Protection Strategies		6,750	7,750	14,500
Clean Water Legacy - National Park Water Quality Protection Program		750	750	1,500

# Pollution Control

# Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<b>Total Governor's Recommendations</b>	<b>29,514</b>	<b>24,102</b>	<b>25,102</b>	<b>49,204</b>
<b>Fund: 2340 - Renewable Development</b>				
<b>FY2025 Appropriations</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>2,000</b>
<b>Base Adjustments</b>				
All Other One-Time Appropriations		(1,000)	(1,000)	(2,000)
<b>Forecast Base</b>	<b>1,000</b>			
<b>Total Governor's Recommendations</b>	<b>1,000</b>			
<b>Fund: 2800 - Environmental</b>				
<b>FY2025 Appropriations</b>	<b>141,018</b>	<b>141,018</b>	<b>141,018</b>	<b>282,036</b>
<b>Base Adjustments</b>				
All Other One-Time Appropriations		(2,019)	(2,019)	(4,038)
Current Law Base Change		(1,021)	3,019	1,998
<b>Forecast Base</b>	<b>141,018</b>	<b>137,978</b>	<b>142,018</b>	<b>279,996</b>
<b>Change Items</b>				
Operating Adjustment		3,739	4,941	8,680
Permitting Efficiency		525	525	1,050
Sustainable Aviation Fuel Regulatory Support		700	700	1,400
Air Appropriation Increase		649	1,298	1,947
Mercury Skin Lightening Cream Awareness and Prevention		215	215	430
Wasted Food Management		350	350	700
E-waste and Battery Product Stewardship			(134)	(134)
Technical Change Item				
<b>Total Governor's Recommendations</b>	<b>141,018</b>	<b>144,156</b>	<b>149,913</b>	<b>294,069</b>
<b>Fund: 2801 - Remediation</b>				
<b>FY2025 Appropriations</b>	<b>20,247</b>	<b>20,247</b>	<b>20,247</b>	<b>40,494</b>
<b>Forecast Base</b>	<b>20,247</b>	<b>20,247</b>	<b>20,247</b>	<b>40,494</b>
<b>Change Items</b>				
Operating Adjustment		1,365	1,632	2,997
Site Assessment Backlog		350	350	700
<b>Total Governor's Recommendations</b>	<b>20,247</b>	<b>21,962</b>	<b>22,229</b>	<b>44,191</b>
<b>Fund: 2802 - Closed Landfill Investment</b>				
<b>FY2025 Appropriations</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>9,000</b>
<b>Base Adjustments</b>				
Current Law Base Change		(4,500)	(4,500)	(9,000)
<b>Forecast Base</b>	<b>4,500</b>			
<b>Total Governor's Recommendations</b>	<b>4,500</b>			

# Pollution Control

# Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<b>Open</b>				
<b>Fund: 1200 - State Government Special Rev</b>				
FY2025 Appropriations	2	2	2	4
Forecast Base	2	2	2	4
<b>Total Governor's Recommendations</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>4</b>
<b>Fund: 2302 - Clean Water</b>				
FY2025 Appropriations	41	41	41	82
Base Adjustments				
One-Time Legacy Fund Appropriations		(41)	(41)	(82)
Forecast Base	41			
<b>Total Governor's Recommendations</b>	<b>41</b>			
<b>Fund: 2800 - Environmental</b>				
FY2025 Appropriations	324	324	324	648
Base Adjustments				
Forecast Open Appropriation Adjustment		84		84
Forecast Base	324	408	324	732
<b>Total Governor's Recommendations</b>	<b>324</b>	<b>408</b>	<b>324</b>	<b>732</b>
<b>Fund: 2801 - Remediation</b>				
FY2025 Appropriations	14,925	14,925	14,925	29,850
Base Adjustments				
Forecast Open Appropriation Adjustment		33		33
Forecast Base	14,925	14,958	14,925	29,883
<b>Total Governor's Recommendations</b>	<b>14,925</b>	<b>14,958</b>	<b>14,925</b>	<b>29,883</b>
<b>Fund: 2802 - Closed Landfill Investment</b>				
Change Items				
CLIF Continuing Appropriation		6,500	6,500	13,000
<b>Total Governor's Recommendations</b>		<b>6,500</b>	<b>6,500</b>	<b>13,000</b>
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Planned Spending	3,435	2,523	2,523	5,046
Forecast Base	3,435	2,523	2,523	5,046
Change Items				
E-waste and Battery Product Stewardship			744	744
<b>Total Governor's Recommendations</b>	<b>3,435</b>	<b>2,523</b>	<b>3,267</b>	<b>5,790</b>

## Pollution Control

## Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<b>Fund: 2001 - Other Misc Special Revenue</b>				
Planned Spending	51,799	44,814	44,814	89,628
Forecast Base	51,799	44,814	44,814	89,628
Total Governor's Recommendations	51,799	44,814	44,814	89,628
<b>Fund: 2403 - Gift</b>				
Planned Spending	10,587	6,600	6,600	13,200
Forecast Base	10,587	6,600	6,600	13,200
Total Governor's Recommendations	10,587	6,600	6,600	13,200
<b>Fund: 2800 - Environmental</b>				
Planned Spending	3,653	3,721	3,841	7,562
Forecast Base	3,653	3,721	3,841	7,562
Total Governor's Recommendations	3,653	3,721	3,841	7,562
<b>Fund: 2801 - Remediation</b>				
Planned Spending	177,142	107,249	127,249	234,498
Forecast Base	177,142	107,249	127,249	234,498
Total Governor's Recommendations	177,142	107,249	127,249	234,498
<b>Fund: 3000 - Federal</b>				
Planned Spending	63,976	127,144	83,070	210,214
Forecast Base	63,976	127,144	83,070	210,214
Total Governor's Recommendations	63,976	127,144	83,070	210,214
<b>Fund: 8200 - Clean Water Revolving</b>				
Planned Spending	3,205	2,602	2,602	5,204
Forecast Base	3,205	2,602	2,602	5,204
Total Governor's Recommendations	3,205	2,602	2,602	5,204
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Forecast Revenues	2,968	2,523	2,523	5,046
Change Items				
E-waste and Battery Product Stewardship			744	744
Total Governor's Recommendations	2,968	2,523	3,267	5,790

# Pollution Control

# Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<b>Fund: 2001 - Other Misc Special Revenue</b>				
Forecast Revenues	47,435	39,410	40,392	79,802
Total Governor's Recommendations	47,435	39,410	40,392	79,802
<b>Fund: 2403 - Gift</b>				
Forecast Revenues	6,600	6,600	6,600	13,200
Total Governor's Recommendations	6,600	6,600	6,600	13,200
<b>Fund: 2800 - Environmental</b>				
Forecast Revenues	6,797	6,917	7,031	13,948
Total Governor's Recommendations	6,797	6,917	7,031	13,948
<b>Fund: 2801 - Remediation</b>				
Forecast Revenues	21,366	7,414	46,327	53,741
Total Governor's Recommendations	21,366	7,414	46,327	53,741
<b>Fund: 3000 - Federal</b>				
Forecast Revenues	63,820	127,144	83,070	210,214
Total Governor's Recommendations	63,820	127,144	83,070	210,214
<b>Fund: 8200 - Clean Water Revolving</b>				
Forecast Revenues	578	578	578	1,156
Total Governor's Recommendations	578	578	578	1,156
<b>Non-Dedicated</b>				
<b>Fund: 1000 - General</b>				
Forecast Revenues	7	7	7	14
Total Governor's Recommendations	7	7	7	14
<b>Fund: 1200 - State Government Special Rev</b>				
Forecast Revenues	60	60	60	120
Total Governor's Recommendations	60	60	60	120
<b>Fund: 2350 - Petroleum Tank Release Cleanup</b>				
Forecast Revenues	4	4	4	8
Total Governor's Recommendations	4	4	4	8
<b>Fund: 2800 - Environmental</b>				
Forecast Revenues	32,806	32,806	32,806	65,612

## Pollution Control

## Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<b>Change Items</b>				
Air Appropriation Increase		649	1,298	1,947
E-waste and Battery Product Stewardship			(134)	(134)
<b>Total Governor's Recommendations</b>	<b>32,806</b>	<b>33,455</b>	<b>33,970</b>	<b>67,425</b>
<b>Fund: 2801 - Remediation</b>				
<b>Forecast Revenues</b>	<b>1,366</b>	<b>1,366</b>	<b>1,366</b>	<b>2,732</b>
<b>Change Items</b>				
Cost Recovery for Spills and Releases		200	200	400
<b>Total Governor's Recommendations</b>	<b>1,366</b>	<b>1,566</b>	<b>1,566</b>	<b>3,132</b>
<b>Fund: 2802 - Closed Landfill Investment</b>				
<b>Forecast Revenues</b>	<b>2,091</b>	<b>2,091</b>	<b>2,091</b>	<b>4,182</b>
<b>Total Governor's Recommendations</b>	<b>2,091</b>	<b>2,091</b>	<b>2,091</b>	<b>4,182</b>

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
General Fund					
Expenditures		160	322	322	322
Revenues		0	0	0	0
Environmental Fund					
Expenditures		3,739	4,941	4,941	4,941
Revenues		0	0	0	0
Petroleum Tank Fund					
Transfer Out		625	739	739	739
Revenues		0	0	0	0
Remediation Fund					
Expenditures		1,365	1,633	1,633	1,633
Transfer In		625	739	739	739
Net Fiscal Impact = (Expenditures – Revenues)	0	5,264	6,896	6,896	6,896
FTEs	0	0	0	0	0

### Recommendation:

The Governor recommends additional funding of \$5.264 million in FY 2026 and \$6.896 million in each subsequent year to help address operating cost increases at the Minnesota Pollution Control Agency (MPCA), including \$160,000 in FY26 and \$322,000 annually beginning in FY27 from the general fund, \$3,739,000 in FY26 and \$4,941,000 annually beginning in FY27 from the environmental fund, and \$1,365,000 in FY26 and \$1,633,000 annually in FY27 from the remediation fund supported by transfers in of \$625,000 in FY26 and \$739,000 annually beginning in FY27 from the petroleum tank release cleanup fund.

### Rationale/Background:

The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat year to year.

Agencies face challenging decisions to manage these rising costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. Examples of efficiencies at the MPCA to offset rising costs include:

- Improved air quality forecasting techniques reduced staff time by 98%. Air quality alerts are now delivered faster and in just 20 minutes instead of 16 hours. Savings are estimated to exceed \$30,000.
- Data management tools and automation have improved water quality data analysis while making information more accessible and saving over \$100,000. One water quality auditing task was reduced from 40 hours of staff time to just few minutes.
- Automation of certain human resources transactions saves time to process forms, conduct data entry, and manage files. The MPCA estimates this has saved 400 hours just since October 2024.
- Use of drone technology to locate and gather data for stream monitoring and analysis saves at least four hours per site (200+ hours per year) while also reducing water and travel hazards.

For FY 2026-27, agencies will need to continue to find additional efficiencies and leverage management tools to help address budget pressures. Holding open vacancies in certain programs or delaying hiring in other programs are examples of ways agencies manage through constrained operating budgets. Such decisions are difficult and must be weighed against a program's ability to conduct business with less staffing and its impact to service delivery. Agencies will need additional tools and flexibility, similar to those available in the private sector and other government entities, to help address operating pressures in upcoming biennium.

Without additional resources to address these cost pressures, both in funding and in flexibility to manage internal budgets, services delivered to Minnesotans will be impacted.

### **Proposal:**

The Governor recommends increasing agency operating budgets to support current services. For the MPCA, this funding will help cover expected growth in employee compensation and insurance, rents, IT services and other operating costs.

Additionally, the Governor recommends providing MPCA with additional management tools to address upcoming operating pressures. This includes:

- the authority to transfer administrative funding between programs, with approval of Minnesota Management and Budget and notification to the legislature,
- the ability to retain up to 10 percent of competitively awarded grants if administrative funding is not already appropriated, and
- the ability for executive branch agencies to carryforward unexpended non-grant operating appropriations for the second year of a biennium into the next beginning in FY 2025 (costs carried in standalone change item in MMB Non-Operating Budget Book).

These new authorities will provide agencies with additional flexibility to manage through cost pressures within agency divisions and prioritize needs to help minimize impacts on services to Minnesotans.

### **Dollars in Thousands**

<b>Net Impact by Fund</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 25-27</b>	<b>FY 28</b>	<b>FY 29</b>	<b>FY 28-29</b>
General Fund	160	322	482	322	322	644
Environmental Fund	3,739	4,941	8,680	4,941	4,941	9,882
Remediation Fund	740	894	1,634	894	894	1,788
Petroleum Fund	625	739	1,364	739	739	1,478
<b>Total All Funds</b>	<b>5,264</b>	<b>6,896</b>	<b>12,160</b>	<b>6,896</b>	<b>6,896</b>	<b>13,792</b>

### **Results:**

This recommendation is intended to help MPCA address rising cost pressures and mitigate impacts to current levels of service and information to the public.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: Permitting Efficiency

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	1,340	1,340	525	525
Revenues	0	0	0	0
Environmental Fund				
Expenditures	525	525	525	525
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,865	1,865	1,050	1,050
FTEs	8	8	6	6

### Recommendation:

The Governor recommends an appropriation of \$1.34 million in FY 2026 and FY 2027 and \$525,000 in each subsequent year from the General Fund and \$525,000 in FY 2026 and each subsequent year to the Minnesota Pollution Control Agency for 6 permanent full-time equivalents (FTE), two temporary FTE, and pilot project money to build the agency's capacity to address permitting backlogs, increase permitting efficiency, and provide regulatory certainty.

This request includes a onetime appropriation of \$815,000 per year in FY2026 and FY2027 from the General Fund to the Minnesota Pollution Control Agency's (MPCA) Operations Division for two temporary FTE and project money; \$525,000 starting in FY2026 will be ongoing from the General Fund to the Industrial Division for three FTEs; and \$525,000 starting in FY 2026 will be ongoing from the Environmental fund with \$175,000 to the Industrial Division for one FTE, \$175,000 to the Environmental Analysis and Outcomes Division for one FTE, and \$175,000 to the Resource Management and Assistance Division for one FTE.

The recommended appropriation represents less than 1.0% increase to the agency's annual budget.

### Rationale/Background:

It is the duty of the MPCA to issue permits that are protective of human health and the environment. Most permits are issued for a period of five years although a few permit types are issued for 10-year terms or are non-expiring. Permits are issued to businesses, governmental units, and individuals, and cover a wide range of facilities and activities. Permits are required for the construction and operation of facilities that discharge or emit (or have the potential to discharge or emit) specifically defined pollutants and for certain activities.

It is a goal of the state to facilitate good customer service and provide certainty around timelines. Consistent with direction from the legislature, it is a goal of the MPCA to issue timely permits following the submission of a permit application. However, due to permit application backlogs, lengthy statutorily required review and comment periods, and implementation of complex environmental standards and rules (that at times includes litigation), permitting efficiency goals are often not met. The intended result of this proposal is to increase permitting efficiency by addressing application backlogs across all permitting programs, which will provide more certainty throughout the regulatory process.

Writing and analyzing permits is often very complex, highly technical and subject to evolving state and federal requirements. Currently in the wastewater program, 25 percent of expired municipal and 39 percent of expired industrial wastewater permits have not been reissued due to a lack of MPCA staff resources.

For land permitting programs, there are 22 backlogged hazardous waste permit applications, 100 backlogged solid waste permit applications, and in the Aboveground Storage Tank program there are 11 backlogged permits. One FTE for the land programs could result in an additional 6-8 permits per year.

Of the roughly 1,950 facilities with air quality permits, 80 of them have a combined total of 200 backlogged permit applications. On average, one FTE permit engineer can complete two to three permit actions per year; this varies greatly by the complexity of the permit action. It is estimated that a dedicated team of three permit engineers focused on backlogged permits could eliminate the backlog in 7-10 years.

MPCA continues to work to make the best possible use of existing resources by identifying and eliminating process inefficiencies, but ultimately a substantial reduction in the backlog, more timely permit issuances, and more certainty on timelines is unlikely without additional staffing.

### Proposal:

#### 1. Addressing permit application backlogs –

This component will fund 6 additional FTEs in land, air, and water permitting media to address permit application backlogs and provide more certainty around permitting timelines. For Air Permitting, these positions will include 3 air permit engineers to form a dedicated team focused on backlogged permits. For wastewater permitting, one FTE will be for industrial wastewater permit writer and one effluent limit/variance staff person will be needed. Finally, one FTE is requested to assist with analysis of the land permitting programs and land permitting activities.

#### 2. Permitting Ombudsperson –

This component funds one temporary FTE to work closely with permit applicants throughout the permitting process. Complex permitting and environmental review projects present a challenge for MPCA and for applicants, especially when those projects involve several permitting programs. This position will oversee the development of coordinated project plans to synchronize the environmental review and permitting process across the state, local, Tribal, and federal agencies to ensure efficiency and transparency in the permitting process. Coordinated project plans are a new service the agency provides, and appetite is unknown, so the ombudsperson will begin as a temporary role.

#### 3. Artificial Intelligence (AI) Permitting Pilot and Study –

Few government agencies have established AI programs and thus, the MPCA seeks to explore and pilot with MNIT how current processes, especially modeling and data analysis, can benefit by using AI. Additionally, the MPCA intends for this project to define the implementation and maintenance needs for using AI, including staffing, license requirements, and consultation requirements.

The funds for this project are one-time. Most of the funds will be used to hire AI expertise, hardware and license costs and training related to AI. This proposal will allow the MPCA to explore and then define an implementation effort within 18-24 months, depending on how quickly the agency can acquire AI expertise through consultants. The funding proposal includes dollars only for one FTE plus an additional \$140,000 for servers and licenses associated with AI implementation (some implementation dollars are needed to explore the use of AI in permitting).

#### Dollars in Thousands for AI permitting pilot and study:

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	IT Staff	185	185	370	0	0	0
1000	AI Consultant	300	300	600	0	0	0
1000	License Costs	140	140	280	0	0	0
1000	Training	15	15	30	0	0	0

4. **Ticketing Authority –**

Nearly every permitting program has a backlog of expired permit applications that the MPCA endeavors to address. In order to reissue permits in a timely manner, MPCA needs permit applicants to be responsive to information and data asks. Without timely responses, efficient permit issuances are very difficult. Waiting for an extended period of time for the applicant to provide the missing or incomplete information creates a delay (sometimes a lengthy delay during which the agency cannot work on the permit. Ultimately, these delays slow down the process for implementing the environmental protections associated with updated permits. Additional authority will allow the MPCA to hold unresponsive permit applicants accountable.

5. **Consultant Accountability –**

Environmental consultants engage with, and prepare permit application materials for, applicants for permits for a number of MPCA programs. On behalf of permittees, consultants submit permit applications and are the primary points of contact for MPCA staff processing and reviewing permit applications. Consequently, responsive and knowledgeable environmental consultants can significantly contribute to the timely issuance of permits. To incentivize proactive and productive work relationships with the agency, the MPCA will offer a credential for consultants based on a scoring system that takes into account the rate at which complete applications are submitted, the different types of permits the consultant has experience submitting, and the history of tickets issued for permit applications prepared by the consultant. The MPCA will prepare a logo or award that can be used in consultants' promotional materials and will also publicly post completeness rates and other statistics on its website and in the annual permitting efficiency report submitted to the legislature.

**Impact on Children and Families:**

This proposal does not have a direct impact on children and families. However, Minnesotans who may be disproportionately impacted, including children and families, are assured greater protection with the issuance of environmental permits based on the most recent science and regulations.

**Equity and Inclusion:**

This proposal does not have a direct impact on equity and inclusion. However, Minnesotans who may be disproportionately impacted, including communities of color, Indigenous communities, and low-income communities, are assured greater protection with the issuance of environmental permits based on the most recent science and regulations.

**Tribal Consultation:**

This proposal benefits all Minnesotans, including members of the Tribal Nations that share geography with Minnesota.

The MPCA is committed to the fair treatment and meaningful involvement of all people, regardless of race, color, national origin, or income, concerning the development, implementation, and enforcement of environmental laws, regulations, and policies. That is why Tribes are consulted on regular and consistent bases regarding the development of permits and implementation of respective water quality standards. Tribes have indicated that fewer backlogged applications and timely issuance of permits consistent with modern enforceable environmental standards is a priority. This proposal addresses multiple aspects of the Tribes' interests in the MPCA's regulatory capacity.

The MPCA will ensure that Tribes are informed about the outcome of this proposal through regular Tribal engagement venues (MNTEC meetings, Industrial division Tribal coordination meetings, etc.).

**IT Costs:**

The MPCA will partner with Minnesota IT Services Department in evaluating the use of AI to improve permit efficiency.

<b>Category</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>
Payroll	185	185	0	0	0	0
Professional/Technical Contracts	300	300	0	0	0	0
Infrastructure	0	0	0	0	0	0
Hardware	0	0	0	0	0	0
Software	140	140	0	0	0	0
Training	15	15	0	0	0	0
Enterprise Services	0	0	0	0	0	0
Staff costs (MNIT or other agency)	0	0	0	0	0	0
<b>Total</b>	<b>640</b>	<b>640</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
MNIT FTEs	1	1	0	0	0	0
Agency FTEs	0	0	0	0	0	0

**Results:**

## Permitting Backlog Results Table

<b>Measure</b>	<b>Measure type</b>	<b>Measure data source</b>	<b>Most recent data</b>	<b>Projected change</b>
Air Permit Application Backlog	Number of facilities with backlogged permits	Facility name, date of application receipt, and staff assignment are all currently tracked.	Out of 1,952 facilities, 80 currently have a backlogged permit. <sup>1</sup>	After initial training and mentoring of new permit engineers, the backlog would be reduced by 3 – 5 facilities a year.
Wastewater Permit Application Backlog <sup>2</sup>	Number of facilities with an individual wastewater permit with an application in house and the permit is expired	Facility name, date of application receipt, date of permit expiration, permit type, and staff assignment are all currently tracked.	Out of 741 facilities with individual wastewater permits (Ind: 246, Mun: 495), 292 facilities currently have a backlogged permit (Ind: 152, Mun: 140).	After initial training and mentoring of new staff, the backlog would be reduced by 3 – 5 permits a year.

Measure	Measure type	Measure data source	Most recent data	Projected change
Land Permit Application Backlog	Number of facilities with an individual HW, SW or AST permit needing to be issued reissued or modified.	Facility name, date of application, application type, date of expiration, staff assignment, note that data tracking tools still need development.		Once staff are trained, a new FTE could reduce the backlog by 6-8 permits per year.

<sup>1</sup>A facility may have one or more backlogged air permit applications. There are about 200 backlogged applications for 80 different facilities. Agency practice is to combine all backlogged permit applications for a facility into a single air permit issuance for that facility.

<sup>2</sup> Backlog for this purpose means the number of permits with applications in house and the permit is expired or it is a non-expiring permit

#### Artificial Intelligence Results Table

Measure	Measure type	Measure data source	Most recent data	Projected change
Project completion	Date completed	The project completion date will be critical factor, but since a contract is involved – it will impact the actual date.	NA	Allow for implementation
Project costs	Project meet appropriation	Project may require adjustment to stay within budget.	NA	Project costs critical to evaluate implementation funds needed
Estimated time saved	Goal to save 20%	Implementation of project should lead to implementation plan to save 20 % of current time associated with tasks.	NA	Return on investment and savings should be 20 percent.

#### Statutory Change(s):

Minn. Stat. 115 and 116

## Pollution Control Agency

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Sustainable Aviation Fuel Regulatory Support

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	700	700	700	700
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	700	700	700	700
<b>FTEs</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

#### Recommendation:

The Governor recommends an appropriation of \$700,000 in FY2026 and each year thereafter from the Environmental Fund to the Pollution Control Agency (MPCA) to support the permitting and environmental review of individual projects to develop Sustainable Aviation Fuel (SAF) production in Minnesota. The request includes funding to support four new FTEs for a permitting and environmental review liaison and environmental permitting staff to prioritize the permitting of SAF production proposals in Minnesota.

The recommended appropriation represents less than a 1% increase to the agency's annual budget.

#### Rationale/Background:

This proposal is recommended by the interagency climate budget workgroup as supporting a critical opportunity to reduce greenhouse gas (GHG) emissions in the transportation and cropland sectors.

Minnesota has a prime opportunity to be a leader in the production of Sustainable Aviation Fuel (SAF). The private and non-profit sectors have created a Minnesota SAF Hub, including Delta Airlines, that seeks to provide SAF for flights originating from the Minneapolis St. Paul Airport (MSP). In 2023, the administration sought, and the legislature funded, a SAF blending and production tax credit that leveraged federal tax credits for SAF production. While MSP's initial use of SAF has been sourced from facilities blending SAF in Minnesota, to date, there have not been proposals to site, construct and operate a SAF production facility in the state. The MPCA seeks to incentivize and support the development of SAF production facilities in Minnesota. With proper policies in place, Minnesota can leverage the aviation industry's SAF transition in a way that creates good paying jobs, revitalizes rural communities, and supports the state's agriculture and forestry sectors.

There is significant federal and private interest in next generation low carbon fuels and fuel intermediaries for the aviation industry. Global jet fuel demand is estimated to be 230 billion gallons in 2030 and the global aviation sector aims to reduce GHG emissions by 50% over a 2005 baseline. In 2020, only 4.5 million gallons of SAF was produced in the US; and by 2050 the US demand for SAF is expected to be 35 billion gallons. Establishing state incentives that support SAF production and complement federal tax credits is key to attracting SAF facilities and private investment in Minnesota. State investment supporting SAF production could leverage significant federal funding via the Inflation Reduction Act (IRA) or the Department of Energy's Sustainable Aviation Fuel Grand Challenge.

SAF can be produced from ethanol, butanol, waste oils and vegetable oils, wood waste, other biomass, and green hydrogen combined with captured carbon. Minnesota does not currently have a facility producing commercial-scale sustainable aviation fuels or biointermediates for SAF production. However, Minnesota has many key attributes that are desirable to industry when evaluating where to invest in SAF production: exceptional agricultural productivity and biomass availability, existing biofuel refineries and transportation infrastructure, and demand.

With the significant interest in producing SAF in Minnesota, specific projects for the construction and operation of SAF production facilities are expected. It is expected that in addition to other local and state permits, an individual production facility will need multiple environmental permits from the MPCA and may need environmental review to start construction and operation. The FTEs sought in this request would prioritize MPCA permitting and environmental review for SAF production facilities.

**Proposal:**

The Governor proposes \$700,000 in FY2026 and \$700,000 in each subsequent year from the Environmental Fund to the MPCA to fund FTEs who will prioritize regulatory services individual projects that will construct and produce SAF in Minnesota. One FTE will serve as a SAF permitting liaison between the agency and SAF production project proposers to ensure the permitting and environmental review process is efficient, predictable, transparent, and protective of the environment. The remaining three FTEs will be added to the relevant environmental permitting or environmental review programs that will be most impacted by SAF production projects and will prioritize the necessary regulatory review for SAF production projects.

The prioritization of regulatory service resources will ensure the MPCA can efficiently review and issue permits that will allow for predictable permitting that will also ensure Minnesota's environmental resources and public health are protected. Impact on Children and Families:

The MPCA does not anticipate this proposal having a direct impact on children and families. Children and families will receive indirect benefits from reducing climate pollution and particulate air emissions because SAF is a lower carbon alternative to petroleum jet fuel that reduces. Reducing climate pollution reduces risks to children and families from flooding, water contamination, air pollution from wildfires, and other climate hazards.

**Equity and Inclusion:**

The MPCA anticipates this proposal could result in new investment for rural Minnesota communities that grow and process SAF feedstocks and expand access to family sustaining jobs in the clean technology and biofuels sector. SAF production development could also support energy transition through communities that will transition their tax base and employment base from the closure of fossil-fuel electricity generating plants.

**Tribal Consultation:**

Tribal partners are key in MPCA's work to address climate change and have a vested interest in protecting the environment and human health related to where and how SAF feedstocks are grown/harvested and water and air pollution that may be associated with production facilities.

**IT Costs:**

No IT costs are associated with this recommendation.

**Results:**

<b>Measure</b>	<b>Measure type</b>	<b>Measure data source</b>	<b>Most recent data</b>	<b>Projected change</b>
Number of SAF production project applications	Quantity	MPCA records the number of applications received in our permitting data system	0 applications for SAF production facilities have been received	Additional applications SAF production facilities
Number of permits issued for SAF production projects	Quantity	MPCA records the number of applications received in our permitting data system	0 permits have been issued for SAF production facilities	Additional SAF production facilities permitted
Gallons of SAF expected to be produced	Quality	MPCA will collect this information from permitted projects	0 gallons of SAF have been produced	Additional gallons of SAF produced from facilities
GHG emissions avoided from gallons of SAF produced	Quality	MPCA calculate this value from information provided by permitted projects	0 GHG emissions have been avoided due to SAF produced in MN	Additional GHG emission reductions from SAF produced in MN

**Part B: Use of Evidence**

No formal program evaluation has been conducted, and such an evaluation is not planned at this time.

**Statutory Change(s):**

No statutory changes are associated with this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: Air Appropriation Increase

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	649	1,298	1,298	1,298
Revenues	649	1,298	1,298	1,298
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends an appropriation of \$649,000 in FY2026 and \$1,298,000 in FY2027 and subsequent years 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 \$160,000; Environmental Analysis and Outcomes \$664,000; Operations \$91,000; and, Industrial \$1,033,000. The appropriation increase will maintain service levels provided by the Air Program.

The funding maintains the existing air FTE complement of 113 FTEs funded from the Environmental Fund to operate Minnesota air regulatory work of monitoring, data review and management, federal Clean Air Act policy implementation, and to complete permitting and compliance activities. This request happens every 2 years.

The recommendation will increase the agency's biennial Environmental Fund appropriation by less than 1%.

### 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 in FY2026-2027.

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 FY2024 – 2025 levels, it would force the MPCA to reduce program service levels in FY2026 – 2027 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 recommendation accounts for program cost increases in FY2026 – 2027. 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 FY2024 and FY2025 under the cost provisions in statute. As established in statute, calculation of the increase includes identifying the total cost of the Air Program (\$17,784,000), identifying the consumer price index increase for the last biennium (3.65%) and distributing that calculated increase – \$649,000 in FY2026 and \$1,298,000 in FY2027 – across agency Air Program appropriations.

This requested funding increase allows sustained provision of Air Program services at the FY2026-2027 delivery levels. Success measures within Air Program operations include whether the agency can maintain: the same level of program staffing; the support of air monitoring and air quality Index services; the review and implementation of federal Clean Air Act requirements; the pace of processing permit applications; site inspections and enforcement routines; 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 compliance with the CAA requirement for states to charge air emission fees to cover the cost of issuing permits to facilities that emit air pollutants. The increased costs addressed by this request cover all aspects of the Air Program related to and supporting 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 will 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. Populations that benefit from this request include those located in communities experiencing economic disparities, the larger urban centers with higher population densities, historic unequitable pollution burdens and persons who tend to be more vulnerable to the health effects of air pollution.

**Tribal Consultation:**

This proposal does not have a substantial direct effect on Tribal Nations.

**IT Costs**

No IT costs are associated with this recommendation.

**Results:**

The intended result of this proposal is continued compliance with federal and state laws that require fees to cover the cost of Minnesota's air program.

**Statutory Change(s):**

No statutory changes are associated with this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: Mercury Skin-lightening Cream Awareness and Prevention

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	215	215	195	195
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	215	215	195	195
<b>FTEs</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

### Recommendation:

The Governor recommends an appropriation of \$215,000 in FY2026 and FY2027 and \$195,000 in each subsequent year from the Environmental Fund to the Minnesota Pollution Control Agency's (MPCA) Resource Management & Assistance Division. This funding will expand MPCA's ability to reduce or eliminate the use of mercury-containing skin lightening products through outreach, product purchasing, lab analysis, and local and online sales ban enforcement.

This recommendation will increase the MPCA's biennial Environmental Fund appropriation by less than 1% and will make up less than 1% of the agency's overall biennial budget.

### Rationale/Background:

Mercury-containing skin lightening creams are illegal to sell or distribute in the US and Minnesota but are widely available throughout the state at retail stores and online. They are commonly used by immigrant, refugee and Black, Indigenous and people of color (BIPOC) communities, who may not be aware of mercury presence and health risks to users, their families, and communities. Use of these products results in direct mercury exposure to families and communities, especially women, unborn children, and children who are most vulnerable to mercury's health impacts. Mercury health and neurological impacts can be permanent, so it is important to prevent exposure.

To address the risks of mercury-containing skin lightening creams, MDH and MPCA have cooperated in the past on some focused outreach events and have coordinated on targeted efforts to provide home visits to individuals identified in the biomonitoring program. The MPCA has maintained a small program involving product purchasing, testing, sales enforcement, and disposal for acquired products.

### Proposal:

This recommendation will increase staffing (1 FTE) at the MPCA and provide a small project allocation to manage key elements of the program. Areas of focus will be purchasing and testing products, ensuring compliance, and conducting outreach and communication about the program and the dangers of skin-lightening creams.

Online availability of these products from global sellers has increased substantially and manufacturers around the world are taking advantage of online sales to circumvent prohibitions on manufacturing, distribution, and sale through normal commercial channels. This proposal will expand enforcement related to online sales and reduce demand through outreach measures.

These increased efforts are intended to protect the environment and human health from mercury contamination by raising awareness across affected communities, reducing demand for these products, and ultimately ending in-state retail sales and online sales of these products to Minnesotans. This proposal would be expected to impact the Goal: “Minnesota children and families have access to basic needs and a high-level of well-being”. The use of mercury-containing skin-lightening creams negatively impact children and families by direct health effects from use and from contamination of homes where the skin-lightening creams are used. This proposal aims to reduce/eliminate the use and therefore improve the health and well-being of families and prevent long term health impacts from childhood exposures.

Improved efforts in this area will enhance and expand education directed toward immigrant, refugee, and BIPOC communities of the dangers of mercury skin-lightening creams, thereby reducing demand for the products. Coupled with additional compliance testing and enforcement, sellers will be discouraged from selling into Minnesota.

The goal is to eliminate the sale and use of mercury-containing skin-lightening creams in Minnesota. Expected outcomes would be increased awareness in affected communities of the dangers of skin-lightening creams, increased awareness of Minnesota laws banning these sales within the manufacturer and retailer and e-retailer communities, and improved compliance with those laws. Ultimately, the outcome would be reduction of mercury in homes and the environment and improved well-being of families and BIPOC communities.

### **Impact on Children and Families:**

Use of these products results in direct mercury exposure to families and communities, especially women, unborn children, and children who are most vulnerable to mercury’s health impacts. Mercury health and neurological impacts can be permanent so this program will provide protection to children (and all others who may be exposed), by reducing/eliminating potential exposure to mercury at a young age.

### **Equity and Inclusion:**

Skin-lightening creams are used by immigrant and ethnic communities and the use of the products may have been acceptable or a custom in another part of the world where they or their family have lived. The products are used so the person has a lighter skin color, which may provide a real or perceived social, economic, or personal relationship ‘advantage’. These products are used primarily but not exclusively by women and this use poses health risks to children and families throughout communities from secondary exposure.

MPCA will develop informational materials with focus on affected communities across the state, including disposal information. Outreach may also include social media initiatives and collaboration with community organizations via social media, as well as in-person outreach and presence at important community events.

### **Tribal Consultation:**

This proposal does not have a substantial direct effect on Tribal Nations.

### **Results:**

<b>Measure</b>	<b>Measure type</b>	<b>Measure data source</b>	<b>Most recent data</b>	<b>Projected change</b>
Compliance	Number of mercury-containing skin lightening creams found for sale in MN	Purchasing and testing data will document this.	Current data not available.	Number will decrease.

Measure	Measure type	Measure data source	Most recent data	Projected change
Outreach	Number and type of communications	Number and type of communications	N/A	Number will increase

Part B: Use of Evidence

MPCA has not conducted a formal program evaluation, and such an evaluation is not planned at this time.

**Statutory Change(s):**

No statutory changes are associated with this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: Wasted Food Management

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	350	350	350	350
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	350	350	350	350
FTEs	2	2	2	2

### Recommendation:

The Governor recommends an appropriation of \$350,000 in FY26 and each subsequent year from the Environmental Fund to the Minnesota Pollution Control Agency's (MPCA) Resource Management & Assistance Division. These funds will be used to hire a two-person team to organize assistance to state and local governments, food waste generators, not-for-profit organizations, tribal governments, and the public on preventing and managing wasted food.

This recommendation will increase the biennial Environmental Fund appropriation by less than 1% and will make up less than 1% of the agency's overall biennial budget.

### Rationale/Background:

The need for a team dedicated to coordinating education, technical, and financial assistance on preventing and managing wasted food has become apparent given increased awareness of wasted food as an issue, and the implementation of varying local ordinances. In 2023 the U.S. EPA released the report "[From Field to Bin: The Environmental Impacts of U.S. Food Waste Management Pathways](#)" demonstrating the environmental benefits of managing food waste through composting, food to livestock, anaerobic digestion, and more. The U.S. EPA then released another report in 2023 about the [Methane Emissions from Landfilled Food Waste](#).

Hennepin County, Dakota County, and Western Lake Superior Sanitary District have all passed local ordinances requiring food waste to be diverted away from landfills for specific food waste generators. The 2024 update to the Metropolitan Solid Waste Management Policy Plan required multiple organics management initiatives for individual metro county solid waste management plans, including "requir[ing] management of organics from large commercial food generators by 2033".

Coordination and assistance from the state would support counties' implementation of new requirements for commercial food waste generators. \$33.4 million in federal funding from the U.S. EPA's Climate Pollution Reduction Grant program will expand state grant and loan programming for implementing and enhancing wasted food management initiatives. This grant award will not fund ongoing staff time beyond the life of the grant, and the FTEs associated with this recommendation will ensure the agency can continue to provide education and technical assistance once CPRG grant funds are exhausted. The state also saw successful passage of a wasted food management hierarchy into statute in 2024 (115A.02c), catalyzing the beginnings of conversations on how Minnesota's largest food waste generators could be leaders for demonstrating the benefits of the hierarchy.

This proposal has a direct impact on the One Minnesota Goal: Minnesota's Environment (measurable goal: Greenhouse Gas (GHG) Emissions reduction). Minnesota Statutes and Minnesota's Climate Action Framework has statewide goals that call for a 50% reduction in greenhouse gases by 2030 (relative to 2005) and net-zero by 2050. This proposal will have a direct impact on reducing the amount of methane, a potent GHG released into Minnesota's environment. In a landfill, food waste breaks down and produces methane, which has heat-trapping potential 25 times greater than carbon dioxide. According to the EPA, 58% of the methane that is released from landfills comes from food waste ([EPA 2023](#)).

This proposal also has a direct impact on the One Minnesota Goal: Children and Families (measurable goal: Child and Family Well-Being). Food access is an important component of this goal. Unfortunately, in 2022, 14.2% of children in Minnesota experienced food insecurity, and in 2023, 17.9% of U.S. households included children suffering from food insecurity ([USDA 2024](#), [Feeding America 2024](#)). This proposal will provide technical assistance to the largest generators of surplus food to aid them in donating any consumable food not intended to be sold or otherwise used for their original purposes to entities like hunger relief organizations who will redistribute it to children and households in need.

### **Proposal:**

The proposal includes two FTEs to organize assistance to state and local governments, food waste generators, not-for-profit organizations, Tribal governments, and the public on preventing and managing wasted food. The team will be charged with researching, aggregating, and disseminating resources and creating an education and technical assistance focused program. Efforts will facilitate, support, and expand prevention and wasted food management programming statewide realizing significant GHG emission reductions for the state.

The proposal will reduce the amount of methane released into the environment by reducing food waste, therefore reducing Minnesota's contribution to climate change. At the same time, it will increase the use of existing organics recycling infrastructure (e.g., compost facilities, food to livestock, anaerobic digestion facilities). These actions will save large generators money by creating incentives to avoid over-purchasing and by reducing solid waste management tax obligations associated with food scraps. Minnesotans experiencing food insecurity are also expected to experience a large benefit, as the state's largest generators of surplus food donate surplus food for human consumption instead of sending it to landfills.

### **Impact on Children and Families:**

The policy supports food insecurity services for Minnesota families by assisting generators of surplus food to direct that material to food recovery/hunger relief entities instead of to landfills.

Food insecurity is a notable problem for Minnesota. This proposal will help provide more healthy and local nutrients to food-insecure families. MPCA's Prevention of Wasted Food and Food Rescue grantees (primarily food rescue organizations) anecdotally note year after year that by allowing food-insecure families access to free and available nutritious food, they are able to dedicate more financial resources to their other needs and create more stability that supports happy and healthy successful futures for children and families.

### **Equity and Inclusion:**

This proposal will direct more food resources to hunger relief organizations that serve food-insecure populations. In 2023, the USDA recorded that food insecurity was higher in U.S. households who are non-white, and the percentage of non-white households facing food insecurity increases continually each year ([USDA, 2024](#)). Feeding America's data echoes this trend within Minnesota ([Feeding America 2023](#)). MPCA's Prevention of Wasted Food and Food Rescue grant program records quantitative and anecdotal data on how the rescued/donated food at these hunger relief organizations serve a high percentage of individuals from BIPOC and disadvantaged communities.

### Tribal Consultation:

This recommendation does not have a substantial and direct effect on Minnesota's Tribal governments. However, Minnesota has received funding through the federal Climate Pollution Reduction Grants, which includes money to work with Tribes on wasted food management and food sovereignty. This proposal will coordinate with and enhance the impacts of the associated CPRG funds.

### Results:

#### Part A: Performance Measures

The goal of this proposal is to decrease the amount of methane released into Minnesota's environment from the generation and management of surplus food and food waste by assisting Minnesota's largest generators of surplus food and food waste to prevent the generation of this material and better manage it as a "waste" material in ways that are net positive or net neutral for the environment while realizing social benefits focused on food insecurity.

Expected Outcomes include:

- Reduced methane emissions into Minnesota's environment
- Less surplus food and food waste is sent to landfills and waste to energy facilities
- Increased use of existing organics recycling infrastructure (e.g., compost facilities, food to livestock, anaerobic digestion facilities)
- Increased number of surplus food being donated to food rescue organizations (aka hunger relief organizations)

Measure	Measure type	Measure data source	Most recent data	Projected change
Reduced methane emissions into MN's environment	Quantity & Result	Entities that may voluntarily report the annual weight of the amount of surplus food that was donated to them. Compost and similar facilities that are required to report the amount of organics they annually receive. With this data and modeling from the U.S. EPA, MPCA will be able to determine how much methane is prevented from being released into the environment as a direct result of the policy.	N/A	Increased food waste through donation to human consumption, to food to livestock, and to composting annually will prevent CO <sub>2</sub> e from entering MN's environment.
Less surplus food and food waste is sent to landfills and waste to energy facilities	Quantity & Quality	Entities that may voluntarily report the annual weight of the amount of surplus food that was donated to them. Compost and similar facilities that are required to report the amount of organics they annually receive. This reporting will demonstrate the reductions in surplus food and food waste that is being sent to landfills or waste to energy facilities.	N/A	An increase in tons of surplus food and food waste away from landfills and waste to energy facilities.

Measure	Measure type	Measure data source	Most recent data	Projected change
Increased number of surplus food being donated to food rescue organizations	Quantity, Quality & Result	Entities that may voluntarily report the annual weight of the amount of surplus food that was donated to them. This reporting will allow us to know how much less surplus food and food waste is being sent to landfills or waste to energy facilities.	N/A	An increase in tons of surplus food away from disposal and towards food-insecure Minnesotans.

#### Part B: Use of Evidence

MPCA has not conducted a formal program evaluation of this proposed program, and no such evaluation is planned at this time.

#### Part C: Evidence-Based Practices

Evidence-based practice:	Source:
Diverting food waste away from landfills will reduce the amount of methane released into the environment.	<a href="#">U.S. EPA Quantifying Methane Emission from Landfilled Food Waste 2023</a>
Preventing food waste and better managing it will lead to lessen environmental impacts and GHGe reductions	<a href="#">From Farm to Kitchen: The Environmental Impacts of U.S. Food Waste (Part 1)</a> <a href="#">From Field to Bin: The Environmental Impacts of U.S. Food Waste Management Pathways (Part 2)</a>

#### **Statutory Change(s):**

No statutory changes are associated with this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: Site Assessment Backlog

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Remediation Fund				
Expenditures	350	350	350	350
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	350	350	350	350
FTEs	2	2	2	2

### Recommendation:

The Governor recommends an appropriation of \$350,000 in FY2026 and each subsequent year from the Remediation Fund to the Minnesota Pollution Control Agency's (MPCA) Remediation Division. These funds will support two staff who will focus on reducing the backlog of high priority Superfund site assessment sites. Sites with suspected hazardous waste releases are referred to the site assessment program, where they are triaged and the sites with the greatest risk to human health and the environment are prioritized first for assessment and clean ups. Currently, the rate of sites coming into the program far exceeds the amount that can be completed in a given year. This proposal projects to reduce the high-priority backlog to 90 sites by 2029.

This recommendation will increase the biennial Remediation Fund appropriation by 1% and will make up less than 1% of the agency's overall budget.

### Rationale/Background:

With the increase in the discovery of new contaminants (including 1, 4 dioxane and PFAS), the MPCA has seen a considerable increase in the number of sites that must be reviewed to determine whether there are impacts to human health and the environment. This includes issues such as vapor intrusion into buildings and contaminated drinking water, both of which require the agency to pursue mitigation to ensure that impacted Minnesotans have access to clean air and water. The number of sites awaiting review continues to increase. This recommendation will provide additional staff to monitor and implement mitigation with the intention to reduce the backlog of high-priority sites to 90 by 2029.

This proposal will have a direct impact on a number of the Governor's One Minnesota Goals. Eliminating exposures to contaminated air and water in our homes will support the Healthy Minnesotans goal. Sites are prioritized in a way that considers disproportionate impacts, so increasing our ability to mitigate contamination will benefit and advance equity and inclusion in Minnesota.

### Proposal:

MPCA's superfund site assessment program currently relies on a team of 2.5 FTE staff to triage sites as they come in, determine whether they are high, medium, or low risk, and assess whether mitigation is required for human health impacts. At the current intake rate, the backlog of high priority sites (those most likely to impact human health) is 125 sites and projected to grow to 210 sites by 2029. This proposal would increase the staff on the team to prevent the growth of the backlog and make progress to reduce it.

The requested funds would increase our existing staff from 2.5 to 4.5 FTE, with the goal of reducing the backlog of high priority sites to 90 by 2029. Staff would conduct work involving assessing the site, completing additional sampling to determine the extent of the pollution, and installation of drinking water or vapor mitigation systems if a dwelling exceeds health criteria.

### Impact on Children and Families:

This proposal would increase MPCA's ability to assess and mitigate drinking water and vapor intrusion contamination in homes. This directly impacts the health of those who live there, especially children and people who are pregnant. By improving response times, this funding can reduce the exposure children and families have to these types of contamination.

### Equity and Inclusion:

When prioritizing its work, the superfund site assessment program considers a site's proximity to environmental justice areas. While the highest risk is based on direct exposure to contaminants, risk analysis elevates sites located in environmental justice areas above those that are not.

### Tribal Consultation:

This program does not work directly on issues located within Tribal reservation land; however, MPCA has assisted Tribal Nations in their assessment of contaminants when EPA was not able to address an immediate need. This proposal would provide more bandwidth to support these issues when they arise.

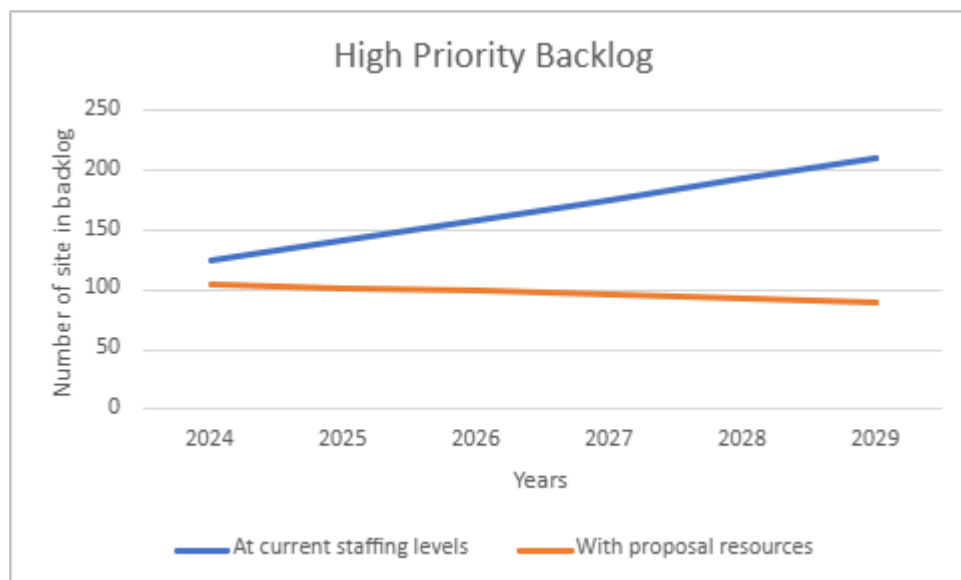
### IT Costs:

No IT costs are associated with this recommendation.

### Results:

#### Part A: Performance Measures

MPCA already tracks progress on the site assessment backlog and actively engages in discussions on how to increase program efficiency. Part of this review involved calculating our current intake rate and the expected growth of the backlog with current resources. While we are working to improve program efficiency, additional resources will be necessary to address the increase in sites. The proposal will be successful if the backlog of high priority sites is reduced to 90 by 2029.



<b>Measure</b>	<b>Measure type</b>	<b>Measure data source</b>	<b>Most recent data</b>	<b>Projected change</b>
Status of high priority backlog	Quantity	Sites referred to the program are logged into TEMPO, our agency data repository	Current status of the backlog as of 7/1/2024 is 125 sites	If fully funded, the backlog of high priority sites should be 90 by 2029
Number of mitigation systems installed	Result	Sites referred to the program are logged into TEMPO, our agency data repository	Unknown; backlog sites haven't been reviewed and we don't know level of mitigation needed	Report on homes impacted by contaminants and mitigated over time

#### Part B: Use of Evidence

The program has completed process mapping and an assessment of intake rate and number of sites that can be managed per year by staff. No additional formal evaluation is planned at this time.

#### **Statutory Change(s):**

No statutory changes are associated with this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: E-waste and Battery Product Stewardship

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
Environmental Fund				
Expenditures	0	(134)	(134)	(134)
Revenues	0	(134)	(134)	(134)
Restrict Misc Special Revenue				
Expenditures	0	744	700	700
Revenues	0	744	700	700
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	2.5	2.5	2.25

### Recommendation:

The Governor recommends the establishment of a stewardship program for electronics (e.g., TVs, laptops, monitors, etc.), other electrical products (e.g., vacuum cleaners, small appliances, fans, etc.), products containing embedded batteries, and individual batteries, which present risks to public safety, human health and the environment due to fire or toxicity risk. The proposal shifts 1.75 FTE from environmental fund to special revenue fund and adds 0.25 MNIT staff in the first two years and 2.25 administration and program oversight staff ongoing

### Rationale/Background:

Newer battery chemistries (e.g., lithium) with high energy density pose fire risks to a wide range of waste and recycling vehicles and facilities, including the primary collectors of batteries, which are county Household Hazardous Waste programs. Local governments and others involved in waste and recycling have expressed concerns for these battery fires and toxic substances, the cost to collect and recycle electronics and batteries, acceptance and transportation of high-watt batteries, and cost and acceptance of embedded batteries.

The proposal increases the scope of waste battery collection programs to cover all battery chemistries. Current law already covers certain primary batteries, rechargeable batteries, and non-removable embedded batteries. It also aims to reduce the financial burden of collection for local governments and retail collection, and increase public education and awareness. These changes will increase safety and protect public health, the environment, and solid waste infrastructure by helping minimize fires at waste and recycling facilities and in hauler trucks. Capturing more metals for recycling will reduce the need for landfilling and disposal.

For electronics, new devices have been manufactured over the years that aren't covered under the current law and the manufacturers aren't keeping up with paying the full the cost of collection and recycling, resulting in local government and Minnesotans covering the majority of the cost.

The proposed update would improve recovery of critical materials from both electronics and batteries. The critical materials contained in batteries are in high demand due to the greatly expanding use of batteries for equipment that used to run on fossil fuels, as well as portable and stationary energy storage and electric vehicles.

Minnesota has a goal to reduce waste generation and manage valuable materials sustainably at end-of-life to reincorporate them in new production when possible and ensure toxic components are managed properly. Product stewardship aims to hold manufacturers accountable for lifecycle impacts of the products they produce, incentivizing improved design, material use and reuse, environmental performance, and end-of-life management. This in turn reduces government and tax-payer costs to manage the materials.

Proposal: Under this proposal, a single producer responsibility organization (PRO) must submit a plan to the Commissioner on behalf of producers of electronics, other electrical products, products containing batteries, and individual batteries for the establishment of a stewardship program. Once approved by the Commissioner, the program must provide convenient, equitable, free statewide collection opportunities for these products, which must then be recycled or otherwise responsibly managed by the program. The full costs of collection, transportation, recycling, disposal, and education and outreach statewide must be covered by the PRO as well. The program must also fund MPCA's costs to oversee the program. The proposal would prohibit the sale of a manufacturer's product if it is not covered by an approved plan.

This language would repeal and replace the Minnesota Electronics Recycling Act law 115A.1310 and Rechargeable Batteries and Products law 115A.9157 and 325E.125 to clarify and expand responsibilities for producers to address all battery chemistries and an expanded list of electrical devices. It would increase safety through increasing the collection opportunities available and ensure producers cover the full costs of collection, recycling, and disposal of residuals of them. Under the single PRO and stewardship plan, manufacturers will need to implement system changes and investments statewide. Operators will report annually on performance measures, such as the weight of electronics and the number and mass of batteries and other electrical products managed under the stewardship program during the preceding calendar year.

### **Impact on Children and Families:**

The proposal provides safe disposal options for families to reduce fire and toxicity risks.

### **Equity and Inclusion:**

Product stewardship organizations will be required to describe how the stewardship program will consider environmental justice areas for collection, storage, processing, and recycling site locations.

### **Tribal Consultation:**

This proposal does not have a substantial direct effect on Tribal Nations that share geography with Minnesota.

Some Tribal Nations and their members have convenient access to collection, and some have none. All are interested in safe collection but have difficulty finding funds to purchase basic safe handling and storage options. The provisions to cover costs for collectors will be able to provide opportunities for Tribes to establish collection programs. There are fewer collection opportunities in some areas of the state, especially rural areas. The convenience requirements in the proposal will help address these gaps.

### **IT Costs:**

As a product stewardship program, agency costs are expected to be covered by the producers responsible for implementing the program. We assume .25 FTE will be required for MNIT for two years.

<i><b>Category</b></i>	<i><b>FY 2026</b></i>	<i><b>FY 2027</b></i>	<i><b>FY 2028</b></i>	<i><b>FY 2029</b></i>	<i><b>FY 2030</b></i>	<i><b>FY 2031</b></i>
Payroll		44	44			
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						

<b>Category</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>
Staff costs (MNIT or other agency)						
<b>Total</b>						
MNIT FTEs		.25	.25			
Agency FTEs						

## **Results:**

### Part A: Performance Measures

<b>Measure</b>	<b>Measure type</b>	<b>Measure data source</b>	<b>Most recent data</b>	<b>Projected change</b>
Currently bi-annual rechargeable battery sales and recycling data are measured and reported to the Agency.	Pounds collected and recycled	Annual (or determined time frame) reports	4.5 million pounds	Increased collection and recycling
Currently the electronics program requires collectors and recyclers to report on covered electronic devices collected/recycled and manufacturers report on weight purchased to meet their obligation.	Pounds collected and recycled	Annual (or determined time frame) reports	16 million pounds	Increased collection and recycling
The proposal has statewide convenience requirements that will need to be met and reported on annually.	Quantity: program will need to report on the number of collection sites	Program plan and follow-up reports	N/A	N/A

### Part B: Use of Evidence

State statute requires the MPCA to collect and report electronics (Minn. Stat. 115A.1316 and 115A.1320) and battery (Minn. Stat. 115A.9157) recycling data. Informal reviews of this data have shown programs are not collecting all materials being disposed of. New devices have been manufactured that are not covered under current law and manufacturers are not paying the full cost of collection and recycling.

This proposal requires the product stewardship organization, which is operating the collection and recycling program, to perform a performance audit every three years. In addition, MPCA will review the product stewardship organization's annual reports to track progress. This information will be used to guide improvements to future program plans.

### **Statutory Change(s):**

This language would repeal and replace the Minnesota Electronics Recycling Act law 115A.1310 and the Rechargeable Batteries and Products law 115A.9157 and 325E.125.

## Minnesota Pollution Control Agency

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: CWF Chloride Reduction

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund	0	0	0	0
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	650	650	0	0
Revenues				
Net Fiscal Impact = (Expenditures – Revenues)	650	650	0	0
FTEs	1	1	0	0

#### Recommendation:

The Governor recommends an appropriation of \$650,000 in each FY 2026 and FY 2027 from the Clean Water Fund (CWF) to the Minnesota Pollution Control Agency's (MPCA) Resource Management and Assistance Division for implementation of actions to reduce chloride in our state waters. The funds will be used to support a training coordinator (one FTE), and the remainder will be used for a grant program to support municipalities implementing chloride reduction activities described in their Chloride Pollutant Reduction Plans.

A budget of \$3M was appropriated for this program in FY24/25, and it received a supplemental appropriation of \$1M in the 2024 legislative session. This proposed FY26/27 budget is a 25% decrease from that combined FY24/25 appropriation.

#### 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. 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. 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).

More than 200 communities in Minnesota are identified as 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. This recommendation seeks to provide funding for those municipalities with elevated chloride levels and an approved Chloride Pollutant Reduction Plan for implementing identified activities to reduce chloride levels.

#### Proposal:

This recommendation would maintain an existing FTE to support Smart Salting training efforts, and the remaining funds would be distributed as grants via a competitive process to municipalities. The grants would be targeted to municipalities with National Pollutant Discharge Elimination System (NPDES) permits and intended to implement

actions identified in the municipality's Chloride Pollutant Reduction Plan. Currently, forty-eight municipalities have chloride limits on their wastewater discharges. Ultimately, over 200 municipalities across Minnesota will likely be required to meet chloride limits in their wastewater discharges. Funding is critical for these communities, many of which are small. This financial support allows them to implement their required Chloride Pollutant Reduction Plan. The plans are comprehensive in their scope and include activities that will reduce the application of road salt within communities as well as incentives to reduce chloride sent to wastewater plants. A large range of activities would be allowable, including but not limited to completing chloride source investigation and minimization, evaluating feasibility of water treatment, encouraging efficient softeners through public education, sampling to determine "hot spots, promoting chloride reduction in residential softener salt use through public education and mailers, and installing reverse osmosis units.

Success will be determined based on number of chloride pollution reduction activities completed and reductions in chloride concentration realized at awarded municipalities over time.

**Impact on Children and Families:**

Having high 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 once it has been introduced, preventing discharges and runoff of chloride-containing products is critical. 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:**

Grants are targeted to municipalities across Greater Minnesota with a chloride limit or anticipated chloride limit. A portion of eligible municipalities are in areas that are identified as areas of disproportionate impacts.

**Tribal Consultation:**

This proposal does not have a substantial direct effect on Tribal Nations.

**IT Costs:**

No IT costs are associated with this recommendation.

**Results:**

Measures will be the number of Smart Salting trainings offered and the number of individuals who attend those trainings. Performance measures for the grant funding will include the number of grants awarded to eligible entities, number of new Chloride Reduction Action Plans created through the Smart Salting Tool, and the estimated amount of chloride reduced as reported by grantees. These measures will be tracked at the program level and be included as grant reporting requirements. A longer-term measure will also include tracking of chloride concentration from municipal wastewater effluent; with the implementation of practices, the concentration should be reduced over time. This will be tracked by the agency utilizing required data submittals from facilities.

**Statutory change(s):**

No statutory changes are required for this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: CWF Clean Water Council

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	461	461	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	461	461	0	0
FTEs	2	2	0	0

### Recommendation:

The Governor recommends an appropriation of \$461,000 in each FY 2026 and FY 2027 from the Clean Water Fund (CWF) to the Minnesota Pollution Control Agency's (MPCA) Watershed Division for Clean Water Council operations. The recommended appropriation of \$922,000 for the biennium will cover two FTEs (1 FTE for the Council Administrator, 0.85 FTE for administrative support, and 0.15 FTE for communications support), plus \$111,000 for administrative expenses including the cost of meetings, necessary travel for members, communications, and the production of the Council's biennial report.

This proposed budget is an 37% increase from that appropriated in FY24/25.

### Rationale/Background:

The Council was established in 2006 to advise the Legislature and Governor on the administration and implementation of the Clean Water Land and Legacy Act (CWLLA), Minn. Stat. Ch. 114D. The CWLLA requires the Council to submit a report to the Legislature and Governor that includes recommendations for CWF appropriations for the purposes stated in Article XI, Section 15 of the Minnesota Constitution and Minn. Stat. 114D.50. The CWLLA requires this report to 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.

During FY 2024-25 the Council accomplished two major objectives to better meet its mission in M.S. 114D.30.

- New Strategic plan: The Council approved its first strategic plan in early 2020. This plan approved in 2024 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 approved a plan in 2024, and staff is contracting with a firm to carry out several major activities from the plan. The Council is required to provide accountability to taxpayers on the outcomes of the CWF as required in M.S. 114D

In 2026-27, the Council will carry out the recommendations in the strategic plan and communications plan.

**Proposal:**

The Governor recommends funding for Clean Water Council operations in FY 2026-27. Appropriations from the CWF may only be authorized as one-time funding. The report also fulfills the CWLLA requirement for the Council to recommend to the Governor and the Legislature the way money from the Clean Water Fund should be appropriated for the purposes stated in Article XI, Section 15, of the Minnesota Constitution and Minn. Stat. 114D.50.

**Impact on Children and Families:**

The Council through its recommendations helps address Minnesota's surface waters that don't meet water quality standards and drinking water sources that don't meet federal drinking water standards or Minnesota health-based guidance. Many impairments and drinking water contaminants create disproportionate impacts on children, especially infants, and expectant or nursing mothers such as nitrates, manganese, and mercury.

**Equity and Inclusion:**

The Clean Water Council Staff has completed Tribal-State Relations Training and reaches out to the state's four ethnic councils. Staff has also catalogued programs supported by the CWF that have an equity component, such as grants for low-income households to replace non-compliant septic systems. The Council is also working with BWSR on a small grants program (Clean Water Legacy Grant Program) with an existing \$1 million appropriation to seek out new partners for clean water programs. The Council made sure that Minnesota's Tribal governments would be eligible.

**Tribal Consultation:**

This recommendation does not have a substantial direct effect on Tribal Nations.

**IT Costs**

No IT costs are associated with this recommendation.

**Results:**

In accordance with M.S. 114D.30 (as amended in 2022), the Clean Water Council is required to submit a biennial report to the Legislature by January 15th of each odd-numbered year on the following:

- Activities for which money has been or will be spent for the current biennium
- Activities for which money is recommended to be spent in the next biennium
- Impact on economic development of the implementation of efforts to protect and restore groundwater and the impaired waters program
- 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
- Need for funding of future implementation
- Recommendations for the sources of funding

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

**Statutory Change(s):**

This recommendation does not require any statutory changes.

## Minnesota Pollution Control Agency

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: CWF Enhanced SSTS Program Support

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	3,441	3,441	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,441	3,441	0	0
<b>FTEs</b>	<b>1.4</b>	<b>1.4</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends an appropriation of \$3,441,000 in each FY 2026 and FY 2027 from the Clean Water Fund (CWF) to the Minnesota Pollution Control Agency's (MPCA) Municipal Division. This appropriation supports technical assistance and county implementation of the subsurface sewage treatment system (SSTS) program requirements, including issuing permits, conducting inspections, and resolving non-compliant systems.

The recommended appropriation of \$6,882,000 in FY 2026 - 2027 represents a decrease from the amount appropriated in FY 2024 – 2025; however, this is offset by the additional \$2,000,000 the legislature appropriated for this program during the 2024 legislative session for grants to families with low income whose failing septic systems need to be upgraded or replaced. MPCA staffing funded by this request will continue at current levels.

A budget of \$7.1M was appropriated for this program in FY24/25, and it received a supplemental appropriation of \$2M in the 2024 legislative session. This proposed FY26/27 budget is a 24% decrease from that combined FY24/25 appropriation.

#### Rationale/Background:

Nearly 30% of Minnesotans use septic systems to treat their household wastewater. When these systems are not functioning properly, they can release untreated sewage into the ground where it can contaminate groundwater and nearby surface waters.

To be successful in protecting groundwater and human health from untreated septage requires the implementation of Minnesota Statutes, sections 115.55 and 115.56, for protecting groundwater. Clean Water Fund monies appropriated to the MPCA's SSTS program are used to implement strategies that protect groundwater and adjacent surface waters.

This includes managing SSTS activities such as permitting and inspection programs, resolving disputes between SSTS professionals and developing local SSTS ordinances and administering low-income grant programs.

The MPCA distributes CWF monies to 86 of Minnesota's 87 counties (Ramsey County does not operate an SSTS program) through two grant opportunities:

- SSTS Base Grants
- SSTS Low-Income Grants

SSTS Base Grants are distributed to counties that administer an SSTS program with the following criteria: have ordinances that meet state rules and complete an annual report. Each county that meets the criteria receives \$21,200 (\$1,500 of this money is Environmental Fund money and the remainder is CWF money) per year to enhance county-level implementation of the SSTS program.

Additionally, SSTS Low-Income Grants provide funding to counties through a competitive process for which counties apply for each fiscal year. The grants are used by county programs to provide funding opportunities to homeowners with low-income that have failing SSTS that need to be upgraded or replaced.

Currently, there are approximately 649,000 SSTS in Minnesota, of which an estimated 115,000 systems are non-compliant and about 26,000 of those non-compliant septic systems belong to households with low-income.

The cost to upgrade or replace a septic system is between \$10,000 and \$30,000, depending on septic system size and complexity. Households with low-income are typically unable to afford this cost, and as a result, the failing systems remain in place and continue to pose a risk to the landowner, the neighbors, and anyone who encounters contaminated surface or groundwater.

The SSTS Low-Income Grant is sought after. Each year 60% of the 86 counties with SSTS programs in the state request these grant dollars from the MPCA and each year requests exceeds the amount of money available.

### **Proposal:**

The Governor recommends appropriation of \$3,441,000 in each FY 2026 and FY 2027 from the CWF to the MPCA's Municipal Division.

Counties and local units of government across the state will continue to receive \$21,200 (\$1,500 of which is Environmental Fund money) per year to enhance county-level implementation of the SSTS program so long as they have ordinances that meet state rules and complete an annual report.

The MPCA will collect annual report data, including SSTS permitting and compliance trends for the previous calendar year and make them available to participating counties, local units of government and the public. The information collected helps the MPCA with long-range planning efforts and program development.

Similarly, the SSTS Base Grant process and implementation will not change. The grants are awarded through a competitive application process to provide monetary support to some of the most vulnerable populations and resources in the state. Counties can use these grants to fund all or part of an upgrade or replacement of a septic system that has been determined to be an imminent threat to public health or safety or failing to protect groundwater. The grant dollars must be used on low-income households or duplexes as determined by the county. Counties that are awarded low-income grants are required to track projects funded by the program.

### **Impact on Children and Families:**

Non-compliant septic systems put children and families' health at risk by creating unsanitary conditions through possible groundwater and drinking water contamination and worse, the direct contact with the sewage. The absence of working sewage treatment has public health implications in the very populations that are most vulnerable. This proposal allows counties to ensure children and families in households with low-income have safe and effective septic systems.

### **Equity and Inclusion:**

This proposal will ensure that counties across the state have access to money that can be distributed to families with low-income to address the direst non-compliant septic systems. The SSTS Low-Income Grant program requires an annual application by Minnesota counties. This provides local units of government and those working with low-income households, owners of multi-family housing, and community opportunities to assess the need,

plan and apply for the grant funds necessary for addressing septic systems that pose an Imminent Threat to Public Health or Safety or Failing to Protect Groundwater.

**Tribal Consultation:**

This recommendation does not have a substantial direct effect on Tribal nations.

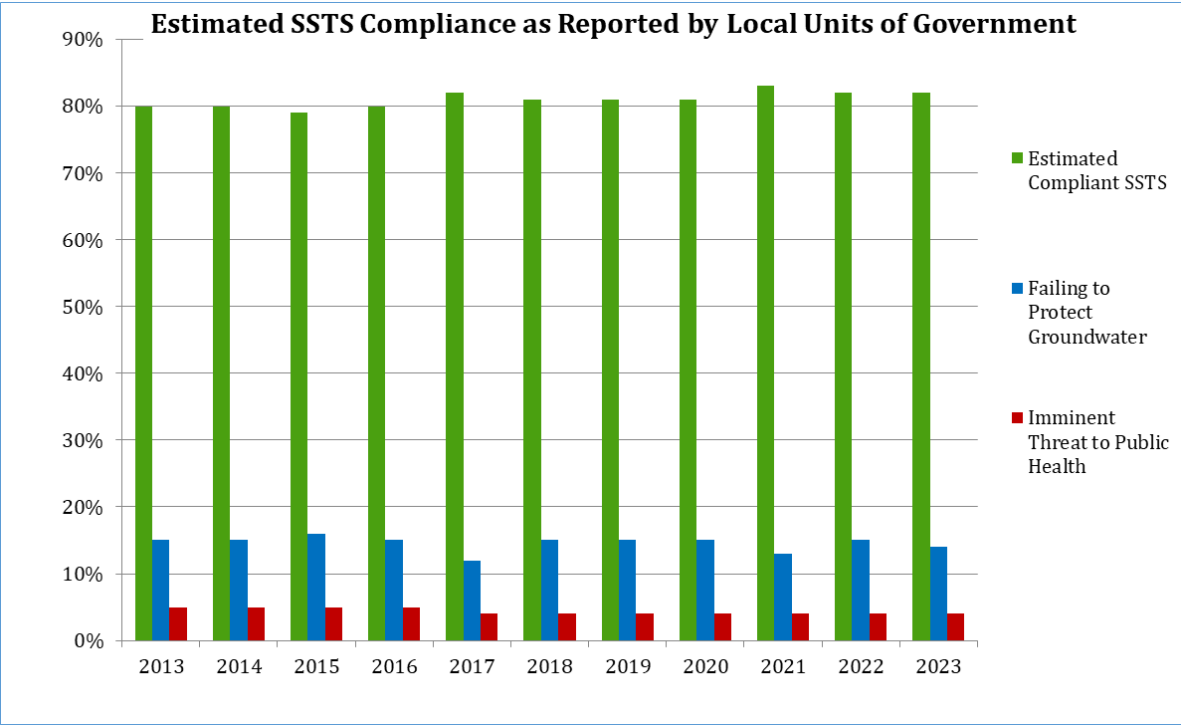
**IT Costs**

No IT costs are associated with this recommendation.

**Results:**

MPCA has collected SSTS compliance data to evaluate trends for many years. More specifically, the number of SSTS systems determined to be compliant, an imminent threat to public health or those septic systems failing to protect groundwater have been tracked by local units of government.

Over time, septic systems across Minnesota are increasingly compliant with fewer systems determined to be a threat to human health and the environment decreasing year after year. The estimated percentage of compliant SSTS as reported by local units of government has increased from 66% in 2007 to 82% in 2023. Compliance rates increased rapidly from 66% in 2007 to 80% in 2013 followed by a period where estimated compliance rates remained steady around 80% from 2013 to 2023. Over this same period, from 2007 to 2021, the estimated number of SSTS which are failing to protect groundwater has decreased from 23% in 2007 to 14% in 2023. Similarly, the number of SSTS considered imminent threats to public health and safety has decreased from 11% in 2007 to 3.5% in 2023.



Additionally, counties that award low-income grants are required to track projects funded by the program. Over the last 13 years, the SSTS Low-Income Grant program has distributed \$18.3 million with the average distribution of \$30,572 per county and approximately 2,580 replacements through June 30, 2025. The MPCA will continue to collect this data for reporting purposes.

The MPCA SSTS program summarizes annual SSTS compliance data collected from local governments with SSTS program. That annual report is found on our website: <https://www.pca.state.mn.us/business-with-us/ssts-annual-report>.

Finally, a report detailing how the CWF money enhances county SSTS program, and the outcomes of the appropriations is found on the MPCA website: Clean Water Fund Appropriations for SSTS Programs in Minnesota (state.mn.us) (<https://www.pca.state.mn.us/sites/default/files/lrp-f-1sy21.pdf>).

**Statutory Change(s):**

No statutory changes are associated with this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: CWF Groundwater Assessment

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	1,000	1,000	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,000	1,000	0	0
FTEs	5.0	5.0	0	0

### Recommendation:

The Governor recommends an appropriation of \$1 million in each of FY 2026 and FY 2027 from the Clean Water Fund (CWF) to the Minnesota Pollution Control Agency's (MPCA) Environmental Analysis and Outcomes Division. This appropriation maintains the operation of Minnesota's groundwater monitoring network, ensuring continued assessment, monitoring, and protection of the state's groundwater.

The recommended appropriation of \$2 million for FY 2026 - 2027 holds the budget for this program steady from the amount appropriated in FY 2024 – 2025. Staffing funded by this request will continue at current levels.

This proposed budget is the same as that appropriated in FY24/25.

### 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 of Minnesota residents receive their drinking water from groundwater. Success in protecting and restoring groundwater quality requires reliable data concerning the status of Minnesota's groundwater resources. Groundwater monitoring and assessment helps the MPCA, and local and other 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 and 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 the four lakes enrolled in the Department of Natural Resources' Sustaining Lakes in a Changing Environment program, as an offshoot of the much larger ambient network.

The program provides data and information to understand the quality of Minnesota's groundwater, including trends over time, and evaluate progress in protecting groundwater quality. Groundwater quality data, modeling, and information about surface water and groundwater interactions also inform restoration and protection strategies developed by the MPCA and its partners. The groundwater data generated through this appropriation provides essential information for decisions on other CWF-funded activities involving groundwater and drinking

water protection. The MPCA coordinates its groundwater monitoring program closely with those of the Minnesota Department of Health who monitors drinking water and of the Minnesota Department of Agriculture who monitors groundwater for agricultural chemicals.

**Proposal:**

The Governor recommends \$2 million for FY 2026 - 2027 for the continued operation of the monitoring network of about 270 wells across the state, a budget level unchanged from FY24/25. The program FTEs will remain at current levels.

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.

The network has been built out to the designed spatial and land use coverage. Other than periodic replacement of wells due to failures or loss of access, the only significant change planned at this time is to add three bedrock wells in the upper aquifer in southeast Minnesota to assess water-quality conditions at depth in places that are vulnerable to contamination due to the unique geology. (This project utilizes matching funds from the US Geological Survey).

The program's main expenses are:

- Staff – To conduct field work, analyze data, complete groundwater modeling, and to provide data and information to state and local partners
- Materials – The supplies and materials needed to conduct regular field work of gathering water from the wells for analysis or using sensors or other in-well tools that report pollutant results
- Lab analysis – The costs for labs to complete the analysis of the water samples and report the level of pollutants

The program is regularly engaged in reviewing the sampling schedule to identify efficiencies that will reduce costs without impacting the network's ability to provide important information about pollution in Minnesota's groundwater. This will allow the program to add key analyses, such as measurement of per- and poly-fluoroalkyl substances (PFAS) – within the current budget; increases to staffing costs and the price of materials and lab analysis may soon begin to put pressure on the program's budget.

As an example, the National Groundwater Monitoring Network requires each location have a baseline of five years of annual sampling events. The program plans to accommodate increases in costs by evaluating the sampling frequency for wells that have reached this baseline. Wells with over 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 example, volatile organic compound (VOC) has been discontinued at most sites 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) and new and critical pollutants (such as PFAS).

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 5.1 FTE of both full time and seasonal staff. The staffing has remained stable over time.

**Impact on Children and Families:**

This recommendation will ensure that data on groundwater quality are collected and analyzed statewide. Clean groundwater to supply drinking water needs is critical to all Minnesotans, especially to babies and children that can be more strongly impacted by pollutants like PFAS and nitrate.

**Equity and Inclusion:**

This recommendation will ensure that data on groundwater quality is collected and analyzed statewide. These 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 determines 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.

**Tribal Consultation:**

This proposal does not have a substantial direct effect on Tribal nations.

**IT Costs**

No IT costs are associated with this recommendation.

**Results:**

Since the advent of the CWF, MPCA has established the groundwater quality monitoring network and is beginning to have sufficient data to calculate trends in groundwater quality for the vulnerable aquifers that our network targets. The program annually compiles information levels and trends of chloride and nitrate in our wells and reports those to the MPCA’s water leadership.

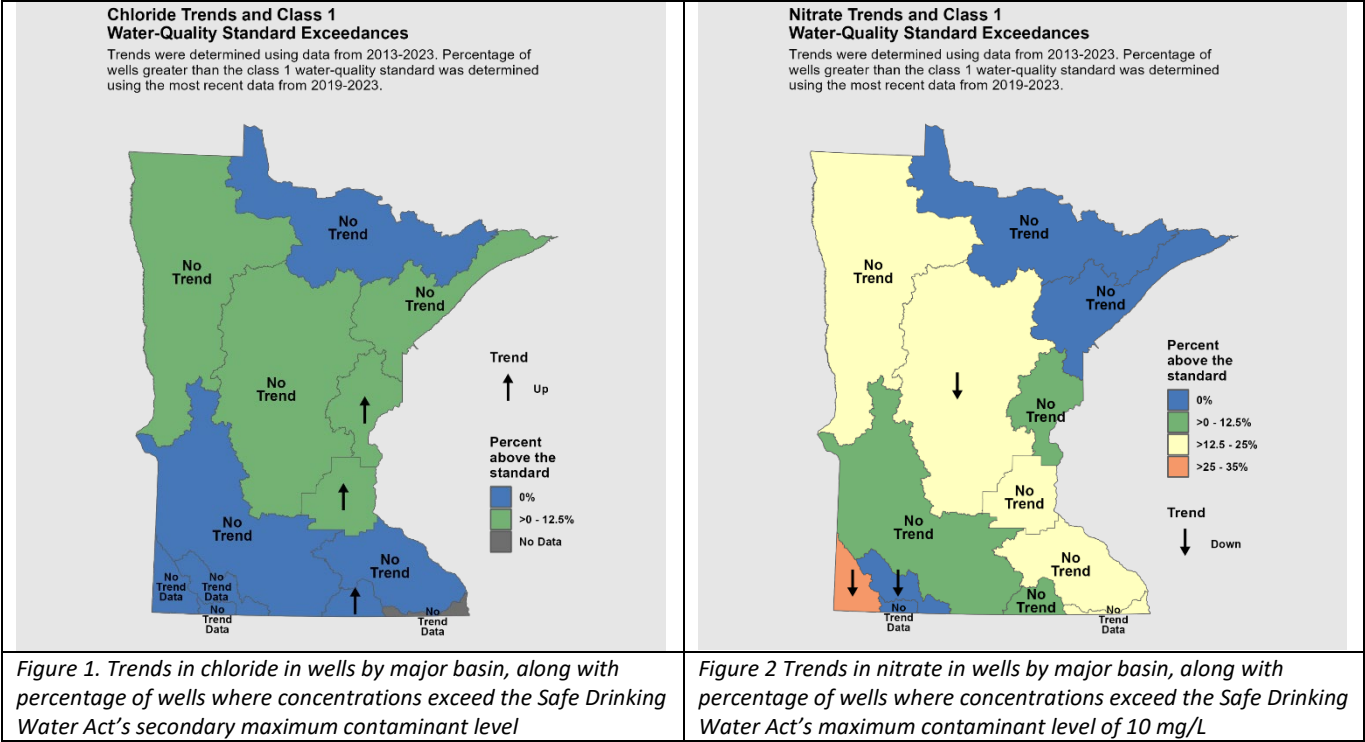


Figure 1. Trends in chloride in wells by major basin, along with percentage of wells where concentrations exceed the Safe Drinking Water Act’s secondary maximum contaminant level

Figure 2 Trends in nitrate in wells by major basin, along with percentage of wells where concentrations exceed the Safe Drinking Water Act’s maximum contaminant level of 10 mg/L

In addition, the program regularly reports on the difference in groundwater nitrate conditions between areas of potential environmental justice (EJ) concern and other areas, in order to evaluate if there is the potential for disproportionate impacts. To date, no such concerns have been identified. The MPCA is committed to maintaining wells in EJ areas in order to continue to evaluate the potential for such impacts.

Monitoring results are routinely communicated via MPCA reports and web materials and through the biennial Clean Water Fund Performance Report available online at [2024 Clean Water Fund Performance Report](#). The program also publishes the Condition of Minnesota's Groundwater Quality report every five years that describes groundwater trends, with the next report expected to be released in November 2024.

Additional information about groundwater monitoring efforts and the data collected can be found in Appendix A to the Environmental Quality Board's 2020 State Water Plan, called the Five-year Assessment of Water Quality Trends and Prevention Efforts Report available online at <https://www.pca.state.mn.us/sites/default/files/lrwq-gw-1sy20.pdf>

**Statutory Change(s):**

No statutory changes are associated with this recommendation.

## Minnesota Pollution Control Agency

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: CWF River & Lake Monitoring & Assessment

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	9,450	9,450	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	9,450	9,450	0	0
<b>FTEs</b>	<b>55</b>	<b>55</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends an appropriation of \$9.45 million in each FY 2026 and in FY 2027 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, supporting One Watershed-One Plan, and local implementation in each of the 80 watersheds. Additionally, monitoring data gives the state a pulse on impacts of landscape uses as well as climate change. Monitoring needs to be capable of the increasing pressures of new pollutants such as per- and poly fluorinated alkyl substances (PFAS) and monitoring for delisting of impaired waters after restoration.

The recommended appropriation of \$18.9 million for FY 2026-27 is needed to maintain existing work, cover increases in costs realized over the past biennia for personnel, supplies, and equipment for the agency and for local partnership contracts. This request includes PFAS monitoring in our existing watershed monitoring network and fulfills key objectives in the state's PFAS Blueprint. Finally, local partners are requesting the ability to sample lakes to determine if their restoration efforts are effective. This funding request will allow MPCA to meet some of this need.

This proposed budget is a 4.5% increase from that appropriated in FY24/25.

#### Rationale/Background:

Minnesota assesses its waters on a 10-year cycle to fulfill the requirements of the state Clean Water Legacy Act (CWLA) and the federal Clean Water Act (CWA). The MPCA, volunteers, as well as local, state, and federal agencies identify impaired waters and waters in need of protection. Protection and restoration of Minnesota's waters would not succeed without this monitoring and assessment data.

#### Proposal:

The Governor recommends \$18.9 million in FY2026-27 to monitor and assess at least 17 of the state's 80 major watersheds. The request includes biological, chemical, and habitat monitoring at lakes, streams and rivers that will measure progress against data from ten years previous and determine any new impairments. Chemical monitoring at watershed outlets will 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 (CEC). Monitoring for CECs help prioritize and support evaluation of risk to human health and aquatic life.

Since the completion of the first 10-year cycle, the MPCA has reduced the number of monitoring stations by one-third. The savings have freed resources to provide lake monitoring at local partner's request to measure progress. New funds appropriated in FY24/25 have allowed for sampling for PFAS at select locations. The requested budget will allow MPCA to continue this effort. Numerous waters have been delisted from the Impaired Waters List once selected waters have been re-sampled after restoration efforts.

Funds will support staff, equipment and supplies, and partner funding. Cost increases (staffing, analytical, and equipment costs, as well as contractor compensation expectations) over the past several biennia have resulted in removal of parameters, reduced sites sampled or cut sampling that local partners have requested. This proposal means the program can operate without additional cuts to data collection efforts.

### **Impact on Children and Families:**

This recommendation would ensure that data on water quality is collected and analyzed statewide. These data are critical to meeting the goals of the Clean Water Legacy Act and federal Clean Water Act 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 under-represented groups for these seasonal employees as well as for permanent employees. The lake and stream monitoring solicitation process includes eligible applicants from local units of government, tribes, non-profit, and educational institutions. Recruitment for the MPCA volunteer monitoring program includes reaching out to under-represented groups as participation in lake and stream monitoring. This helps build a broad understanding of the value of quality water.

### **Tribal Consultation:**

This recommendation does not have a substantial direct effect on Tribal nations. However, Tribal partnerships are critical for all aspects of the MPCA's watershed work. Activities occurring within watersheds impact waters in reservations, other Tribal-owned lands, Tribal trust lands, treaty hunting and fishing rights boundaries, etc. Tribes have their own monitoring programs and it's important for tribes and the state to develop shared goals and coordinate monitoring efforts.

### **IT Costs:**

No IT costs are associated with this recommendation.

### **Results:**

Since the advent of the CWF, the MPCA and its partners have monitored and assessed the baseline water quality of Minnesota's major watersheds. Monitoring progress is routinely communicated via MPCA publications and web sites and through the biennial Clean Water Fund Performance Report. The 2024 Clean Water Fund Performance Report is available on the Legacy website at [2024 Clean Water Fund Performance Report \(state.mn.us\)](#). 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>.

This proposal would fund monitoring in at least 17 major watersheds and is critical to drive the other steps within the watershed management system – development of strategies to protect and restore waters, target practices for greatest effectiveness, and gage progress in meeting water quality goals. We will also be able to deliver information on PFAS in those 17 watersheds for the first time ever, allowing us to begin to understand where to focus pollutant reduction efforts.

Local partners are requesting the ability to sample lakes to determine if their restoration efforts are effective and lakes are not succumbing to increased pressures on lakes. This funding request will allow us to meet some of this need. Approximately 75-125 lakes would be monitored annually with this funding.

Each biennium through this program, approximately 30 contracts are awarded to local units of government, colleges and universities, nonprofits, and tribal governments for local monitoring activities that contribute to the watershed monitoring approach.

**Statutory Change(s):**

No statutory changes are associated with this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: CWF Wastewater Stormwater TMDL Implementation

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	1,600	1,600	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,600	1,600	0	0
FTEs	7.75	7.75	0	0

### Recommendation:

The Governor recommends an appropriation of \$1.6 million in FY 2026 and FY 2027 from the Clean Water Fund (CWF) to the Minnesota Pollution Control Agency's (MPCA) Municipal Division for Wastewater/Stormwater Total Maximum Daily Load (TMDL) Implementation. This funding supports MPCA staffing and point source pollutant reduction implementation efforts related to wastewater and stormwater National Pollutant Discharge Elimination System (NPDES) permitting and provides support to local units of government and other permittees in accelerating their pollutant reduction efforts to achieve permit requirements.

This work “breaks down silos” between point source and nonpoint source work. By having accurate surface water monitoring data (also funded by the Clean Water Fund), the MPCA is able to provide more accurate information to point source permittees on what their pollutant reductions must be to meet the necessary pollutant load for that watershed. Before the CWF and expanded monitoring, the MPCA had to make more conservative (and thus more expensive) estimates on pollutant reduction targets for point sources.

For the purposes of increased efficiency and transparency, the FY 2024-25 appropriation combined two former point source fund requests - *National Pollutant Discharge Elimination Wastewater/Stormwater Implementation* funds and *Accelerated Implementation of Municipal Separate Storm Sewer (MS4) Permit Requirements* funds. The FY2024-2025 appropriation supported increases in costs over several biennia. It also added a Water Quality Trading Program Coordinator focused on building partnerships between municipalities and agricultural landowners, which can reduce the overall cost of pollutant reduction for point sources by funding cheaper land practices elsewhere in a watershed. The FY2026-27 recommendation is an increase of \$200,000 from the FY2024-25 appropriation due to increases in program costs.

This proposed budget is a 7% increase from that appropriated in FY24/25.

### Rationale/Background:

Stormwater and wastewater are significant contributors of pollutants to impaired waters. The MPCA oversees approximately 1,400 NPDES wastewater and 3,810 NPDES stormwater permits under the NPDES program, as enabled by the federal Clean Water Act. The stormwater program is implemented primarily through general permits, including the Municipal Separate Storm Sewer System (MS4) General Permit. Wastewater and stormwater NPDES permits must be written to include requirements consistent with pollutant reductions described in Total Maximum Daily Loads (TMDLs), which are reports developed for every impaired water.

The accelerated completion of TMDLs and Watershed Restoration and Protection Strategies (WRAPS) made possible by the CWF increased information available for wastewater and stormwater permit development. MPCA staff integrate this information to develop and implement innovative and cost-effective solutions and ensure pollutant reductions needed to restore Minnesota waters to a state of health are met.

The MPCA regularly hears from wastewater and MS4 permittees, industry groups, local partners, and environmental advocates that there is a significant need for assistance in implementing permit requirements. Requests include creation of form templates, checklists, guidance documents, support in identifying and developing water quality trading proposals, and assistance visits. These activities ensure technical and scientific information is translated into more easily understood formats. 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 continued, targeted assistance. In addition, local partners (wastewater and stormwater permittees and local implementation organizations like Soil and Water Conservation Districts) have voiced the need for support in identifying and developing water quality trading projects that achieve the point and nonpoint source pollutant reduction needs in a watershed. These water quality trading projects can be more cost-effective for permittees and local partners and provide substantial water quality benefits within the watershed.

### **Proposal:**

This appropriation provides critical support for point source implementation activities related to wastewater and stormwater permitting and support to municipalities subject to the MS4 permit requirements. The proposed funding will support implementation of municipal stormwater permits, municipal wastewater permits, water quality trading coordination and project development, and provide technical assistance, guidance development, and direct outreach to accelerate MS4 permit implementation. The appropriation will also continue enhancements of the Stormwater Manual with state-of-the-art stormwater guidelines and tools, which any municipality - permitted or not - can use. Municipalities 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.

The FTE supported by these funds conduct functions of permit writing, coordinating TMDL/WRAPs, analyzing GIS data, engineer review of total maximum daily load (TMDL) /watershed restoration and protection strategies' (WRAPS) effluent limits, grant and loan administration, unsewered coordination, coordination of TMDL/WRAPs permits, maintaining and updating the Stormwater Wiki Manual, water quality trading coordination and support in project development and the development of guidance. A crucial component of this work is the volume of water quality data points that are collected, stored, and utilized in the decision-making process, and distributed to the public in a user-friendly manner.

### **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:**

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

### **Tribal Consultation:**

This proposal does not have a substantial direct effect on Tribal Nations.

## IT Costs:

No IT costs are associated with this recommendation.

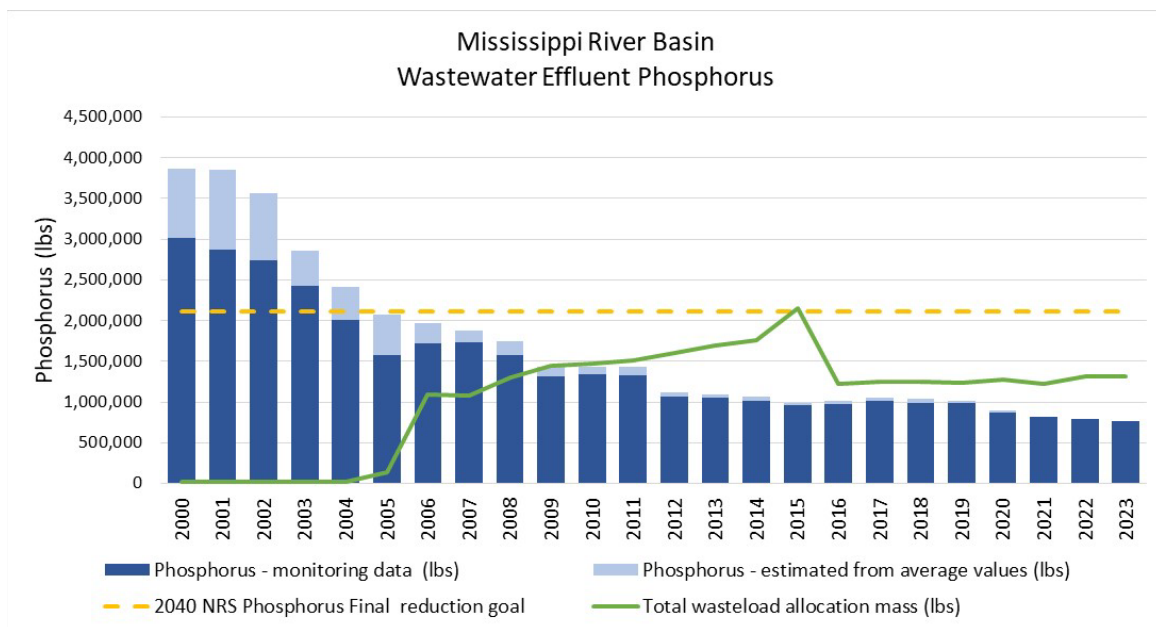
## Results:

Staff supported with this appropriation oversee the incorporation of Total Maximum Daily Load wasteload allocations into permits and manage geospatial and hydrological data analysis that supports permitting and developing water quality trading in permits. Outcomes from past appropriations include:

- A 79.6% reduction in phosphorus in the Mississippi River Basin from wastewater from 2000 to 2023
- A reduction by municipal stormwater permittees of phosphorus by 26,284 pounds
- Incorporation of the WRAPS and TMDLs point source requirements into permits
- Factoring in wastewater point requirements into TMDLs and WRAPS
- Execution of pollutant trading activities, including 14 wastewater permits that authorize trading activities, (there are 6 active trades, and the balance are developing their trading activities)
- Documentation in the Stormwater Manual wiki: [Stormwater Program for Municipal Separate Storm Sewer Systems \(MS4\) - Minnesota Stormwater Manual \(state.mn.us\)](https://state.mn.us/stormwater-program-for-municipal-separate-storm-sewer-systems-ms4)
- Developed and finalized a master contract to efficiently conduct research and distribute guidance and tools
- Continued work on electronic submittal of annual reports by the MS4 regulated community for better data accuracy, on-time submittals, and increased compliance
- Initiated development of a MS4 compliance package to assist permittees in developing and improving compliant programs
- Modeling package to assist MS4 permittees in achieving TMDL waste load allocations and additional tools to assist in calculating pollution reduction
- Developed incorporation of more green infrastructure guidance for improved stormwater management
- Interagency coordination on stormwater reuse

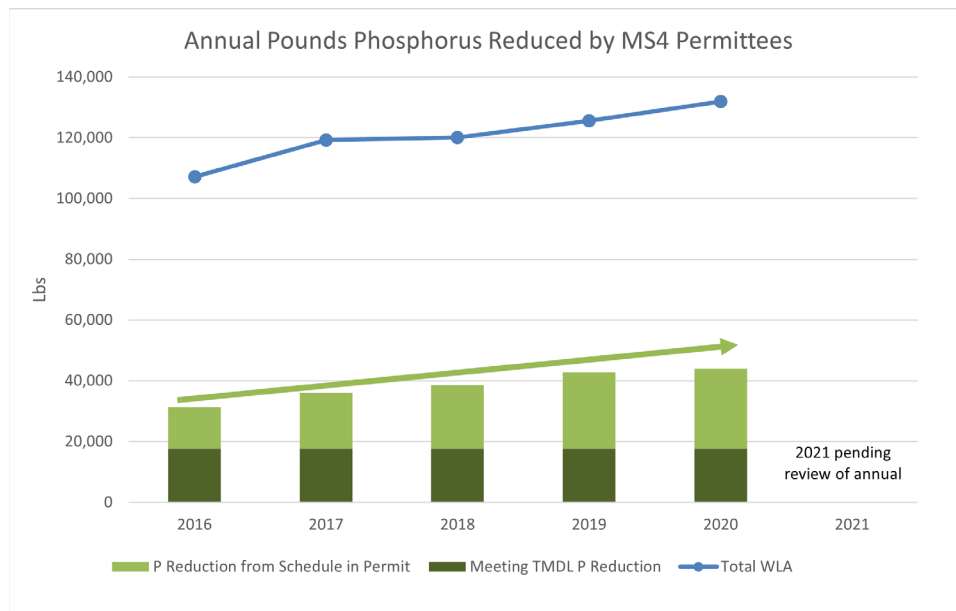
## Wastewater Results:

The chart below reflects the phosphorus reductions achieved from wastewater treatment facilities that discharge to the Mississippi River Basin over time. Nitrogen loads to this basin have been increasing, reflecting work yet to be done.



**Stormwater Results:**

The following graphic depicts the progress in phosphorus reduction from stormwater sources, and shows the magnitude of remaining work to be accomplished:



**Statutory Change(s):**

No statutory changes are associated with this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: CWF Watershed Restoration and Protection Strategies

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	6,750	7,750	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	6,750	7,750	0	0
FTEs	33	33	0	0

### Recommendation:

The Governor recommends an appropriation of \$6.75 million in FY 2026 and \$7.75 million in FY 2027 from the Clean Water Fund (CWF) to the Minnesota Pollution Control Agency's (MPCA) Watershed Division. The appropriation will continue the second cycle of the Watershed Restoration and Protection Strategies (WRAPS) updates and related Total Maximum Daily Load (TMDL) reports which are required for every polluted water resource. In synthesizing CWF-funded watershed science, WRAPS updates identify the most efficient and effective strategies to meet water quality goals for point and nonpoint sources of pollution in each of Minnesota's 80 major watersheds. The recommended appropriation is a 14.5% increase from the amount appropriated in FY 2024-25, and a decrease of over 28% from the historic highest appropriation for the program resulting from operational maturity and efficiencies. This appropriation will mean continued development of TMDLs, WRAPS and watershed modeling updates, even while decreasing staffing by 2-3 FTEs.

This proposed budget is an 14.5% increase from that appropriated in FY24/25.

### Rationale/Background:

This recommendation supports the goals of the Clean Water Land and Legacy Amendment (CWLLA) and the Minnesota Clean Water Legacy Act.

Minn. Stat. 114D.26 required the MPCA to complete a WRAPS and TMDL report for each of the state's watersheds by 2023 and then update them as needed. The MPCA completed all first cycle WRAPS on schedule by 2023, completed six WRAPS updates in FY24, six more in FY25 and is slated to complete 20 WRAPS updates in FY26/FY27. These WRAPS updates are tailored to the needs of local partners and with the input of other state agencies. WRAPS updates contain pollutant reduction and protection goals to guide the creation of a comprehensive watershed management plan (BWSR's One Watershed One Plan) and all resulting protection and restoration activities.

### Proposal:

The Governor recommends continued funding for the second cycle of WRAPS, including TMDLs. The proposal supports 33 existing FTE, operating costs, and provides funds to pass-through to local government units (LGUs) and contractors. The proposal also includes specific funding for the We Are Water civic engagement exhibit. Approximately 5.2% of this budget request will be passed through for this exhibit, which helps to bridge scientific knowledge with human relationships with water.

The WRAPS update process follows the second ten-year cycle of monitoring and assessment funded through a separate CWF line item at MPCA. The WRAPS updates can include, but are not limited to, stressor identification reports, model calibrations based on the latest monitoring data, in-depth water body characterization, enhanced studies (including monitoring equipment to complete this work), and additional TMDL studies.

This proposal complements the work of other agencies, including DNR (hydrology using flow gauging stations at key locations and lake Index of Biotic Integrity (IBI)), the Department of Health (Groundwater Restoration and Protection Strategies, or GRAPS, to understand groundwater and surface water interactions), and BWSR (One Watershed One Plan). Understanding both the groundwater and surface water interactions provides a full picture of the watershed water quality health.

### **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. Beginning in 2022, the MPCA Watershed Program Plan revision includes approaches to enhance environmental justice, including the MPCA's Environmental Justice Framework. Within that framework, future WRAPS update reports will provide information on water quality concerns in identified environmental justice communities/areas in WRAPS update watersheds. By working diligently to involve all watershed citizens in the WRAPS updates, the product produced will reflect what local partners want to see in their watersheds.

### **Tribal Consultation:**

This recommendation does not have a substantial direct effect on Tribal Nations. However, The MPCA provides notifications and invitations to Tribal governments at the beginning of WRAPS update 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. This level of outreach and coordination will continue, with project managers communicating to Tribal governments at the beginning of the WRAPS update cycle in the watershed.

### **IT Costs**

There are no IT costs associated with this request.

### **Results:**

To measure the effectiveness of WRAPS updates, MPCA surveys local government staff who were involved in guiding WRAPS update development for their watersheds. In the most recent survey of LGU participants in 2023-approved updates, over 75% agreed that the products of the WRAPS update process were useful in guiding local planning and implementation work. Most notably, 100% agreed that TMDL studies, a major component of the WRAPS process to restore impaired waters, were useful or very useful. These ratings are consistent with previous annual surveys conducted by the MPCA and BWSR of WRAPS usefulness in local planning efforts. In addition, the majority of 2023-surveyed participants found that WRAPS updates helped them do their work in protecting downstream watersheds, enhancing climate resiliency, and in advancing environmental justice.

EPA has approved TMDLs that address over 1,200 mercury impairments and over 2,000 non-mercury impairments to date and all Minnesota watersheds have WRAPS development projects completed or underway.

The MPCA has also developed an on-line reporting tool, called Healthier Watersheds, to share progress on what is being done in Minnesota's watersheds to protect and improve water quality. See

<https://www.pca.state.mn.us/business-with-us/healthier-watersheds-tracking-the-actions-taken>.

Core activities in the FY26-27 biennium will include:

- The We Are Water exhibit will work with five new community sites per calendar year
- The MPCA will be extending and refining the calibration of about 28 watershed computer models
- The MPCA anticipates there will be 20 updated WRAPS and 19 stressor identification reports completed
- The MPCA is committed to producing a TMDL report for 60 impairments (not including mercury) + 75 mercury impairments in FY26/FY27, (Additional TMDLs will also be produced for FY28 but started in the FY26/27 biennium)

**Statutory Change(s):**

No statutory changes are associated with this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: CWF National Park Water Quality Protection Program

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	750	750	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	750	750	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends an appropriation of \$750,000 in each FY 2026 and FY 2027 from the Clean Water Fund (CWF) to the Minnesota Pollution Control Agency's (MPCA) Municipal Division for restoration of water quality in Voyageurs National Park through sanitary sewer projects.

This proposed budget is a 25% decrease from that appropriated in FY24/25.

### Rationale/Background:

Protection of water quality in Voyageurs National Park is dependent, in part, upon the functionality of wastewater and subsurface sewage treatment system (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 projects (including centralized and decentralized treatment) needed to ensure the areas surrounding Voyageurs National Park meet state wastewater treatment standards.

### Proposal:

The Governor proposes \$1,500,000 for FY26-FY27 for planning, design, permitting, and constructing various wastewater projects overseen and coordinated by the Board. This proposal would support sanitary sewer projects that are included in the draft and the updated Voyageurs National Park Clean Water Project Comprehensive Plan to restore the water quality in Voyageurs National Park. 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.

### Impact on Children and Families:

Voyageurs National Park is one of America's treasures and all Minnesotans 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.

**Tribal Consultation:**

This proposal does not have a substantial direct effect on Tribal Nations.

**IT Costs**

No IT costs are associated with this recommendation.

**Results:**

The Board will report the following results:

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

**Statutory Change(s):**

No statutory changes are associated with this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: Accessing Federal Funds for PFAS Wastewater Projects

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
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
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends amending Minnesota statute to authorize MPCA to list municipal wastewater projects for per- and polyfluoroalkyl substance (PFAS) planning, pilot testing, design or treatment on its project priority list (PPL), which will allow the Minnesota Public Facilities Authority (PFA) to distribute federal Clean Water Revolving Funds (CWRP) dedicated for emerging contaminants projects as principal forgiveness grants.

### Rationale/Background:

MPCA expects \$17M in federal funding available over the term of the Infrastructure Investment and Jobs Act (IIJA) to be distributed for PFAS planning, pilot testing, design or treatment projects at publicly owned treatment works (POTWs). The funds are administered jointly by MPCA and PFA via the CWRP process. These funds can only be accessed if statutory language is adopted to define emerging contaminants projects as eligible to be listed on the project priority list (PPL) and establish scoring criteria. Current statutes don't specifically address how emerging contaminants projects will be scored on the PPL. The ubiquity of PFAS in our environment and human health impacts associated with exposure to PFAS have created a huge need for funds to support the development and implementation of PFAS wastewater treatment.

### Proposal:

MPCA and PFA are jointly proposing the policy language to Minn. Stat. 446A.07 and Minn. Stat. 116.182 that would allow MPCA to score PFAS Clean Water projects, place them on the PPL, and allow the Minnesota Public Facilities Authority (PFA) to distribute the federal funds to Minnesota municipalities.

### Impact on Children and Families:

Providing federal funds for addressing PFAS provides a cost-effective option to address PFAS in municipal wastewater infrastructure while lessening potential user rate increases. Reducing the amount of PFAS entering our environment supports keeping state waters fishable and swimmable for children and families.

### Equity and Inclusion:

Everyone benefits from the ability to access federal funds dedicated to removing PFAS from our environment. While PFAS management and treatment practices far exceed the available funds, accessing these funds has the potential to lessen the burden on utility ratepayers in the community.

### Tribal Consultation:

This proposal does not have a substantial direct effect on Tribal Nations.

**IT Costs:**

There are no IT costs associated with this request.

**Results:**

Part A: Performance Measures

The agency currently tracks wastewater infrastructure projects submitted via the PPL.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of proposed PFAS treatment projects listed on the PPL	Quantity	Entered into Tempo with report generated in Tableau	0	>0

**Statutory Change(s):**

Statutory changes will be required in Minn. Stat. §§ 446A.07 and 116.182, subd. 5.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: Revolving Loan Funds

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
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
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends that repayments made for loans funded under two 2023 appropriations are to be directed to existing revolving loan programs. No new funding is requested.

This recommendation will have no effect on the agency's biennial budget.

### Rationale/Background:

As part of the 2023 Session Laws, Chapter 60, appropriations were made for two types of loan programs.

- Zero-interest loans to phase out high-polluting equipment, products, and processes and replace with new option for small businesses. \$1.72 million was utilized for loans for this purpose.
- Waste prevention and reduction grants and loan program. \$500,000 was utilized for composting and organics loans and \$500,000 for recycling market development loans.

Language was missing to ensure when the loans are paid back, the money is deposited into the relevant revolving loan programs that already exist in statute. The programs are:

- Small Business Environmental-Improvement Loan Program - [MS 116.993](#)
- Environmental Assistance Grant and Loan Program - [MS 115A.0716](#)

### Proposal:

The proposal ensures these two loan programs can continue to provide revolving loans, as the Legislature intended, by clarifying that when the loans are repaid for these appropriations, the money is to be deposited into the relevant existing loan programs.

### Impact on Children and Families:

This is a technical proposal that has no significant direct impact for children and families.

### Equity and Inclusion:

This recommendation does not have a substantial direct impact for equity and inclusion.

### Tribal Consultation:

This recommendation does not have a substantial direct impact for Tribal Nations.

**IT Costs:**

No IT costs are associated with this recommendation.

**Results:****Part A: Performance Measures**

This correction will allow the funds to continue to revolve as intended, which will allow the MPCA to continue awarding loans in the future.

**Part B: Use of Evidence**

This is a technical correction to previous appropriation language, and no program evaluation has been conducted or planned.

**Statutory Change(s):**

No statutory changes are associated with this recommendation, only amendments to appropriation riders.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: Budget Technical Change Item

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
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 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 recommendation 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 recommendation.

### Rationale/Background:

Periodically, the MPCA shifts its structure to better align work and create efficiencies in managing the agency. Realignment of staff and funding allow for better connections between program and operations. This aligns services and support for the divisional operations.

Additional staff shifts were made to align the work location to the divisional funding. This includes the Agency's Household Hazardous Waste program (Industrial Division to Resource Management and Assistance Division), Solid and Hazardous Waste staff attorney (Industrial Division to Operations Division), Wastewater Data Management program (Operations to Environmental Analysis and Outcomes Division) and Community Affairs unit (Operations and Industrial).

Additional changes were made in the Industrial Division for air equipment maintenance and in the Resource Management and Assistant Division for combining Chemicals in Products appropriations.

With the individuals shifting, it seems appropriate that the spending authority as represented in appropriations be adjusted as well. This recommendation 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:

Area	Prog Nbr	Div	Fund	Approp	Appr Name	FY26	FY27	FY26 FTE	FY27 FTE
Community Affairs	R3213	Operations	2800	R32F136	Enhanced Permit & Env Review Coord	-700	-700	(5.00)	(5.00)
Community Affairs	R3211	Industrial	2800	R32HX01	Enhanced Permit & Env Review Coord	700	700	5.00	5.00
Air C&E	R3211	Industrial	2800	R32H123	Equip for C&E in EJ areas	-4	-4		
Air C&E	R3211	Industrial	2800	R32H100	Air Program Ops	4	4		
Chemicals in Products	R3215	RMAD	2800	R32D193	Chemicals in Products#2	-150	-150	(0.50)	(0.50)
Chemicals in Products	R3215	RMAD	2800	R32D178	Chemicals in Products	150	150	0.50	0.50
Household HHW	R3211	Industrial	2800	R32H104	Haz Waste Admin	-613	-613		
Household HHW	R3211	Industrial	2800	R32H101	EACM OPS	-130	-136	(0.75)	(0.75)
Household HHW	R3211	Industrial	2800	R32H104	Haz Waste Admin	-216	-225	(1.25)	(1.25)
Household HHW	R3215	RMAD	2800	R32D106	EACM OPS	959	959		
Staff Attorney	R3211	Industrial	2800	R32H103	Solid Waste Admin	-55	-56	(0.50)	(0.50)
Staff Attorney	R3211	Industrial	2800	R32H104	Haz Waste Admin	-55	-56	(0.50)	(0.50)
Staff Attorney	R3213	Operations	2800	R32F106	Solid Waste Admin	55	56	0.50	0.50
Staff Attorney	R3213	Operations	2800	R32F107	Haz Waste Admin	55	56	0.50	0.50
Wastewater Data Management	R3213	Operations	2800	R32F104	EACM OPS	-102	-104	(1.00)	(1.00)
Wastewater Data Management	R3210	EAO	2800	R32E109	EACM OPS	102	104	1.00	1.00

### Impact on Children and Families:

This recommendation is purely technical and does not directly impact children and families.

### Equity and Inclusion:

This recommendation does not directly impact equity and inclusion.

### Tribal Consultation:

This recommendation has no substantial and direct impact on Tribal Nations.

### IT Costs

No IT costs are associated with this recommendation.

### Results:

This recommendation is purely technical. The intended result is clarity and transparency in future budget structure.

### Statutory Change(s):

No statutory changes are associated with this recommendation.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: Cost Recovery for Spills and Releases

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Remediation Fund				
Expenditures	0	0	0	0
Revenues	200	200	200	200
Net Fiscal Impact = (Expenditures – Revenues)	(200)	(200)	(200)	(200)
FTEs	0	0	0	0

### Recommendation:

The Governor recommends expanding MPCA’s authority to recover costs associated with MPCA’s response to spills/releases of materials that do not fall under existing cost recovery statutes. Funds received would be deposited in the Remediation Fund. Revenues are estimated at \$200,000 per year but would vary depending on the number and amount of costs recovered in a given year.

The recommendation will increase the biennial Remediation Fund by less than 1%.

### Rationale/Background:

MPCA responds to spills/releases of various materials to the environment to ensure the responsible party responds appropriately to address the contamination. When a responsible party is unwilling or unable to take the necessary response actions, MPCA hires an environmental contractor to do the work. For many materials (e.g. hazardous substances or petroleum from most tanks), the MPCA can recover its expenses from the responsible party afterwards.

Currently, statute does not provide the authority for cost recovery when the material spilled is a petroleum product from a saddle or tow tank or other non-hazardous substances (e.g. bio-based lubricants). As a result, MPCA must use funds from the Remediation Fund to cover these expenses. Using the Remediation Fund for this purpose takes away dollars that would otherwise go to addressing contaminated sites that do not have a responsible party and where the MPCA must carry out the required remedial actions.

### Proposal:

These proposal aims to close multiple legal loopholes that involve the MPCA’s ability to recover costs incurred by the agency when responding to environmental emergencies. Specifically, the proposals address cost recovery for spills/releases involving oil/petroleum discharges from saddle tanks (or towed tanks that do not currently meet the definition of “tank” under statute) and spills/incidents involving materials not covered under other statutes (e.g. Superfund).

### Impact on Children and Families:

This proposal does not have budgetary impacts on children or families.

### Equity and Inclusion:

This proposal has no direct impact on Equity and Inclusion.

**Tribal Consultation:**

This proposal does not have a substantial direct effect on Tribal Nations.

**IT Costs:**

No IT costs are associated with this proposal.

**Results:**Part A: Performance Measures

This proposal is to authorize recovery of costs the MPCA incurs when responding to environmental emergencies, when the responsible party refuses to take any action, for loophole cases where current statute does not already provide for cost recovery. Any instance of cost recovery would demonstrate the success of this proposal. Currently, the MPCA is unable to recover costs for a subset of the spills and releases it is involved with. Professional knowledge illustrates that this proposal will allow these costs to be recovered.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of cases where cost recovery is required	Quantity	Number of incidents (by individual case or total cases)	Data is not collected in a readily searchable format, but rather an excel spreadsheet	Number of agency actions is reported out in Tableau in a searchable format (as individual case or cumulative)
Dollar amount recovered (by individual case or total cases)	Quantity	Number of Dollars recovered (by individual case or total cases)	Data is not collected in a readily searchable format, but rather an excel spreadsheet	Dollar amount (as individual case or cumulative) is reported out in Tableau in a searchable format

Part B: Use of Evidence

The MPCA has quantitative data that shows how much money has been spent on response costs where the funds were not recovered. No formal evaluation is planned at this time.

**Statutory Change(s):**

This recommendation will require changes to Minn. Stat. §§ 115 and 116C.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: Closed Landfill Investment Fund Continuing Appropriation

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Closed Landfill Investment				
Expenditures	6,500	6,500	6,500	6,500
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	6,500	6,500	6,500	6,500
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends an open statutory appropriation beginning in FY 2026 from the Closed Landfill Investment Fund (CLIF) to the Remediation Division of the Minnesota Pollution Control Agency to provide for the state's long-term care and maintenance of closed landfills statewide. No specific appropriation amount is recommended, but rather an open statutory appropriation for costs projected at or under \$6.5 million annually.

### Rationale/Background:

The Minnesota Legislature originally established CLIF 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.

This proposal will have a direct impact on a number of the Governor's One Minnesota Goals. Eliminating exposures to contaminated air and water in our homes will support the Healthy Minnesotans goal.

### Proposal:

The agency has been utilizing CLIF since FY 2022 to advance work around monitoring for emerging contaminants and installing drinking water mitigation to affected properties, assessing our leachate and landfill gas and how to better manage it, and work on design and construction for necessary landfill repairs and upgrades, such as a new cover. The current language sunsets the access to the account at the close of FY 2025.

The agency requests clarifying that the Closed Landfill Investment Fund is statutorily available to the agency for spending on qualified closed landfill expenses beyond fiscal year 2025. The change would mirror how the Remediation Fund and other accounts, such as the 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 the Legislature's foresight in establishing CLIF can be successfully and efficiently implemented.

The flexibility of an open, 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 contain higher levels of PFAS and must be addressed. CLIF funds would carry out projects to address more traditional and new emerging contamination issues.

### 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.

### Tribal Consultation:

This recommendation does not have a substantial direct effect on Tribal ations.

### IT Costs:

No IT costs are associated with this recommendation.

### Results:

#### Part A: Performance Measures

The goal is to provide funding to allow for successful implementation of the closed landfill program. The agency is required to care for 114 facilities into perpetuity, including monitoring for and mitigating contamination, operation and maintenance of the facilities, and implementing necessary upgrades to the facilities.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of projects completed	Quantity	Project work is tracked in our agency database TEMPO	e.g. 23 of 102 contamination delineations underway	e.g. annual progress reports on additional delineations underway/completed
Amount of money spent annually and how it was spent	Quantity	Dollars spent are tracked in SWIFT, the enterprise fiscal data system, details on project work will be in TEMPO	FY25 \$4.5M allocated for projects, report on progress at end of FY	Increase in the number of delineations completed, mitigation systems installed, etc.
Number of projects completed in environmental justice areas of concern	Quantity	Project work is tracked in our agency database TEMPO	38 landfills are within EJ areas, we currently track work completed to date	Acceleration of work at these 38 facilities

#### Part B: Use of Evidence

The program has assessed necessary work to complete monitoring to determine the extent of contamination at our closed landfills and assessed work needed related to mitigating contaminants of emerging concern, and upgrades needed for managing leachate and gas emissions.

#### **Statutory Change(s):**

Statutory changes will be required under M.S. 115B.421.

#### **Public and Stakeholder Engagement:**

No engagement has been completed for this change item. This is a continuation of funding to support statutory required management and operation of closed landfills.

# Minnesota Pollution Control Agency

## FY 2026-27 Biennial Budget Change Item

### Change Item Title: PFAS Biomonitoring in Firefighters

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
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
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends an extension to onetime funding for the PFAS Biomonitoring in Firefighters project until June 30, 2027, and a \$175,000 increase in transfer authority from the Pollution Control Agency (MPCA) to the Department of Health (MDH) in the original appropriation. This will allow more time and available funding for MDH to issue a Request for Proposals for the report and a biomonitoring project with MN firefighters. This change does not include a request for additional appropriation of funds but utilizes unspent funds.

### Rationale/Background:

Conducting PFAS biomonitoring with MN firefighters is of great public health importance and can deliver critical information for protecting this population that may have higher body burdens than the general public due to a range of on-the-job (occupational) exposures. Occupational environmental health is a highly technical and specialized field, and little is known about baseline PFAS levels in firefighters. Creating a well-designed protocol and ensuring diverse and equitable participation opportunities for firefighters requires more time, and we are confident that extending the availability of funds through the next biennium will be sufficient to deliver high-quality and actionable results. Furthermore, MPCA was able to complete the abovementioned report deliverables and submit to the MN Legislature for less than expected, creating the opportunity to increase the impact and reach of a biomonitoring study. Exploratory conversations with local occupational environmental health experts suggested that the originally allocated time and money would not be sufficient for a biomonitoring study that reached outside the Twin Cities Metro region. This recommendation would allow the state to increase impact in this area.

Intended results include filling an important knowledge gap around exposure levels in firefighters and creating a critical baseline for measuring effectiveness of exposure reduction techniques.

MDH has determined that maximum benefit to MN firefighters can be realized through a Request for Proposals (RFP) process. A contract would be awarded to occupational environmental health experts with PFAS biomonitoring experience and capabilities. Project progress would be monitored by MDH subject matter experts and financial managers to ensure highest quality deliverables. MDH is ready to issue an RFP once this change is approved.

A report on firefighter turnout gear requirements, options for eliminating PFAS in turnout gear, and recommendations for disposal of turnout gear to prevent contamination was completed and submitted to the MN Legislature as required by January 15, 2024.

**Proposal:**

This recommendation would change an existing appropriation in Minnesota Session Law 2023, Chapter 60, Article 1, section 2, subdivision 2R. \$500,000 was appropriated to MPCA for one-time use until June 30, 2025, with the authority to transfer up to \$250,000 to MDH. The Governor recommends increasing the transfer authority to MDH to \$425,000 and extending its availability until June 30, 2027. This would not include increasing the total appropriation.

This proposal is aligned with all-of-government drive for the PFAS Blueprint with actionable science to minimize PFAS exposures across vulnerable populations in coordinated efforts at MPCA, DNR, MDH, MDA, Commerce, and partners in healthcare, business, and other fields.

Creating a well-designed protocol and ensuring diverse and equitable participation opportunities for firefighters requires more time, and we are confident that extending the availability of funds through the next biennium will be sufficient to deliver high-quality and actionable results.

**Dollars in Thousands**

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	0	0	0	0	0	0	0
<b>Total All Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
GF	Transfer from MPCA	(175)	0	0	(175)	0	0	0
GF	Transfer into MDH	175	0	0	175	0	0	0

**Impact on Children and Families:**

PFAS biomonitoring is a highly specialized laboratory service that is not routinely available through healthcare providers. Protecting the helpers that protect all of us is a core value across communities and generations.

**Equity and Inclusion:**

The proposal helps address PFAS exposure inequities and health disparities for volunteer and professional firefighters. There are no risks to firefighters from participating in a biomonitoring study. Standard Minnesota State procedures for Requests for Proposals will be followed to ensure equitable access.

**Tribal Consultation:**

This proposal does not have a substantial direct effect on Tribal Nations that share geography with Minnesota.

**Results:**Part A: Performance Measures

The result of this initiative is to ensure a complete biomonitoring study plan is delivered to the legislature for potential funding of said biomonitoring of fire fighters. Extending the period to complete this project with existing funding will ensure the biomonitoring plan will achieve the intended results if implemented. The biomonitoring plan for fire fighters will be completed and ready to implement at the request of the legislature and with adequate resources.

Measure	Measure type	Measure data source	Most recent data	Projected change
Completion of biomonitoring protocols for firefighters exposure to PFAS	Quality	Completion of the project	NA	Completed protocols that can be used to secure funds to conduct the study

#### Part B: Use of Evidence

The agency will conduct quarterly grant administration check-ins with the Department of Health and will oversee deliverables and deadlines.

#### **Statutory Change(s):**

Minnesota Session Law Chapter 60 - HF 2310, Article 1, section 2, subdivision 2R

## Minnesota Pollution Control Agency

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Adjustment to County Feedlot Program Appropriation

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	(1,000)	(1,000)	(1,000)	(1,000)
Revenues	0	0	0	0
Environmental Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,000)	(1,000)	(1,000)	(1,000)
FTEs	0	0	0	0

#### Recommendation:

The Governor recommends an appropriation reduction of \$1 million in FY2026 and subsequent years from the General Fund to the Minnesota Pollution Control Agency's (MPCA) Watershed Division to align with the intent of the 2023 Legislature.

This recommendation supports the legislative intent during the 2023 session to increase the county feedlot program as onetime funding. Returning the appropriation to baseline levels in subsequent years will still provide adequate funding for administration of the feedlot program, including the ability to provide technical assistance to, and regulatory oversight of, most of the state's registered feedlots.

This recommendation will be less than 1% of the agency's biennial budget.

#### Rationale/Background:

During the 2023 legislative session, the conference committee with jurisdiction over the Environment & Natural Resources budget bill (HF2310) expressed the intention to authorize a one-time increase in funding to the MPCA for grants to delegated counties that administer the county feedlot program. This intent was documented in the final spreadsheet presented by the conference committee. However, final bill language inadvertently included an ongoing appropriation for this work. The Governor recommends correcting this appropriation in the base budget to align with the expressed legislative intent.

#### Proposal:

The Governor recommends reducing the appropriation for the MPCA's county feedlot program by \$1 million to align with the intent of the 2023 Legislature.

There are no FTE changes associated with this request.

#### Impact on Children and Families:

This recommendation has no substantial and direct impact on children and families.

#### Equity and Inclusion:

County feedlot officers bring a local lens and resources to ensuring feedlots are operating in a manner that does not have any negative disproportionate impact on any communities or groups.

**Tribal Consultation:**

This proposal will not have a substantial direct effect Tribal Nations that share geography with Minnesota.

**Results:**

The MPCA annually evaluates county programs for their work on the minimum program requirements of feedlot registrations, reporting and data management, inspections conducted, sites returned to compliance, permitting, complaint response, feedlot operator assistance, and timeliness. It is rare that counties do not meet delegation requirements, and the MPCA works with counties to help them succeed.

**Statutory Change(s):**

No statutory changes are associated with this recommendation.

**Program: Environmental Analysis and Outcomes Division**<https://www.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 environmental data quality assurance and data management services for the agency
- Provide resources to local water management organizations for lake and streams monitoring
- Provide forecasts for the state and seven tribes, to inform the public of unhealthy air quality days
- Estimate and track pollutant emissions to air and discharges to water
- Support climate action through Green House Gas (GHG) emissions tracking and support for community resilience

**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); ensures data quality; 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 accelerate progress in meeting the Agency's goals of reducing GHG emissions and increasing resiliency of communities and the environment to climate impacts.

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 for the air quality index and compliance with air quality standards and health benchmarks at 54 sites statewide
- Supports community air monitoring, focusing on areas of concern for environmental justice
- Provides monitoring technical assistance and quality assurance at five locations operated by Tribal governments, five federal PM2.5 speciation sites, one national multi-pollutant monitoring site, one ozone precursor measurements site, and nine National Atmospheric Deposition Program sites
- Collects and analyzes annual air emission inventories for more than 2,200 companies
- Estimates state-wide emissions from all sources every three years
- Supports facility air dispersion modeling to estimate compliance with standards and estimate risk from facilities for permitting, compliance, and enforcement and environmental review

- Estimates and analyzes for public health risks from air pollution, with a focus on potential disproportionate impacts on the most vulnerable Minnesotans
- Prepares state implementation plans and ensures program compliance with federal and state requirements
- Coordinates and provides technical expertise for rulemaking

### Water Monitoring and Assessment

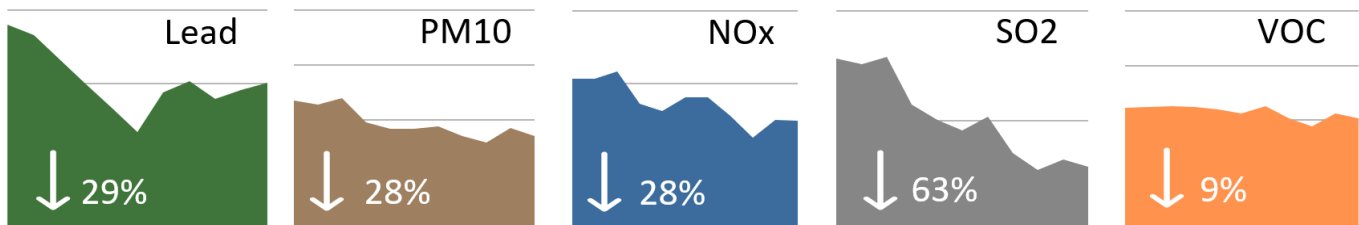
- Develops water quality standards and uses other tools to protect human health and aquatic life
- Monitors lakes, streams and rivers, wetlands, and groundwater to identify water quality trends
- Gathers and reviews data to understand water condition and identify causes of stress on a water body
- Monitors for the effectiveness of protection and restoration activities
- Provides funding opportunities and technical assistance for local units of government to conduct water monitoring.
- Provides information and assistance to regulated facilities, communities, local governments, and Minnesotans
- Monitors, studies, and coordinates work on contaminants in Minnesota's water and fish, including accumulative contaminants like mercury and per- and polyfluoroalkyl substances (PFAS), and emerging contaminants like pharmaceuticals and consumer products

## RESULTS PERFORMANCE MEASURES

### AIR EMISSIONS FROM PERMITTED FACILITIES

The EAO Division annually collects and processes data from all permitted facilities in the state. These data are used to calculate facility annual emissions fees, assess health risks, support air modeling, evaluate the effectiveness of air regulations, and understand what air pollutants are in the environment. The graph below shows emission trends for permitted sources from 2010-2022. These emissions have decreased significantly over the past decade largely due to governmental regulations and industry efforts to reduce emissions, including switching from coal to natural gas and installing new pollution controls on their units.

#### Minnesota permitted source emissions 2010-2022



### SURFACE WATER PROTECTION AND RESTORATION

During the last 5 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.

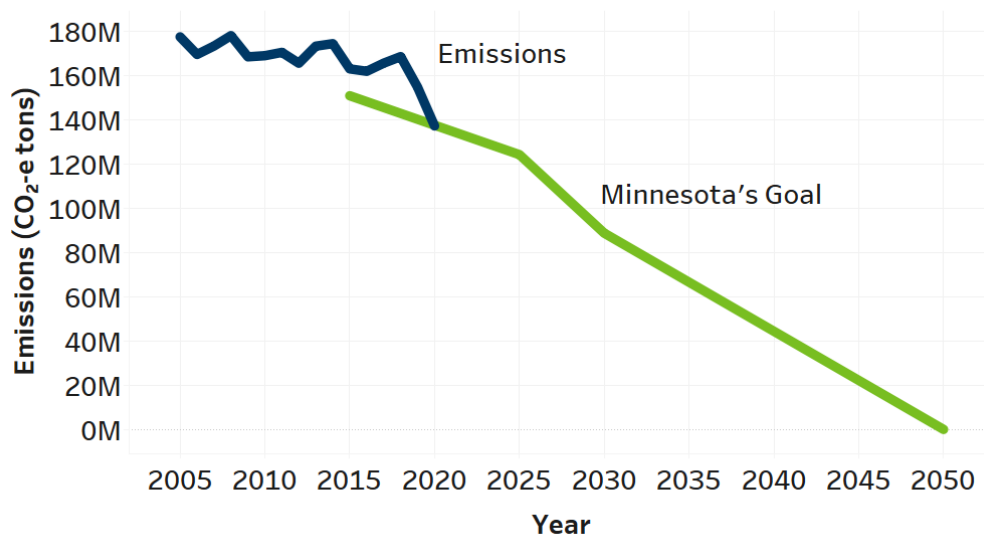
Using data through 2022, 60 percent of state lakes and streams meet water quality standards; however, there are wide variations in condition by watershed. All of Minnesota's 80 watersheds have been monitored and assessed. MPCA is carrying out a second monitoring cycle across the state that focuses on measuring progress and, where needed, incorporating monitoring to understand new pollutants of concern.

## GREENHOUSE GAS EMISSIONS IN MINNESOTA

The EAO Division estimates the greenhouse gas emissions from all sources in Minnesota to track progress against the Next Generation Climate 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.

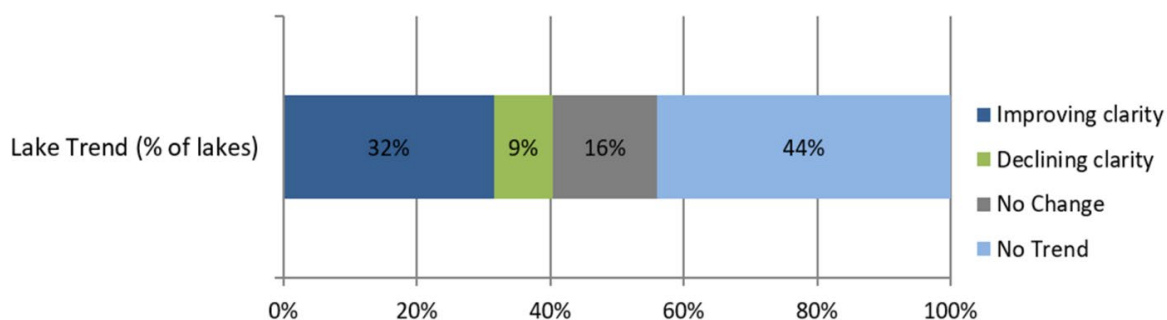
The Division is completing a report to the Legislature, due January 15, 2025, that will contain the most up-to-date estimates for greenhouse gas emissions through 2022.

### Minnesota's GHG emissions 2005-2020 and goals from the Next Generation Climate Act



## PERCENT OF LAKES GETTING CLEARER

Hundreds of volunteers across the state help the MPCA measure water clarity in all Minnesota counties. A minimum of eight years of monitoring data is needed before a lake is included in the chart below. The data updated through 2023, demonstrates that water clarity is improving or holding steady in 91 percent of our lakes.



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.

# Environmental Analysis and Outcomes Division

# Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b><u>Expenditures by Fund</u></b>								
1000 - General	976	927	10,179	103,142	542	542	562	582
2000 - Restrict Misc Special Revenue	284	114	71	215	124	124	124	124
2001 - Other Misc Special Revenue	371	604	734	3,556				
2050 - Environment & Natural Resources	1,135	111	137	651				
2302 - Clean Water	9,314	8,435	9,398	16,144			10,450	10,450
2340 - Renewable Development				1,000				
2800 - Environmental	11,058	14,443	14,668	23,333	19,631	21,031	20,985	22,914
2801 - Remediation	178	223	196	258	205	205	219	220
3000 - Federal	4,814	3,685	5,291	22,184	73,302	37,960	73,302	37,960
<b>Total</b>	<b>28,130</b>	<b>28,542</b>	<b>40,674</b>	<b>170,483</b>	<b>93,804</b>	<b>59,862</b>	<b>105,642</b>	<b>72,250</b>
Biennial Change			154,485		(57,491)		(33,265)	
Biennial % Change			273		(27)		(16)	
Governor's Change from Base							24,226	
Governor's % Change from Base							16	

## **Expenditures by Activity**

Environmental Analysis and Outcomes Division	28,130	28,542	40,674	170,483	93,804	59,862	105,642	72,250
<b>Total</b>	<b>28,130</b>	<b>28,542</b>	<b>40,674</b>	<b>170,483</b>	<b>93,804</b>	<b>59,862</b>	<b>105,642</b>	<b>72,250</b>

## **Expenditures by Category**

Compensation	14,788	15,810	17,552	25,978	18,963	19,811	25,451	26,849
Operating Expenses	13,051	12,477	14,414	138,766	62,064	27,627	67,414	32,977
Grants, Aids and Subsidies	200	200	8,633	5,739	12,777	12,424	12,777	12,424
Capital Outlay-Real Property	61	5	12					
Other Financial Transaction	30	50	64					
<b>Total</b>	<b>28,130</b>	<b>28,542</b>	<b>40,674</b>	<b>170,483</b>	<b>93,804</b>	<b>59,862</b>	<b>105,642</b>	<b>72,250</b>

Total Agency Expenditures	28,130	28,542	40,674	170,483	93,804	59,862	105,642	72,250
Internal Billing Expenditures	6,373	6,910	9,072	10,354	6,595	6,947	6,595	6,947
<b>Expenditures Less Internal Billing</b>	<b>21,758</b>	<b>21,632</b>	<b>31,603</b>	<b>160,129</b>	<b>87,209</b>	<b>52,915</b>	<b>99,047</b>	<b>65,303</b>

# Environmental Analysis and Outcomes Division

# Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<b><u>Full-Time Equivalents</u></b>	141.94	152.22	151.96	237.36	171.08	178.38	233.08	240.38

# Environmental Analysis and Outcomes Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		809		49,612				
Direct Appropriation	1,292	224	62,103	53,797	542	542	562	582
Transfers Out			2,313	267				
Cancellations		106						
Balance Forward Out	316		49,611					
Expenditures	976	927	10,179	103,142	542	542	562	582
Biennial Change in Expenditures				111,417		(112,237)		(112,177)
Biennial % Change in Expenditures				5,854		(99)		(99)
Governor's Change from Base								60
Governor's % Change from Base								6
Full-Time Equivalents	1.63	1.78	6.27	14.56	3.78	3.78	3.78	3.78

## 2000 - Restrict Misc Special Revenue

Balance Forward In	335	96	149	91				
Receipts	38	166	13	124	124	124	124	124
Balance Forward Out	90	149	91					
<b>Expenditures</b>	<b>284</b>	<b>114</b>	<b>71</b>	<b>215</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>
Biennial Change in Expenditures				(111)		(38)		(38)
Biennial % Change in Expenditures				(28)		(13)		(13)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.22	0.94	0.27	1.00	1.00	1.00	1.00	1.00

## 2001 - Other Misc Special Revenue

Balance Forward In	800	782	290	3,556				
Receipts	20	21						
Transfers In			4,000					
Balance Forward Out	448	199	3,555					
<b>Expenditures</b>	<b>371</b>	<b>604</b>	<b>734</b>	<b>3,556</b>				
Biennial Change in Expenditures				3,315		(4,290)		(4,290)
Biennial % Change in Expenditures				340		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

# Environmental Analysis and Outcomes Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Full-Time Equivalents			0.39	0.90	0.90	0.90	0.90	0.90

## 2050 - Environment & Natural Resources

Balance Forward In	1,404	269	158	30				
Direct Appropriation			54	621	0	0	0	0
Cancellations			45					
Balance Forward Out	269	158	30					
<b>Expenditures</b>	<b>1,135</b>	<b>111</b>	<b>137</b>	<b>651</b>				
Biennial Change in Expenditures				(458)		(788)		(788)
Biennial % Change in Expenditures				(37)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

## 2302 - Clean Water

Balance Forward In	4,025	3,116	3,127	3,718				
Direct Appropriation	8,366	8,366	10,050	12,426	0	0	10,450	10,450
Cancellations		61	62					
Balance Forward Out	3,077	2,985	3,717					
<b>Expenditures</b>	<b>9,314</b>	<b>8,435</b>	<b>9,398</b>	<b>16,144</b>			<b>10,450</b>	<b>10,450</b>
Biennial Change in Expenditures				7,793		(25,542)		(4,642)
Biennial % Change in Expenditures				44		(100)		(18)
Governor's Change from Base								20,900
Governor's % Change from Base								
Full-Time Equivalents	38.48	42.04	39.31	61.00			60.00	60.00

## 2340 - Renewable Development

Direct Appropriation			2,000	1,000	0	0	0	0
Transfers Out			2,000					
<b>Expenditures</b>				<b>1,000</b>				
Biennial Change in Expenditures				1,000		(1,000)		(1,000)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

# Environmental Analysis and Outcomes Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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## 2800 - Environmental

Balance Forward In		1,615		2,998				
Direct Appropriation	13,469	13,715	18,959	21,653	20,949	22,349	22,303	24,232
Transfers Out	811	811	1,294	1,318	1,318	1,318	1,318	1,318
Cancellations		75						
Balance Forward Out	1,600		2,997					
<b>Expenditures</b>	<b>11,058</b>	<b>14,443</b>	<b>14,668</b>	<b>23,333</b>	<b>19,631</b>	<b>21,031</b>	<b>20,985</b>	<b>22,914</b>
Biennial Change in Expenditures				12,500		2,661		5,898
Biennial % Change in Expenditures				49		7		16
Governor's Change from Base								3,237
Governor's % Change from Base								8
Full-Time Equivalents	67.04	80.33	77.31	117.59	119.49	126.79	121.49	128.79

## 2801 - Remediation

Balance Forward In		23		53				
Direct Appropriation	201	201	249	205	205	205	219	220
Cancellations		1						
Balance Forward Out	23		53					
<b>Expenditures</b>	<b>178</b>	<b>223</b>	<b>196</b>	<b>258</b>	<b>205</b>	<b>205</b>	<b>219</b>	<b>220</b>
Biennial Change in Expenditures				53		(44)		(15)
Biennial % Change in Expenditures				13		(10)		(3)
Governor's Change from Base								29
Governor's % Change from Base								7
Full-Time Equivalents	1.16	1.15	1.83	1.57	1.57	1.57	1.57	1.57

## 3000 - Federal

Balance Forward In				117				
Receipts	4,814	3,685	5,409	22,067	73,302	37,960	73,302	37,960
Balance Forward Out			117					
<b>Expenditures</b>	<b>4,814</b>	<b>3,685</b>	<b>5,291</b>	<b>22,184</b>	<b>73,302</b>	<b>37,960</b>	<b>73,302</b>	<b>37,960</b>
Biennial Change in Expenditures				18,977		83,787		83,787
Biennial % Change in Expenditures				223		305		305

# Environmental Analysis and Outcomes Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	31.41	25.98	26.58	40.74	44.34	44.34	44.34	44.34

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

The Industrial Division provides regulatory services (permitting, technical assistance, training, compliance determination, enforcement, licensing, and certification) for approximately:

- 4,500 industrial wastewater and stormwater sources
- 2,000 air emission sources
- 10,400 underground fuel storage tank facilities
- 24,500 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. The Division implements 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 the One Minnesota goals to support Healthy Minnesotans and to improve Minnesota's Environment while contributing to strong economies in Minnesota communities. The Industrial Division administers regulatory programs in support of the MPCA's strategic goal to advance environmental justice and protect Minnesotans who are disproportionately impacted by environmental emissions.

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 900 industrial wastewater dischargers are managed in the program in addition to approximately 3,500 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 people living in the state.

## SERVICES PROVIDED

The services the Division provides fall into four 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 10,000 underground fuel tanks

### Community engagement

- In 2024, the Industrial Division added a new Community Affairs Unit, which seeks to improve community engagement around high-profile facilities and regulatory processes and create on-going relationships with impacted communities

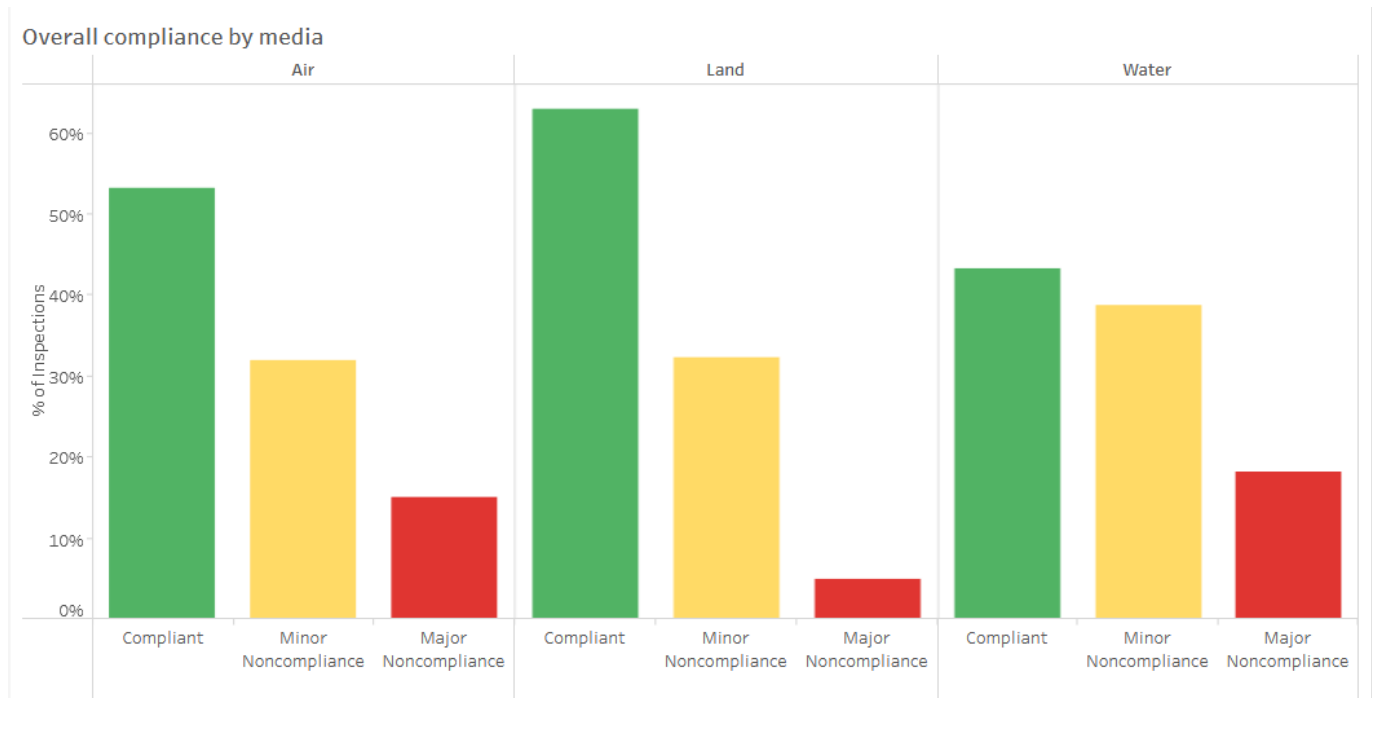
## RESULTS

To support MPCA's strategic goal to protect Minnesotans who are disproportionately impacted, the MPCA has made a commitment with EPA to look for ways to increase resources assigned to our priority permits. One target is to issue at least 12 backlogged priority air permit renewals in environmental justice areas annually. As of July 2024, the Industrial Division has issued exceeded the commitment of 12, and issued 16 air permits in environmental justice areas, ensuring that the facilities operating in those areas are meeting current regulations.

The MPCA has worked hard to speed up the permitting process without compromising the environment. The Department meets their 90-day and 150-day permitting timeliness goals 98 percent of the time for priority permits, which are construction focused and have the most bearing on job and growth. Tier 1 permits are permits do not require individualized actions or public comment periods and have a 90-day issuance goal. Tier 2 permits are permits that require individualized actions or a public comment period and have a 150-day issuance goal. For Tier 1 permits, which are less complex, the Department meets timeliness goals 99 percent of the time. Our Tier 2 permits are more involved to issue, and we currently meet timeliness goals 67 percent of the time for priority permits.

	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Priority</b> permits that met goal	97%	94%	97%	99%	98%	98%	99%	98%	98%
<b>Non-priority</b> permits that met goal	40%	46%	63%	61%	92%	83%	46%	76%	67%
<b>All</b> permits that met goal	74%	87%	93%	93%	96%	96%	89%	91%	95%

Issuing permits is only part of what the MPCA does to protect our environment. We also provide assistance, conduct inspections and enforce standard to improve compliance. So far in federal fiscal year 2024, 93 percent of overall inspections had no major non-compliance. For air, 85 percent of inspections had no major non-compliance. For land, 95 percent of inspections had no major non-compliance. For water, 82 percent of inspections showed no major non-compliance. These results are illustrated in the bar chart below.



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 FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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## Expenditures by Fund

1000 - General			4,145	29,745	250	250	782	789
2000 - Restrict Misc Special Revenue	10	8	142	34	30	30	30	30
2001 - Other Misc Special Revenue	353	301	298	302	300	300	300	300
2800 - Environmental	14,000	15,875	15,291	22,151	20,157	22,797	21,927	25,192
2801 - Remediation	923	1,079	1,703	1,791	1,773	1,773	1,986	2,013
3000 - Federal	3,585	2,605	3,382	3,468	3,263	3,263	3,263	3,263
<b>Total</b>	<b>18,871</b>	<b>19,867</b>	<b>24,962</b>	<b>57,491</b>	<b>25,773</b>	<b>28,413</b>	<b>28,288</b>	<b>31,587</b>
Biennial Change				43,715		(28,267)		(22,578)
Biennial % Change				113		(34)		(27)
Governor's Change from Base								5,689
Governor's % Change from Base								11

## Expenditures by Activity

Industrial Division	18,871	19,867	24,962	57,491	25,773	28,413	28,288	31,587
<b>Total</b>	<b>18,871</b>	<b>19,867</b>	<b>24,962</b>	<b>57,491</b>	<b>25,773</b>	<b>28,413</b>	<b>28,288</b>	<b>31,587</b>

## Expenditures by Category

Compensation	13,190	14,072	15,007	20,015	17,765	19,675	19,926	22,495
Operating Expenses	5,680	5,786	7,714	36,876	7,466	8,196	8,362	9,092
Grants, Aids and Subsidies			2,240	600	542	542	0	0
Capital Outlay-Real Property		8						
<b>Total</b>	<b>18,871</b>	<b>19,867</b>	<b>24,962</b>	<b>57,491</b>	<b>25,773</b>	<b>28,413</b>	<b>28,288</b>	<b>31,587</b>

Total Agency Expenditures	18,871	19,867	24,962	57,491	25,773	28,413	28,288	31,587
Internal Billing Expenditures	4,846	4,775	6,730	7,605	6,413	7,053	6,609	7,249
<b>Expenditures Less Internal Billing</b>	<b>14,025</b>	<b>15,092</b>	<b>18,231</b>	<b>49,886</b>	<b>19,360</b>	<b>21,360</b>	<b>21,679</b>	<b>24,338</b>

<u><b>Full-Time Equivalents</b></u>	<b>126.58</b>	<b>134.50</b>	<b>132.43</b>	<b>177.99</b>	<b>164.93</b>	<b>184.93</b>	<b>174.93</b>	<b>194.93</b>
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# Industrial Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In				22,270				
Direct Appropriation			26,415	7,475	250	250	782	789
Balance Forward Out			22,270					
Expenditures			4,145	29,745	250	250	782	789
Biennial Change in Expenditures				33,890		(33,390)		(32,319)
Biennial % Change in Expenditures						(99)		(95)
Governor's Change from Base								1,071
Governor's % Change from Base								214
Full-Time Equivalents			6.15	14.25	1.50	1.50	4.50	4.50

## 2000 - Restrict Misc Special Revenue

Balance Forward In	7	11	4	4				
Receipts	13	1	143	30	30	30	30	30
Balance Forward Out	11	4	4					
<b>Expenditures</b>	<b>10</b>	<b>8</b>	<b>142</b>	<b>34</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
Biennial Change in Expenditures				159		(116)		(116)
Biennial % Change in Expenditures				892		(66)		(66)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.08	0.08	0.02	0.02	0.02	0.02	0.02	0.02

## 2001 - Other Misc Special Revenue

Balance Forward In	53	1	0	2				
Transfers In	300	300	300	300	300	300	300	300
Balance Forward Out	1	0	2					
<b>Expenditures</b>	<b>353</b>	<b>301</b>	<b>298</b>	<b>302</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
Biennial Change in Expenditures				(53)		0		0
Biennial % Change in Expenditures				(8)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.24	1.93	1.09	2.00	2.00	2.00	2.00	2.00

## 2800 - Environmental

# Industrial Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Balance Forward In		927		1,644				
Direct Appropriation	15,048	15,076	17,078	20,656	20,306	22,946	22,076	25,341
Transfers Out	121	121	145	149	149	149	149	149
Cancellations		7						
Balance Forward Out	927		1,642					
<b>Expenditures</b>	<b>14,000</b>	<b>15,875</b>	<b>15,291</b>	<b>22,151</b>	<b>20,157</b>	<b>22,797</b>	<b>21,927</b>	<b>25,192</b>
Biennial Change in Expenditures				7,567		5,512		9,677
Biennial % Change in Expenditures				25		15		26
Governor's Change from Base								4,165
Governor's % Change from Base								10
Full-Time Equivalents	90.30	103.59	88.46	124.97	124.81	144.81	131.81	151.81

## 2801 - Remediation

Balance Forward In		78		18				
Direct Appropriation	1,001	1,001	1,721	1,773	1,773	1,773	1,986	2,013
Balance Forward Out	78		18					
<b>Expenditures</b>	<b>923</b>	<b>1,079</b>	<b>1,703</b>	<b>1,791</b>	<b>1,773</b>	<b>1,773</b>	<b>1,986</b>	<b>2,013</b>
Biennial Change in Expenditures				1,492		52		505
Biennial % Change in Expenditures				75		1		14
Governor's Change from Base								453
Governor's % Change from Base								13
Full-Time Equivalents	6.50	8.52	12.41	12.75	12.60	12.60	12.60	12.60

## 3000 - Federal

Receipts	3,585	2,605	3,382	3,468	3,263	3,263	3,263	3,263
<b>Expenditures</b>	<b>3,585</b>	<b>2,605</b>	<b>3,382</b>	<b>3,468</b>	<b>3,263</b>	<b>3,263</b>	<b>3,263</b>	<b>3,263</b>
Biennial Change in Expenditures				660		(324)		(324)
Biennial % Change in Expenditures				11		(5)		(5)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	27.46	20.38	24.30	24.00	24.00	24.00	24.00	24.00

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

In fiscal year 2024:

- 293 municipal wastewater permits issued: 243 under two general permits and 50 individual permits
- 2,563 construction stormwater permits issued
- 249 municipalities operated under municipal stormwater permit coverage
- 45 sub-surface sewage treatment systems compliance and enforcement actions taken
- 229 construction stormwater compliance and enforcement actions taken
- 15 municipal stormwater compliance and enforcement actions taken
- 161 municipal wastewater compliance and enforcement actions taken
- 142 grants totaling \$3.7 million awarded to local partners for sub-surface sewage treatment systems grants

**PURPOSE AND CONTEXT**

The Municipal Division contributes to the One Minnesota Plan by working to ensure all Minnesotans and the Environment are healthy. The work of the Division ensures that Minnesota has clean water to support aquatic life, clean drinking water, healthy communities, and a strong economy. Components of the program include:

- Working to fulfill the agency's mission to protect human health and the environment by reducing and preventing water pollution from wastewater, stormwater, and sub-surface sewage treatment systems (SSTS)
- Working cooperatively with stakeholders to implement activities that protect all Minnesota waters and citizens
- Providing financial assistance to local government and other partners to achieve and accelerate water quality improvements

**SERVICES PROVIDED**

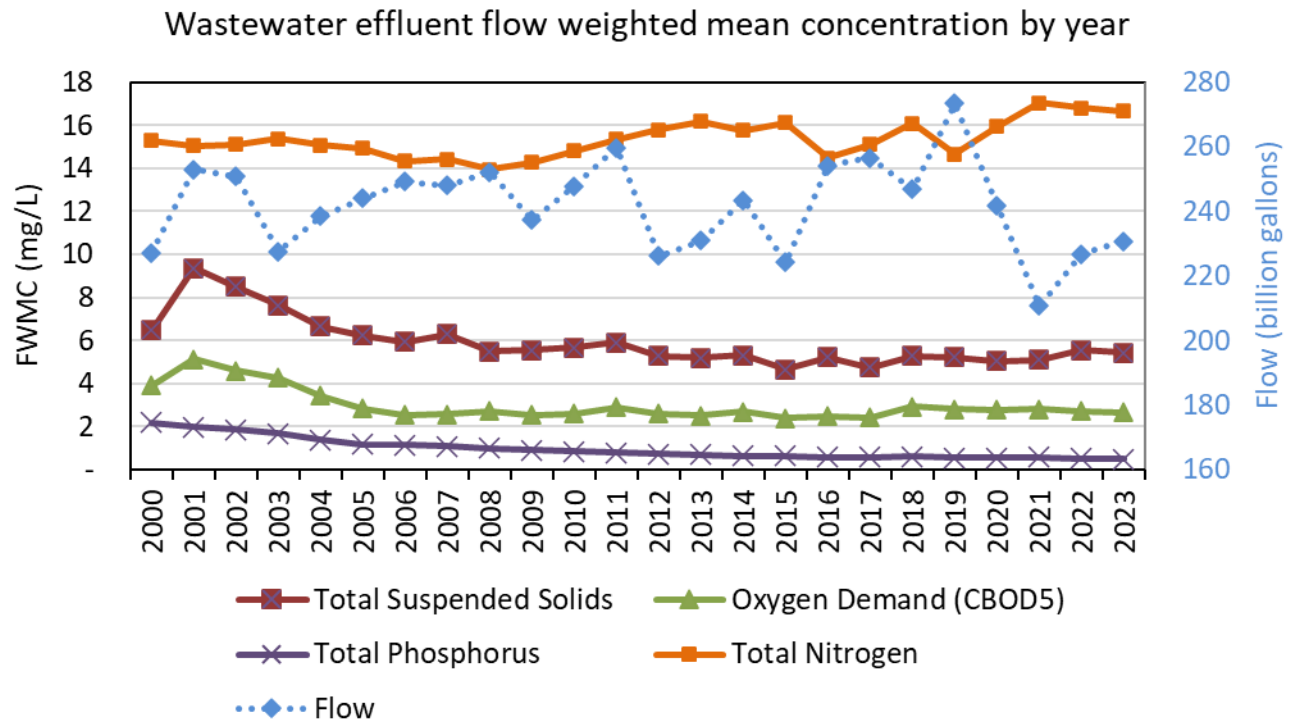
The Municipal Division conducts activities to ensure the state's lakes, rivers, streams, and groundwater are clean, healthy, and sustainable. To accomplish this, the division:

- Issues construction and operation permits to Minnesota businesses and municipalities
- Issues wastewater and stormwater permits, completes inspections to ensure compliance with permit requirements, and provides assistance to wastewater operators and stormwater and SSTS professionals
- Implements the states biosolids land application program
- Supports local units of governments that implement SSTS programs
- Educates, licenses, and certifies wastewater and SSTS professionals
- Assists in flood and spill response
- Addresses imminent health threats from septic systems, particularly for low-income households
- Provides grants and contracts for water quality improvement projects
- Conducts technical reviews and prioritizes wastewater projects that receive funding from the Public Facilities Authority

## 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 program continues to seek opportunities to reduce pollutants in wastewater discharges. In July 2023, the program finalized and began more consistently implementing the wild rice sulfate standard in municipal wastewater permits. In April 2024, the program finalized and begin implementing a Wastewater Nitrate Reduction Strategy to make progress in reducing the nitrate discharges from the wastewater sector. The program continues to work with the sector to characterize and make reductions to the amount of PFAS discharged from wastewater systems.

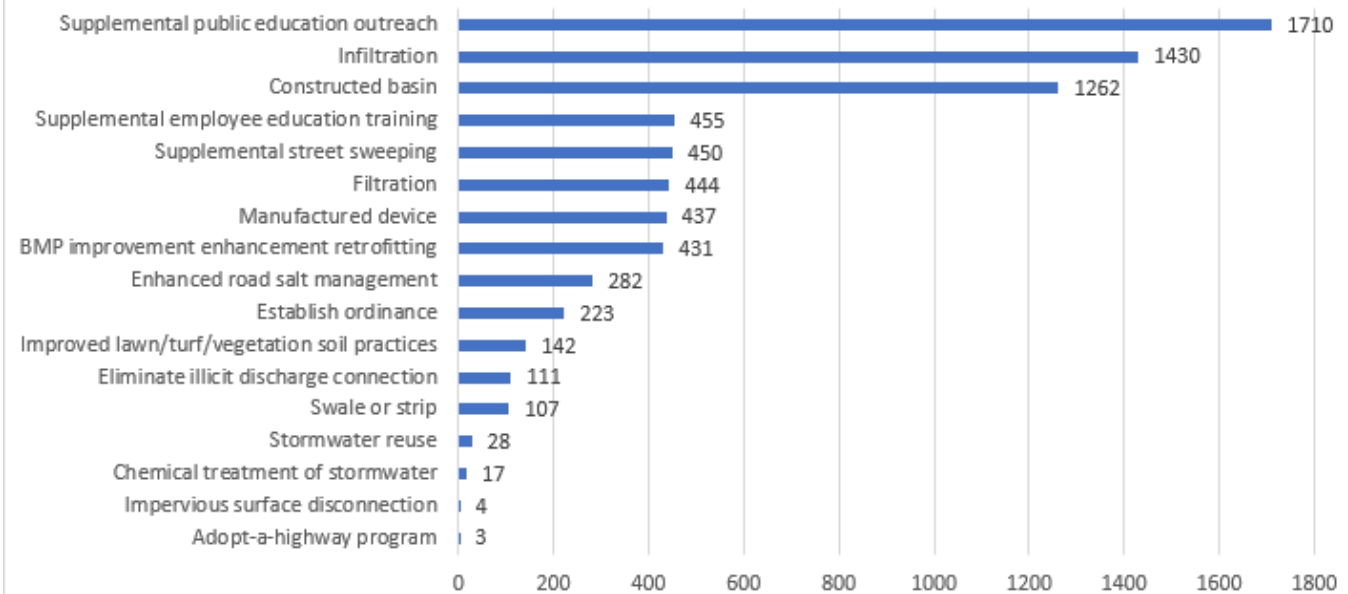


The Municipal Division has been working hard to streamline the permitting processes to reduce the number of expired municipal wastewater permits. By issuing 293 permits in fiscal year 2023, the Division has an overall National Pollutant Discharge Elimination System, municipal wastewater permit backlog of 21 percent expired permits down from 22 percent in fiscal year 2022 and 24 percent in fiscal year 2021.

### Municipal Stormwater

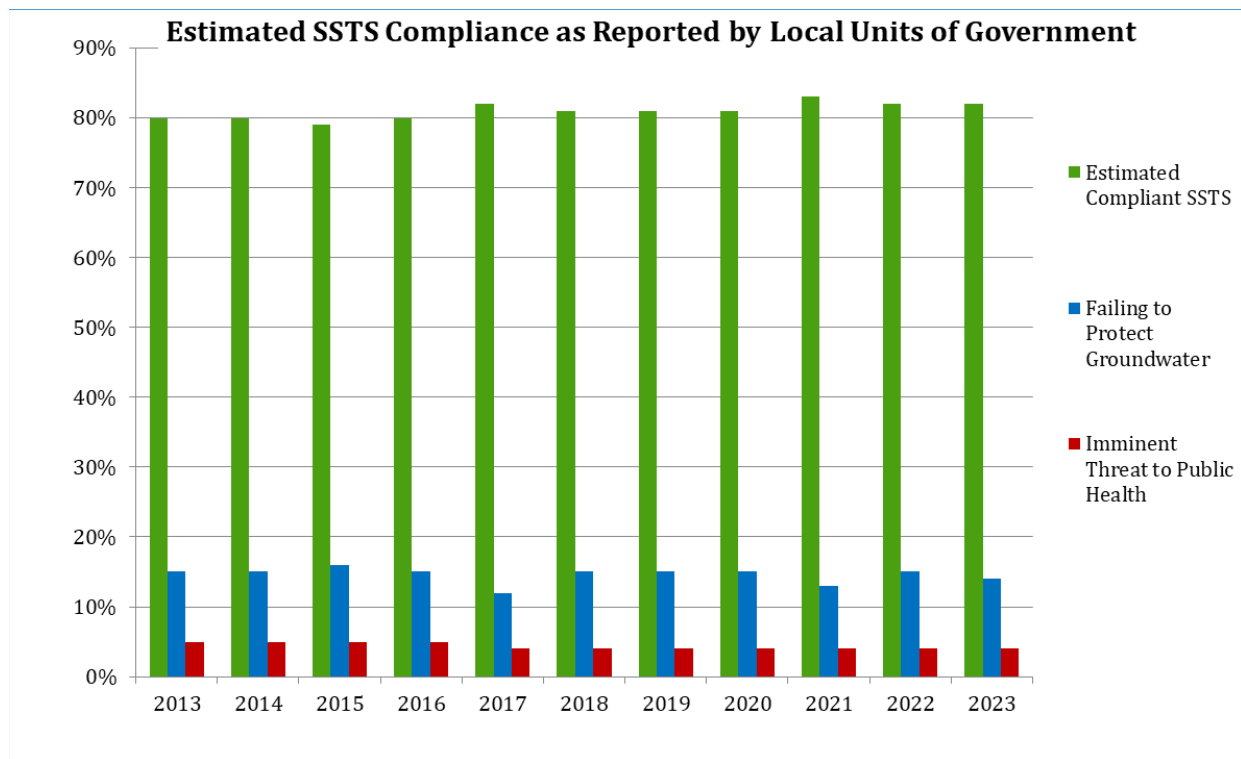
Since 2015, cities have used best management practices (BMPs) in their Municipal Separate Storm Sewer Systems (MS4s) to help to achieve reductions in pollutants.

### BMPs Implemented in Permitted MS4s through 2021



### Sub-surface Sewage Treatment System (SSTS)

Compliance rates increased over the last ten years but have remained relatively steady for the past three 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 FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
<b><u>Expenditures by Fund</u></b>								
1000 - General	153	159	825	1,792	223	223	228	233
1200 - State Government Special Rev	75	70	75	100	90	90	90	90
2000 - Restrict Misc Special Revenue	363	299	443	670	581	581	581	581
2050 - Environment & Natural Resources	500	221	1,914	66				
2302 - Clean Water	4,594	5,122	5,734	8,534			5,791	5,791
2800 - Environmental	8,295	9,358	9,480	11,165	10,466	10,466	10,903	11,037
3000 - Federal	1,268	973	1,673	1,970	1,741	1,741	1,741	1,741
8200 - Clean Water Revolving	1,829	2,034	2,385	3,205	2,602	2,602	2,602	2,602
<b>Total</b>	<b>17,076</b>	<b>18,235</b>	<b>22,528</b>	<b>27,502</b>	<b>15,703</b>	<b>15,703</b>	<b>21,936</b>	<b>22,075</b>
Biennial Change				14,719		(18,624)		(6,019)
Biennial % Change				42		(37)		(12)
Governor's Change from Base								12,605
Governor's % Change from Base								40
<b><u>Expenditures by Activity</u></b>								
Municipal Division	17,076	18,235	22,528	27,502	15,703	15,703	21,936	22,075
<b>Total</b>	<b>17,076</b>	<b>18,235</b>	<b>22,528</b>	<b>27,502</b>	<b>15,703</b>	<b>15,703</b>	<b>21,936</b>	<b>22,075</b>
<b><u>Expenditures by Category</u></b>								
Compensation	9,488	10,168	11,066	12,966	10,556	10,556	12,599	12,738
Operating Expenses	6,819	6,666	8,183	14,536	5,147	5,147	8,587	8,587
Grants, Aids and Subsidies	770	1,400	3,279				750	750
Capital Outlay-Real Property		1	0					
<b>Total</b>	<b>17,076</b>	<b>18,235</b>	<b>22,528</b>	<b>27,502</b>	<b>15,703</b>	<b>15,703</b>	<b>21,936</b>	<b>22,075</b>
Total Agency Expenditures	17,076	18,235	22,528	27,502	15,703	15,703	21,936	22,075
Internal Billing Expenditures	3,271	3,419	3,893	4,316	3,357	3,357	3,357	3,357
<b>Expenditures Less Internal Billing</b>	<b>13,805</b>	<b>14,816</b>	<b>18,635</b>	<b>23,186</b>	<b>12,346</b>	<b>12,346</b>	<b>18,579</b>	<b>18,718</b>
<b><u>Full-Time Equivalents</u></b>	<b>91.87</b>	<b>97.41</b>	<b>94.66</b>	<b>105.98</b>	<b>95.97</b>	<b>95.97</b>	<b>105.12</b>	<b>105.12</b>

# Municipal Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b>1000 - General</b>								
Balance Forward In		24		481				
Direct Appropriation	177	190	1,305	1,311	223	223	228	233
Cancellations		55						
Balance Forward Out	24		480					
<b>Expenditures</b>	<b>153</b>	<b>159</b>	<b>825</b>	<b>1,792</b>	<b>223</b>	<b>223</b>	<b>228</b>	<b>233</b>
Biennial Change in Expenditures			2,305		(2,171)		(2,156)	
Biennial % Change in Expenditures			739		(83)		(82)	
Governor's Change from Base							15	
Governor's % Change from Base							3	
Full-Time Equivalents	0.80	0.83	4.06	4.65	1.00	1.00	1.00	1.00

## 1200 - State Government Special Rev

Balance Forward In		0		10				
Direct Appropriation	75	75	85	90	90	90	90	90
Cancellations		5						
Balance Forward Out	0		10					
<b>Expenditures</b>	<b>75</b>	<b>70</b>	<b>75</b>	<b>100</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>
Biennial Change in Expenditures				30		5		5
Biennial % Change in Expenditures				21		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.63	0.61	0.58	0.58	0.58	0.58	0.58	0.58

## 2000 - Restrict Misc Special Revenue

Balance Forward In	136	100	89	89				
Receipts	326	288	443	581	581	581	581	581
Balance Forward Out	99	89	89					
<b>Expenditures</b>	<b>363</b>	<b>299</b>	<b>443</b>	<b>670</b>	<b>581</b>	<b>581</b>	<b>581</b>	<b>581</b>
Biennial Change in Expenditures				452		49		49
Biennial % Change in Expenditures				68		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.04	1.64	1.56	1.83	1.83	1.83	1.83	1.83

# Municipal Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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## 2050 - Environment & Natural Resources

Balance Forward In	700	200	1,979	66				
Direct Appropriation		2,000						
Balance Forward Out	200	1,979	66					
<b>Expenditures</b>	<b>500</b>	<b>221</b>	<b>1,914</b>	<b>66</b>				
Biennial Change in Expenditures				1,259		(1,980)		(1,980)
Biennial % Change in Expenditures				175		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.17	0.12	0.12				

## 2302 - Clean Water

Balance Forward In	510	628	219	534				
Direct Appropriation	4,712	4,712	6,050	8,000	0	0	5,791	5,791
Cancellations	0	3	1					
Balance Forward Out	628	215	534					
<b>Expenditures</b>	<b>4,594</b>	<b>5,122</b>	<b>5,734</b>	<b>8,534</b>			<b>5,791</b>	<b>5,791</b>
Biennial Change in Expenditures				4,552		(14,268)		(2,686)
Biennial % Change in Expenditures				47		(100)		(19)
Governor's Change from Base								11,582
Governor's % Change from Base								
Full-Time Equivalents	7.92	7.50	8.09	8.94			9.15	9.15

## 2800 - Environmental

Balance Forward In		492		349				
Direct Appropriation	8,837	8,917	9,879	10,866	10,516	10,516	10,953	11,087
Transfers Out	50	50	50	50	50	50	50	50
Cancellations		1						
Balance Forward Out	492		349					
<b>Expenditures</b>	<b>8,295</b>	<b>9,358</b>	<b>9,480</b>	<b>11,165</b>	<b>10,466</b>	<b>10,466</b>	<b>10,903</b>	<b>11,037</b>
Biennial Change in Expenditures				2,991		287		1,295
Biennial % Change in Expenditures				17		1		6

# Municipal Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Governor's Change from Base								1,008
Governor's % Change from Base								5
Full-Time Equivalents	58.51	65.42	56.98	64.66	65.46	65.46	65.46	65.46

## 3000 - Federal

Receipts	1,268	973	1,673	1,970	1,741	1,741	1,741	1,741
<b>Expenditures</b>	<b>1,268</b>	<b>973</b>	<b>1,673</b>	<b>1,970</b>	<b>1,741</b>	<b>1,741</b>	<b>1,741</b>	<b>1,741</b>
Biennial Change in Expenditures				1,402		(161)		(161)
Biennial % Change in Expenditures				63		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	8.70	6.25	7.98	8.90	9.80	9.80	9.80	9.80

## 8200 - Clean Water Revolving

Balance Forward In			68	61				
Receipts				500	500	500	500	500
Transfers In	1,829	2,102	2,379	2,644	2,102	2,102	2,102	2,102
Balance Forward Out		68	62					
<b>Expenditures</b>	<b>1,829</b>	<b>2,034</b>	<b>2,385</b>	<b>3,205</b>	<b>2,602</b>	<b>2,602</b>	<b>2,602</b>	<b>2,602</b>
Biennial Change in Expenditures				1,728		(386)		(386)
Biennial % Change in Expenditures				45		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	13.27	14.99	15.29	16.30	17.30	17.30	17.30	17.30

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

- “What’s in My Neighborhood” web application provided public access to environmental data and information on 192,980 sites in Minnesota
- Received the Governor’s Outstanding Safety Award for 2023
- Triaged 4,138 emergency notifications, and responded to 2,514 spills in fiscal year 2024
- Processed 17,116 data and information requests in the fiscal year 2023-24 biennium, an increase of 4 percent over the previous biennium
- Reduced vehicle fuel consumption 31 percent from the 2017 baseline (57,525 gallons per year to 39,901 gallons) by converting fleet of vehicles to electric or high fuel-efficient vehicles and promoting hybrid meetings
- Reduced landfilled solid waste from the 2017 baseline of 118,142 pounds per year to 33,581 pounds
- Became first state agency to be recognized by the National Weather Service as a StormReady entity as part of the Weather-Ready Nation designation.
- Reduced Agency’s greenhouse gas emissions from the 2017 baseline by 65 percent

**PURPOSE AND CONTEXT**

The Minnesota Pollution Control Agency (MPCA) 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, project management, 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 protects the environment and 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 develops a thriving workforce by promoting an agency culture that values diversity, inclusion, and equity centric practices
- It protects the environment by cleaning up spills or leaks that can affect health and environment
- Promotes equity and inclusion by assisting MPCA programs in implementing environmental justice principles to ensure pollution does not have disproportionate negative impacts on any group of people

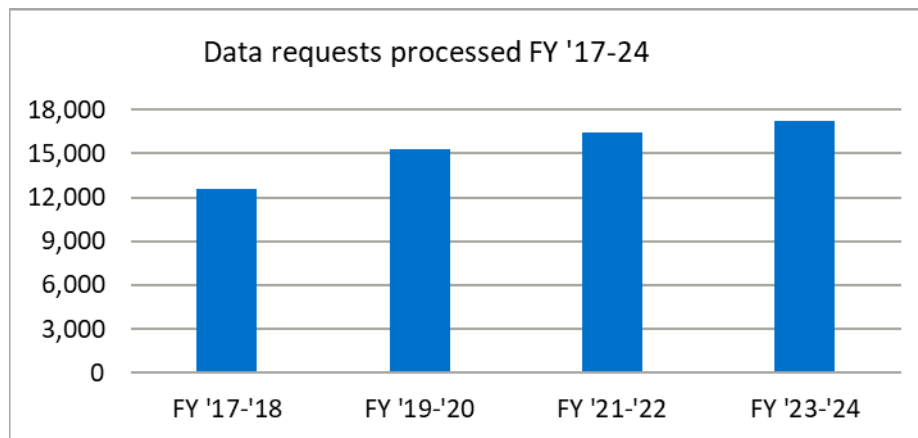
**SERVICES PROVIDED**

- Provides leadership and guidance on financial matters, performing accounting, budgeting, contracting, and procurement business functions
- Enhances compliance and operational efficiency by conducting annual internal control certifications, comprehensive audits, advisory services, special reviews, and risk mitigation, ensuring processes are effective and risks are properly managed
- Manages Agency data and records (paper and electronic), and ensures effective, secure, and efficient data and document management systems and tools

- Provides project management expertise to the MPCA’s portfolio of strategic project initiatives and to the Agency’s Strategic Plan
- 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
- 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; and in the event of a spill, assists local responders and oversees cleanup
- Assists the Agency in the implementation of the Equity Change Plan, Environmental Justice Framework, Affirmative Action Plan, Engagement Plan, and Climate Action Framework

## 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 (40 percent) are for solid waste, hazardous waste, and superfund documents.



**Online Services:** MPCA’s number of online services have steadily increased since fiscal years 2014-15. 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. While 172 online services have been successfully developed and implemented, approximately 250 known additional on-line services need to be developed and implemented.

	FY 14-15	FY 16-17	FY 18-19	FY 20-21	FY 22-23	FY 24
<b>Number of online services</b>	<b>10</b>	<b>20</b>	<b>70</b>	<b>123</b>	<b>167</b>	<b>172</b>

**Communications:** In fiscal year 2023, the MPCA website was visited by 1.4 million total active users, an increase of 21.4 percent from fiscal year 2022. The website saw 1.3 million new users, an increase of 18.4 percent over fiscal year 2022. The average user was engaged for 1 minute 10 seconds per visit. 12 million events were triggered on the site, an increase of 11.8 percent over fiscal year 2022. Examples of events include page views, searches, clicks, scrolls, and PDF/file downloads.

The MPCA secured a statewide footprint for the social media platform Nextdoor in fiscal year 2024, with access to more than 1.3 million Minnesota residents. This platform allows us to target organic content to specific neighborhoods. We learned that paid social is not the best way to reach small neighborhoods and that small, focused neighborhood posts work best. Some posts on Nextdoor received more than 100 comments.

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### References

Clean Water Legacy Act, Minnesota State Statutes, Chapter 114D. (2023).

<https://www.revisor.mn.gov/statutes/cite/114D>

Water Pollution Control; Sanitary Districts, Minnesota State Statutes, Chapter 115. (2023).

<https://www.revisor.mn.gov/statutes/cite/115>

Waste Management, Minnesota State Statutes, Chapter 115A.

(2023).<https://www.revisor.mn.gov/statutes/cite/115A>

Pollution Control Agency, Minnesota State Statutes, Chapter 116. (2023).

<https://www.revisor.mn.gov/statutes/cite/116>

# Operations Division

# Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b><u>Expenditures by Fund</u></b>								
1000 - General	3,531	2,686	11,322	35,498	3,109	3,109	4,019	4,115
1200 - State Government Special Rev	2	1	3	2	2	2	2	2
2001 - Other Misc Special Revenue	29,029	31,135	36,613	47,630	44,514	44,514	44,514	44,514
2050 - Environment & Natural Resources	2	51	371					
2302 - Clean Water	35	30	52	41				
2800 - Environmental	5,538	6,548	6,988	11,050	9,454	9,370	9,149	9,202
2801 - Remediation	1,909	2,421	2,517	2,837	2,649	2,616	2,790	2,790
3000 - Federal	1,174	952	1,283	1,595	752	752	752	752
<b>Total</b>	<b>41,220</b>	<b>43,825</b>	<b>59,147</b>	<b>98,653</b>	<b>60,480</b>	<b>60,363</b>	<b>61,226</b>	<b>61,375</b>
Biennial Change			72,755		(36,957)		(35,199)	
Biennial % Change			86		(23)		(22)	
Governor's Change from Base							1,758	
Governor's % Change from Base							1	

## **Expenditures by Activity**

Operations Division	41,220	43,825	59,147	98,653	60,480	60,363	61,226	61,375
<b>Total</b>	<b>41,220</b>	<b>43,825</b>	<b>59,147</b>	<b>98,653</b>	<b>60,480</b>	<b>60,363</b>	<b>61,226</b>	<b>61,375</b>

## **Expenditures by Category**

Compensation	17,283	18,923	22,381	30,465	28,032	28,032	28,414	28,584
Operating Expenses	23,873	24,867	36,678	68,188	32,448	32,331	32,812	32,791
Grants, Aids and Subsidies	0		8					
Capital Outlay-Real Property		3	1					
Other Financial Transaction	63	32	80					
<b>Total</b>	<b>41,220</b>	<b>43,825</b>	<b>59,147</b>	<b>98,653</b>	<b>60,480</b>	<b>60,363</b>	<b>61,226</b>	<b>61,375</b>

Total Agency Expenditures	41,220	43,825	59,147	98,653	60,480	60,363	61,226	61,375
Internal Billing Expenditures	2,220	3,039	7,432	7,312	3,061	3,061	2,865	2,865
<b>Expenditures Less Internal Billing</b>	<b>39,000</b>	<b>40,787</b>	<b>51,715</b>	<b>91,341</b>	<b>57,419</b>	<b>57,302</b>	<b>58,361</b>	<b>58,510</b>

<b><u>Full-Time Equivalents</u></b>	<b>154.24</b>	<b>169.97</b>	<b>186.50</b>	<b>277.85</b>	<b>263.70</b>	<b>263.70</b>	<b>260.70</b>	<b>260.70</b>
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# Operations Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b>1000 - General</b>								
Balance Forward In		1,365	1,211	10,639				
Direct Appropriation	2,531	2,532	20,750	24,859	3,109	3,109	4,019	4,115
Transfers In	2,000							
Balance Forward Out	1,000	1,211	10,639					
<b>Expenditures</b>	<b>3,531</b>	<b>2,686</b>	<b>11,322</b>	<b>35,498</b>	<b>3,109</b>	<b>3,109</b>	<b>4,019</b>	<b>4,115</b>
Biennial Change in Expenditures				40,603		(40,602)		(38,686)
Biennial % Change in Expenditures				653		(87)		(83)
Governor's Change from Base								1,916
Governor's % Change from Base								31
Full-Time Equivalents			0.98	14.00			2.00	2.00

## 1200 - State Government Special Rev

Open Appropriation	2	1	3	2	2	2	2	2
<b>Expenditures</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Biennial Change in Expenditures				2		(1)		(1)
Biennial % Change in Expenditures				57		(12)		(12)
Governor's Change from Base								0
Governor's % Change from Base								0

## 2001 - Other Misc Special Revenue

Balance Forward In	5,464	6,874	7,979	15,818	15,963	11,354	15,963	11,354
Receipts	30,197	32,143	44,092	47,435	39,410	40,392	39,410	40,392
Internal Billing Receipts	30,014	32,038	43,978	46,806	38,781	39,763	38,781	39,763
Transfers In	104	104	560	560	560	560	560	560
Transfers Out	112	125	200	220	65	65	65	65
Balance Forward Out	6,625	7,860	15,818	15,963	11,354	7,727	11,354	7,727
<b>Expenditures</b>	<b>29,029</b>	<b>31,135</b>	<b>36,613</b>	<b>47,630</b>	<b>44,514</b>	<b>44,514</b>	<b>44,514</b>	<b>44,514</b>
Biennial Change in Expenditures				24,079		4,785		4,785
Biennial % Change in Expenditures				40		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	100.41	109.64	121.36	170.30	174.50	174.50	174.50	174.50

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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**2050 - Environment & Natural Resources**

Balance Forward In		798	748					
Direct Appropriation	800							
Cancellations			377					
Balance Forward Out	798	748						
<b>Expenditures</b>	<b>2</b>	<b>51</b>	<b>371</b>					
Biennial Change in Expenditures				318		(371)		(371)
Biennial % Change in Expenditures				607				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.01	0.18	0.14					

**2302 - Clean Water**

Open Appropriation	35	30	52	41	0	0	0	0
<b>Expenditures</b>	<b>35</b>	<b>30</b>	<b>52</b>	<b>41</b>				
Biennial Change in Expenditures				28		(93)		(93)
Biennial % Change in Expenditures				44		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

**2800 - Environmental**

Balance Forward In		498	0	1,680				
Direct Appropriation	30,778	25,102	32,291	33,038	33,038	33,038	32,733	32,870
Open Appropriation	247	255	365	324	408	324	408	324
Transfers In	8	2,696	2,751	2,875	2,819	2,819	2,819	2,819
Transfers Out	25,000	22,000	24,000	24,000	24,000	24,000	24,000	24,000
Cancellations		3	2,740	2,867	2,811	2,811	2,811	2,811
Balance Forward Out	494		1,679					
<b>Expenditures</b>	<b>5,538</b>	<b>6,548</b>	<b>6,988</b>	<b>11,050</b>	<b>9,454</b>	<b>9,370</b>	<b>9,149</b>	<b>9,202</b>
Biennial Change in Expenditures				5,951		786		313
Biennial % Change in Expenditures				49		4		2
Governor's Change from Base								(473)

# Operations Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Governor's % Change from Base								(3)
Full-Time Equivalents	35.71	38.75	40.50	64.70	64.00	64.00	59.00	59.00

## 2801 - Remediation

Balance Forward In		258		221				
Direct Appropriation	2,081	2,081	2,617	2,491	2,491	2,491	2,632	2,665
Open Appropriation	86	84	122	125	158	125	158	125
Cancellations		1						
Balance Forward Out	258		222					
<b>Expenditures</b>	<b>1,909</b>	<b>2,421</b>	<b>2,517</b>	<b>2,837</b>	<b>2,649</b>	<b>2,616</b>	<b>2,790</b>	<b>2,790</b>
Biennial Change in Expenditures				1,023		(89)		226
Biennial % Change in Expenditures				24		(2)		4
Governor's Change from Base								315
Governor's % Change from Base								6
Full-Time Equivalents	11.18	14.65	14.77	17.60	17.45	17.45	17.45	17.45

## 3000 - Federal

Receipts	1,174	952	1,283	1,595	752	752	752	752
<b>Expenditures</b>	<b>1,174</b>	<b>952</b>	<b>1,283</b>	<b>1,595</b>	<b>752</b>	<b>752</b>	<b>752</b>	<b>752</b>
Biennial Change in Expenditures				751		(1,374)		(1,374)
Biennial % Change in Expenditures				35		(48)		(48)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.93	6.75	8.75	11.25	7.75	7.75	7.75	7.75

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

- Approximately 151,000 acres of contaminated land cleaned up and returned to productive use since 2003
- Maintenance of 112 closed landfills
- Assess approximately 330 superfund and 900 petroleum leak sites per year.

**PURPOSE AND 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. This aligns with the Governor's One Minnesota Plan by addressing Minnesota's Environment and Healthy Minnesotans.

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, Tribal nations, and residents.

**SERVICES PROVIDED**

We work with public and private partners to ensure the proper management and cleanup of contaminated sites, which include petroleum tank leak sites, site assessment and superfund sites, brownfield 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**

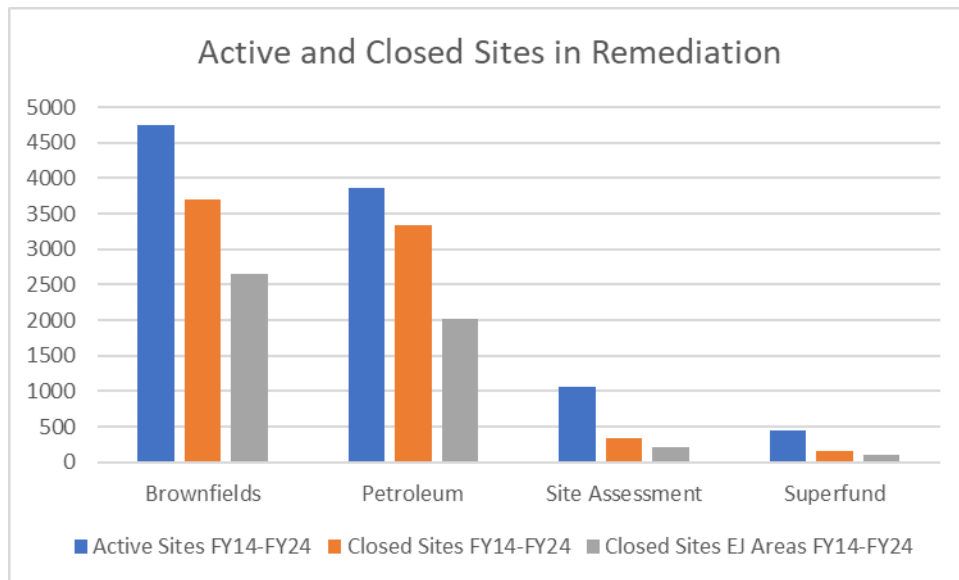
- Oversee land cleanup at contaminated sites and recover costs from responsible parties
- Conduct cleanups and design and install protection systems at state-funded superfund and petroleum sites
- Help developers return contaminated sites to productive use

**Long-term maintenance**

- Monitor and manage operation and maintenance activities at 112 closed landfills
- Work with local units of government on land use restrictions near sites
- Manage and treat individual properties for drinking water or vapor concerns related to contaminated sites

## RESULTS

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. The chart below displays the number of active sites by program, the number of sites closed by program, and a subset of the closed sites that are within an area of environmental justice concern.



At sites where contamination is in the process of being assessed or where contamination remains due to technical limitations/feasibility of cleaning it all up, the remediation programs ensure human health, and the environment are protected by implementing a number of different protections/controls.

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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	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<u><b>Expenditures by Fund</b></u>								
1000 - General			7,388	19,892				
2000 - Restrict Misc Special Revenue	855	659	432	999	730	730	730	730
2001 - Other Misc Special Revenue	75	16		23				
2050 - Environment & Natural Resources		25	925	1,359				
2302 - Clean Water	452	759	557	2,131				
2800 - Environmental	455	557	477	758	628	628	642	646
2801 - Remediation	55,782	74,312	106,930	208,506	137,127	157,127	138,452	158,655
2802 - Closed Landfill Investment	1,956	2,525	3,722	4,500			6,500	6,500
3000 - Federal	5,584	3,953	8,212	7,194	6,035	6,035	6,035	6,035
<b>Total</b>	<b>65,159</b>	<b>82,806</b>	<b>128,644</b>	<b>245,362</b>	<b>144,520</b>	<b>164,520</b>	<b>152,359</b>	<b>172,566</b>
Biennial Change				226,042		(64,966)		(49,081)
Biennial % Change				153		(17)		(13)
Governor's Change from Base								15,885
Governor's % Change from Base								5

## **Expenditures by Activity**

Remediation Division	65,159	82,806	128,644	245,362	144,520	164,520	152,359	172,566
<b>Total</b>	<b>65,159</b>	<b>82,806</b>	<b>128,644</b>	<b>245,362</b>	<b>144,520</b>	<b>164,520</b>	<b>152,359</b>	<b>172,566</b>

## **Expenditures by Category**

Compensation	11,925	12,367	13,409	16,778	15,091	15,091	16,430	16,637
Operating Expenses	31,145	37,517	42,082	228,325	129,170	149,170	135,670	155,670
Grants, Aids and Subsidies	21,116	31,874	73,055	259	259	259	259	259
Capital Outlay-Real Property	964	1,030	81					
Other Financial Transaction	9	19	18					
<b>Total</b>	<b>65,159</b>	<b>82,806</b>	<b>128,644</b>	<b>245,362</b>	<b>144,520</b>	<b>164,520</b>	<b>152,359</b>	<b>172,566</b>

Total Agency Expenditures	65,159	82,806	128,644	245,362	144,520	164,520	152,359	172,566
Internal Billing Expenditures	4,184	4,469	5,149	5,624	5,036	5,036	5,036	5,036
<b>Expenditures Less Internal Billing</b>	<b>60,975</b>	<b>78,337</b>	<b>123,495</b>	<b>239,738</b>	<b>139,484</b>	<b>159,484</b>	<b>147,323</b>	<b>167,530</b>

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<b><u>Full-Time Equivalents</u></b>	109.30	114.42	111.51	144.74	139.74	139.74	141.74	141.74

# Remediation Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In				19,752				
Direct Appropriation			27,140	140	0	0	0	0
Balance Forward Out			19,752					
Expenditures			7,388	19,892				
Biennial Change in Expenditures				27,280		(27,280)		(27,280)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

## 2000 - Restrict Misc Special Revenue

Balance Forward In	326	107	142	269				
Receipts	635	695	560	730	730	730	730	730
Balance Forward Out	107	142	270					
<b>Expenditures</b>	<b>855</b>	<b>659</b>	<b>432</b>	<b>999</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>730</b>
Biennial Change in Expenditures				(83)		29		29
Biennial % Change in Expenditures				(5)		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.18	4.37	3.85	4.35	3.85	3.85	3.85	3.85

## 2001 - Other Misc Special Revenue

Balance Forward In	53	35	23	23				
Receipts	40							
Balance Forward Out	18	20	23					
<b>Expenditures</b>	<b>75</b>	<b>16</b>		<b>23</b>				
Biennial Change in Expenditures				(67)		(23)		(23)
Biennial % Change in Expenditures				(75)				
Governor's Change from Base								0
Governor's % Change from Base								

## 2050 - Environment & Natural Resources

Balance Forward In			775	1,359				
Direct Appropriation		800	1,508					

# Remediation Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Balance Forward Out		775	1,359					
<b>Expenditures</b>		<b>25</b>	<b>925</b>	<b>1,359</b>				
Biennial Change in Expenditures				2,259		(2,284)		(2,284)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.27	0.98	1.00				

## 2302 - Clean Water

Balance Forward In	885	1,183	1,188	1,381				
Direct Appropriation	750	750	750	750	0	0	0	0
Balance Forward Out	1,183	1,174	1,380					
<b>Expenditures</b>	<b>452</b>	<b>759</b>	<b>557</b>	<b>2,131</b>				
Biennial Change in Expenditures				1,477		(2,688)		(2,688)
Biennial % Change in Expenditures				122		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.85	0.94	1.58	2.00				

## 2800 - Environmental

Balance Forward In		53		130				
Direct Appropriation	508	508	607	628	628	628	642	646
Cancellations		4						
Balance Forward Out	53		130					
<b>Expenditures</b>	<b>455</b>	<b>557</b>	<b>477</b>	<b>758</b>	<b>628</b>	<b>628</b>	<b>642</b>	<b>646</b>
Biennial Change in Expenditures				223		21		53
Biennial % Change in Expenditures				22		2		4
Governor's Change from Base								32
Governor's % Change from Base								3
Full-Time Equivalents	3.26	2.84	2.44	3.10	1.10	1.10	1.10	1.10

## 2801 - Remediation

Balance Forward In	710,318	687,069	56,634	33,776				
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# Remediation Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Direct Appropriation	11,029	11,029	14,711	15,394	15,394	15,394	16,719	16,922
Open Appropriation	11,369	11,364	12,498	14,800	14,800	14,800	14,800	14,800
Receipts	8,935	11,987	23,117	21,366	7,414	46,327	7,414	46,327
Transfers In	45,206	51,111	62,586	311,659	195,035	196,122	195,035	196,122
Transfers Out	40,533	643,196	28,839	188,489	95,516	115,516	95,516	115,516
Cancellations		1						
Balance Forward Out	692,133	55,050	33,776					
<b>Expenditures</b>	<b>55,782</b>	<b>74,312</b>	<b>106,930</b>	<b>208,506</b>	<b>137,127</b>	<b>157,127</b>	<b>138,452</b>	<b>158,655</b>
Biennial Change in Expenditures				185,342		(21,182)		(18,329)
Biennial % Change in Expenditures				142		(7)		(6)
Governor's Change from Base								2,853
Governor's % Change from Base								1
Full-Time Equivalents	71.32	87.52	75.41	104.52	110.29	110.29	112.29	112.29

## 2802 - Closed Landfill Investment

Direct Appropriation	4,500	4,500	4,500	4,500	0	0	0	0
Open Appropriation							6,500	6,500
Cancellations	2,544	1,975	778					
<b>Expenditures</b>	<b>1,956</b>	<b>2,525</b>	<b>3,722</b>	<b>4,500</b>			<b>6,500</b>	<b>6,500</b>
Biennial Change in Expenditures				3,741		(8,222)		4,778
Biennial % Change in Expenditures				84		(100)		58
Governor's Change from Base								13,000
Governor's % Change from Base								

## 3000 - Federal

Balance Forward In			11					
Receipts	5,584	3,953	8,200	7,194	6,035	6,035	6,035	6,035
<b>Expenditures</b>	<b>5,584</b>	<b>3,953</b>	<b>8,212</b>	<b>7,194</b>	<b>6,035</b>	<b>6,035</b>	<b>6,035</b>	<b>6,035</b>
Biennial Change in Expenditures				5,869		(3,336)		(3,336)
Biennial % Change in Expenditures				62		(22)		(22)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	27.69	18.48	27.25	29.77	24.50	24.50	24.50	24.50

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

- Millions of dollars 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
- Historically, 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 gaining knowledge to take action to protect and enhance Minnesota's environment

**PURPOSE AND CONTEXT**

The Division supports the agency's land, water, and air regulatory and assistance programs. The Division promotes prevention and sustainability and provides financial assistance. Many of the programs are designed to have a "cross-media" impact that benefits land, air, and water. The land program protects the environment and public health by permitting solid and hazardous waste facilities and large tank sites, along with supporting a sustainable materials management framework. The water activities include review of projects proposed for federal permits or licenses 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**

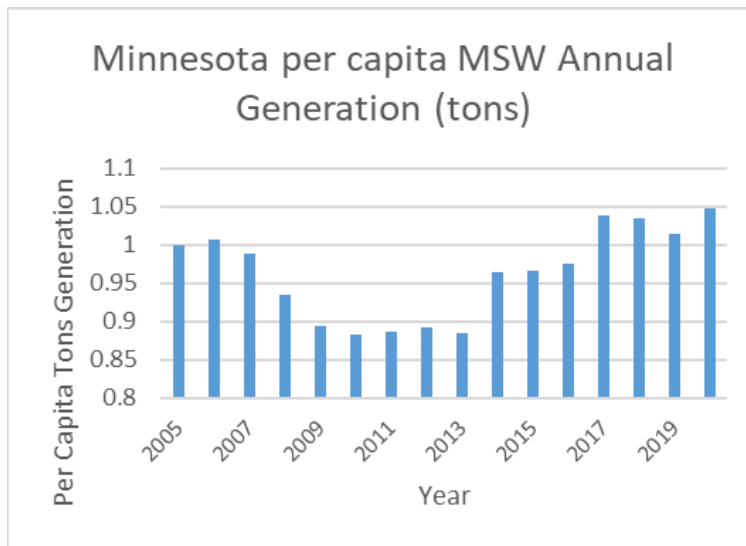
In order to accomplish its purpose, the Resource Management and Assistance Division:

- 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
- Oversees product stewardship programs by encouraging manufacturers, retailers, and consumers to treat products as resources rather than waste as well as changing how they think about the products they make, buy, and use
- Works with local government to develop effective solid waste management plans and provides financial assistance to counties for sustainable materials and waste management efforts
- Conducts solid waste, hazardous waste, and above ground storage tank permitting, inspections, and enforcement
- Collaborates with local governments on solid waste planning
- 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 to reduce diesel emissions from trucks, buses, boats, and other engines and equipment

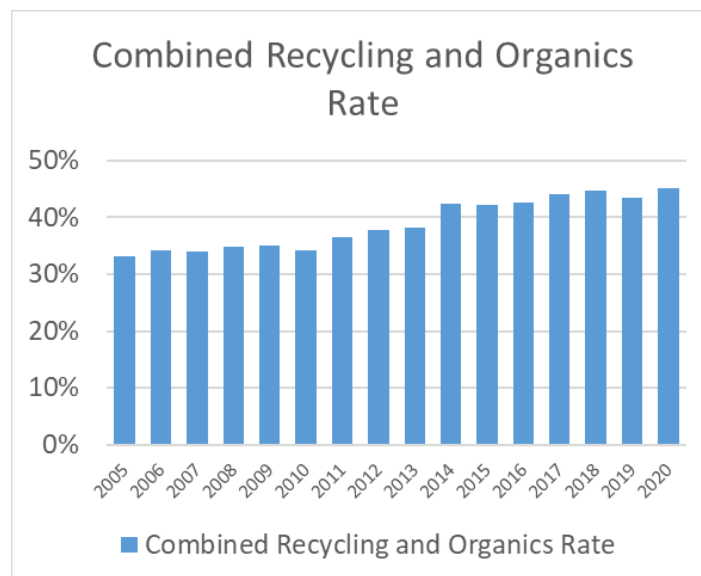
- Administers the Volkswagen Settlement funds to help clean up air pollution and invest in cleaner transportation that includes expanding the state’s electric vehicle charging station network
- Partners with other organizations to host the Eco Experience at the Minnesota State Fair
- Assists communities through GreenStep Cities and Minnesota GreenCorps programs
- Works with businesses to develop alternative products that are free of toxic chemicals
- Collaborates with other state agencies to increase procurement of environmentally preferable products and services

## RESULTS

MPCA annually collects data to track progress on solid waste management. Source reduction and recycling are the preferred methods for managing solid waste. As seen below, per capita generation decreased during the 2008 recession but has since increased and surpassed pre-2008 levels.

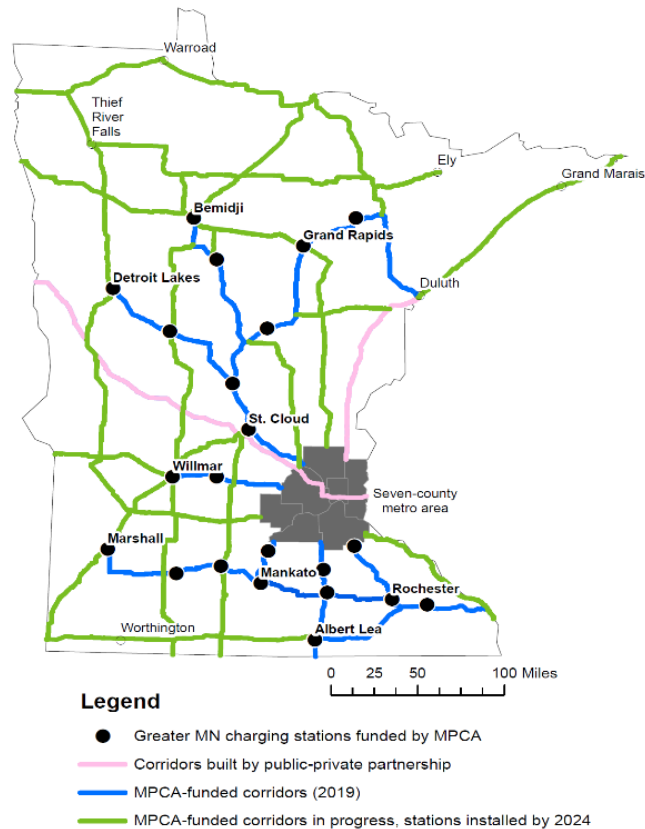


Recycling rates have increased since 2005. In 2022, approximately 2 million tons of material was recycled, 2.2 million landfilled, 1 million used for energy, and 850 thousand composted as organics. More detailed information regarding solid waste management can be found here: Recycling in Minnesota: The SCORE Report (<https://www.pca.state.mn.us/air-water-land-climate/understanding-solid-waste>).



The MPCA designed and expanded the statewide electric vehicle charging network with 15 percent of Minnesota's \$47M Volkswagen Settlement fund. This has provided electrive vehicle charging infrastructure along high use corridors to increase access for rural Minnesota.

### Electric vehicle fast charging stations and corridors



M.S. 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>).

# Resource Management and Assistance Division

# Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<b><u>Expenditures by Fund</u></b>								
1000 - General	1,308	1,268	19,187	31,410	370	370	370	370
2000 - Restrict Misc Special Revenue	7,028	3,517	1,112	1,517	1,058	1,058	1,058	1,802
2001 - Other Misc Special Revenue	20	4		250				
2050 - Environment & Natural Resources	480		20	254				
2302 - Clean Water	341	542	152	2,195			650	650
2403 - Gift	3,009	3,921	17,129	10,587	6,600	6,600	6,600	6,600
2800 - Environmental	36,444	40,361	39,088	53,188	47,480	47,600	49,957	50,232
2801 - Remediation	62	46	20					
3000 - Federal	2,683	1,961	3,142	19,616	34,087	25,355	34,087	25,355
<b>Total</b>	<b>51,375</b>	<b>51,619</b>	<b>79,849</b>	<b>119,017</b>	<b>89,595</b>	<b>80,983</b>	<b>92,722</b>	<b>85,009</b>
Biennial Change				95,873		(28,288)		(21,135)
Biennial % Change				93		(14)		(11)
Governor's Change from Base								7,153
Governor's % Change from Base								4

## **Expenditures by Activity**

Resource Management and Assistance Division	51,375	51,619	79,849	119,017	89,595	80,983	92,722	85,009
<b>Total</b>	<b>51,375</b>	<b>51,619</b>	<b>79,849</b>	<b>119,017</b>	<b>89,595</b>	<b>80,983</b>	<b>92,722</b>	<b>85,009</b>

## **Expenditures by Category**

Compensation	11,954	12,738	13,153	18,317	16,912	16,880	18,911	19,778
Operating Expenses	11,791	8,642	8,411	28,883	30,525	24,650	31,053	25,178
Grants, Aids and Subsidies	27,612	30,237	58,280	66,469	35,916	36,040	36,516	36,640
Capital Outlay-Real Property		0						
Other Financial Transaction	17	1	6	5,348	6,242	3,413	6,242	3,413
<b>Total</b>	<b>51,375</b>	<b>51,619</b>	<b>79,849</b>	<b>119,017</b>	<b>89,595</b>	<b>80,983</b>	<b>92,722</b>	<b>85,009</b>

Total Agency Expenditures	51,375	51,619	79,849	119,017	89,595	80,983	92,722	85,009
Internal Billing Expenditures	4,517	4,829	6,886	6,641	6,032	6,022	6,032	6,022
<b>Expenditures Less Internal Billing</b>	<b>46,858</b>	<b>46,790</b>	<b>72,964</b>	<b>112,376</b>	<b>83,563</b>	<b>74,961</b>	<b>86,690</b>	<b>78,987</b>

**Resource Management and Assistance  
Division**

**Program Expenditure Overview**

*(Dollars in Thousands)*

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b><u>Full-Time Equivalents</u></b>	102.34	105.97	100.34	166.02	137.14	136.52	144.14	145.77

# Resource Management and Assistance Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In	42	57	0	19,417				
Direct Appropriation	1,299	1,299	38,604	14,713	370	370	370	370
Transfers Out				2,720				
Cancellations		88						
Balance Forward Out	33		19,417					
Expenditures	1,308	1,268	19,187	31,410	370	370	370	370
Biennial Change in Expenditures				48,022		(49,857)		(49,857)
Biennial % Change in Expenditures				1,865		(99)		(99)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.12	0.83	0.30	28.40	0.50	0.50	0.50	0.50

## 1200 - State Government Special Rev

Full-Time Equivalents	0.04							
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## 2000 - Restrict Misc Special Revenue

Balance Forward In	3,469	8	17	14				
Receipts	3,567	3,526	1,110	1,503	1,058	1,058	1,058	1,802
Transfers Out		0						
Balance Forward Out	8	17	14					
<b>Expenditures</b>	<b>7,028</b>	<b>3,517</b>	<b>1,112</b>	<b>1,517</b>	<b>1,058</b>	<b>1,058</b>	<b>1,058</b>	<b>1,802</b>
Biennial Change in Expenditures				(7,915)		(513)		231
Biennial % Change in Expenditures				(75)		(20)		9
Governor's Change from Base								744
Governor's % Change from Base								35
Full-Time Equivalents	1.14	0.35	0.40	0.06	0.06	0.06	0.06	4.06

## 2001 - Other Misc Special Revenue

Balance Forward In	4	4		250				
Receipts	20	0						
Transfers In			250					
Balance Forward Out	4		250					
<b>Expenditures</b>	<b>20</b>	<b>4</b>		<b>250</b>				

# Resource Management and Assistance Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Biennial Change in Expenditures				226		(250)		(250)
Biennial % Change in Expenditures				953				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.12							

## 2050 - Environment & Natural Resources

Balance Forward In	500	20	20					
Direct Appropriation				254	0	0	0	0
Cancellations			0					
Balance Forward Out	20	20						
<b>Expenditures</b>	<b>480</b>		<b>20</b>	<b>254</b>				
Biennial Change in Expenditures				(206)		(274)		(274)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

## 2302 - Clean Water

Balance Forward In	222	323	46	545				
Direct Appropriation	260	260	650	1,650	0	0	650	650
Balance Forward Out	141	41	545					
<b>Expenditures</b>	<b>341</b>	<b>542</b>	<b>152</b>	<b>2,195</b>			<b>650</b>	<b>650</b>
Biennial Change in Expenditures				1,464		(2,347)		(1,047)
Biennial % Change in Expenditures				166		(100)		(45)
Governor's Change from Base								1,300
Governor's % Change from Base								
Full-Time Equivalents	0.73	1.04	1.00	1.00			1.00	1.00

## 2403 - Gift

Balance Forward In	8,693	9,911	13,601	3,987				
Receipts	4,227	7,611	7,514	6,600	6,600	6,600	6,600	6,600
Balance Forward Out	9,911	13,601	3,987					
<b>Expenditures</b>	<b>3,009</b>	<b>3,921</b>	<b>17,129</b>	<b>10,587</b>	<b>6,600</b>	<b>6,600</b>	<b>6,600</b>	<b>6,600</b>

# Resource Management and Assistance Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Biennial Change in Expenditures				20,786		(14,516)		(14,516)
Biennial % Change in Expenditures				300		(52)		(52)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.89	4.85	4.19	4.00	4.00	4.00	4.00	4.00

## 2800 - Environmental

Balance Forward In	4,071	6,693	4,920	12,899	8,549	8,828	11,269	10,128
Direct Appropriation	38,252	38,287	43,536	45,969	44,333	44,333	46,810	46,965
Receipts	2,906	3,085	6,849	6,797	6,917	7,031	6,917	7,031
Transfers In				2,720				
Transfers Out	2,744	2,714	3,158	3,441	3,385	3,385	3,385	3,385
Net Loan Activity	99	115	(159)	(487)	(106)	(6)	(1,526)	(806)
Cancellations		184						
Balance Forward Out	6,139	4,921	12,900	11,269	8,828	9,201	10,128	9,701
<b>Expenditures</b>	<b>36,444</b>	<b>40,361</b>	<b>39,088</b>	<b>53,188</b>	<b>47,480</b>	<b>47,600</b>	<b>49,957</b>	<b>50,232</b>
Biennial Change in Expenditures				15,470		2,804		7,913
Biennial % Change in Expenditures				20		3		9
Governor's Change from Base								5,109
Governor's % Change from Base								5
Full-Time Equivalents	78.27	86.45	81.55	112.52	112.52	112.52	118.52	116.77

## 2801 - Remediation

Balance Forward In	355	295	255					
Cancellations			235					
Balance Forward Out	293	249						
<b>Expenditures</b>	<b>62</b>	<b>46</b>	<b>20</b>					
Biennial Change in Expenditures				(88)		(20)		(20)
Biennial % Change in Expenditures				(82)				
Governor's Change from Base								0
Governor's % Change from Base								

## 3000 - Federal

# Resource Management and Assistance Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
Balance Forward In				39				
Receipts	2,683	1,961	3,181	19,577	34,087	25,355	34,087	25,355
Balance Forward Out			39					
<b>Expenditures</b>	<b>2,683</b>	<b>1,961</b>	<b>3,142</b>	<b>19,616</b>	<b>34,087</b>	<b>25,355</b>	<b>34,087</b>	<b>25,355</b>
Biennial Change in Expenditures				18,114		36,684		36,684
Biennial % Change in Expenditures				390		161		161
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	17.03	12.45	12.90	20.04	20.06	19.44	20.06	19.44

**Program: Watershed Division**

Feedlots: <https://www.pca.state.mn.us/business-with-us/feedlots>

Watershed: <https://www.pca.state.mn.us/business-with-us/watershed-information>

**AT A GLANCE**

- Update watershed restoration and protection science and strategies with local water resource managers for Minnesota's 80 major watersheds to ensure most efficient implementation actions are taken
- In partnership with 50 counties, register or permit, assist, and inspect the state's approximately 17,500 feedlot operations that are required to be registered or permitted; approximately 1,100 of these feedlots are permitted by MPCA, and there are about 3,600 additional registered sites for which the MPCA has direct regulatory responsibility
- The Clean Water Partnership Loan Program awarded \$7.2 million in low interest loans to ten local government units (cities, counties, watershed districts) for water quality improvement projects in the fiscal year 2022-23 biennium
- Clean Water Act Section 319 federal funding provides \$2.9 million per year to local partners to implement waterbody restoration and protection actions in 35 prioritized watersheds

**PURPOSE AND CONTEXT**

- Our Watershed Division mission is to provide science, assistance, and oversight to protect and restore Minnesota's waters, supporting the MPCA mission to protect human health and the environment
- Our vision is that Minnesota's waters and watersheds continuously become healthier
- We value partnership, science, efficiency, fairness, honesty, and strategic thinking and action

The Watershed Division works with local partners to ensure that Minnesota has clean water to support aquatic life, healthy communities, and a strong economy. Our key partners and constituents are local governments and the livestock industry.

- Watershed Restoration and Protection Strategy reports (WRAPS) help inform local water planning and implementation, as well as state permitting activity. WRAPS help ensure 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 and farm profitability. The Division permits approximately 1,000 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 12,600 smaller livestock operations to meet these same goals.
- The Clean Water Partnership Loan Program provides about \$3.5 million per year to local governments 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 about \$2.9 million per year for watershed restoration and protection and leverages almost \$2.5 million per year in state and local match. The Section 319 grant funds are used to implement US EPA-approved nine key element plans to reduce nonpoint source pollution loading in small watersheds.

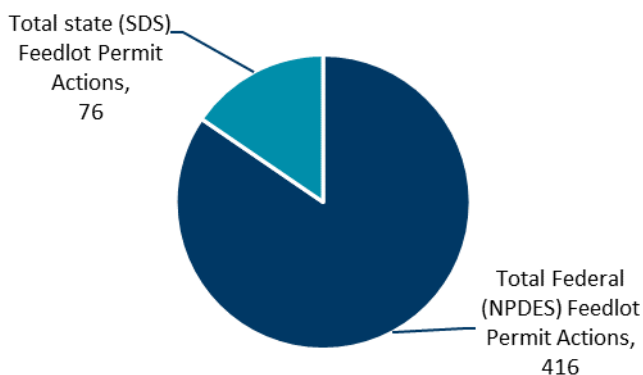
## SERVICES PROVIDED

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

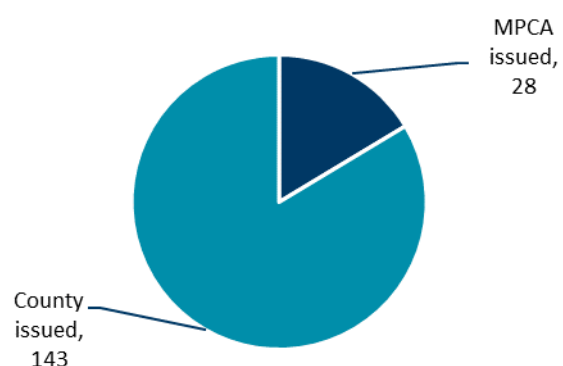
- Investigating the causes and sources of water pollution problems, including identification of stressors of aquatic life, stream sampling, and providing training on monitoring for local partners.
- Developing and using comprehensive watershed computer models to fill in data gaps and to run scenarios of options for addressing pollution issues.
- Providing local government partners funding and technical assistance to collaboratively update WRAPS reports for all 80 of the state's watersheds. These reports are a blueprint for local water resource managers to use in their local water plans, and the last initial reports were completed across the state in 2023. We are in the process of updating the earliest developed WRAPS (called WRAPS Updates), as appropriate based on local government partner needs for information on items like effectiveness of implementation efforts and further understanding of causes of water pollution. Six watershed's updates are completed with dozens more underway.
- Working with tribal, neighboring state, and international partners on transboundary waters to develop and achieve shared water quality objectives and goals.
- Tracking progress of watershed activities in achieving water quality goals, while ensuring all Minnesotans benefit from equal levels of environmental protection and have opportunities to participate in decisions that may affect their environment or health (i.e., the principle of environmental justice).
- Updating the statewide Nutrient Reduction Strategy, primarily using federal funds, to address the effects of excess nutrients in our waters and as far away as Lake Winnipeg and 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 feedlot programs, providing compliance assistance, conducting feedlot inspections, and as necessary taking enforcement actions. The Feedlot Program continues to use a risk-based inspection approach; developed and implemented in coordination with the U.S. Environmental Protection Agency over almost the last decade.

## RESULTS

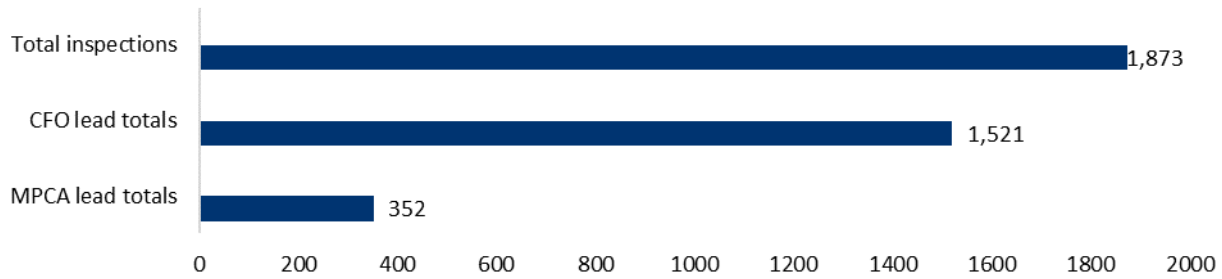
**FEEDLOT OPERATING PERMIT ACTIONS,  
2023**



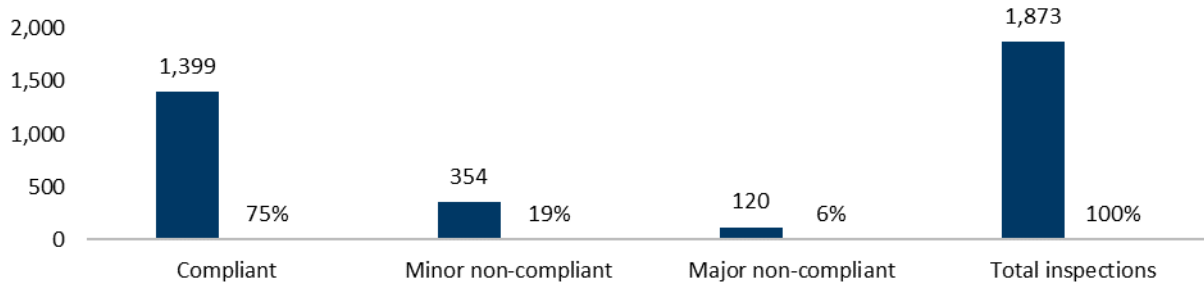
**FEEDLOT CONSTRUCTION PERMITS  
ISSUED, 2023**



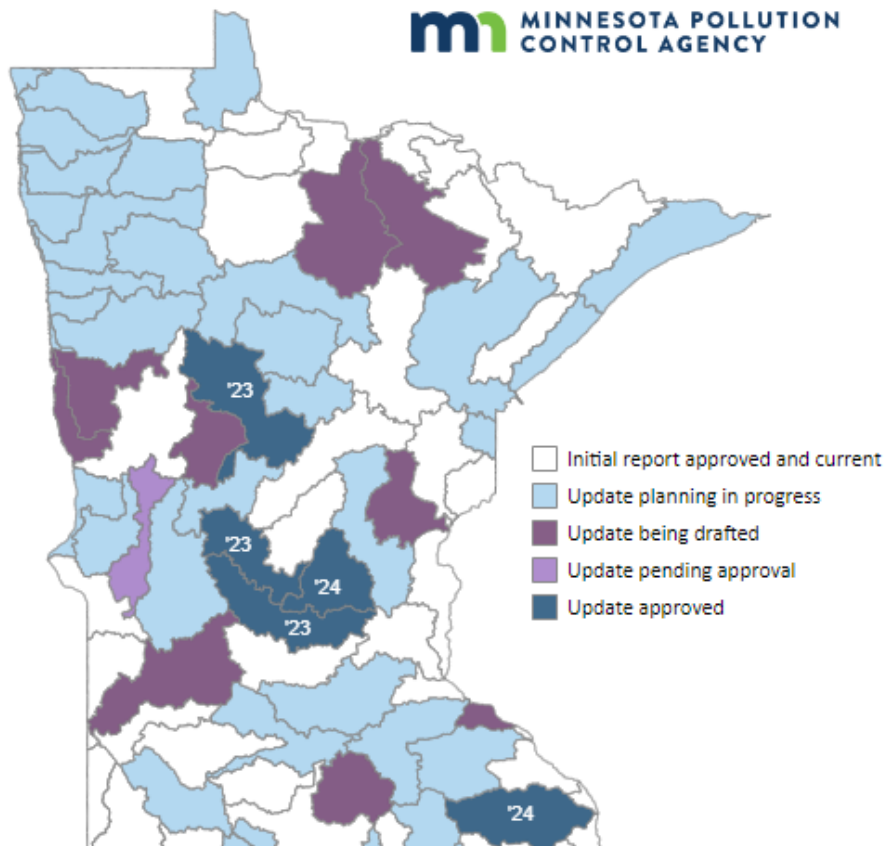
### INSPECTIONS BY MPCA OR COUNTY FEEDLOT OFFICERS (CFOs), 2023



### TOTAL OVERALL COMPLIANCE RATING OF INSPECTIONS BY MPCA OR CFOS, 2023



### WATER RESTORATION AND PROTECTION STRATEGY REPORT UPDATES STATUS, AUGUST 2024



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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. Minnesota Statutes Chapter 114D (<https://www.revisor.mn.gov/statutes/cite/114D>) provides the authority for WRAPS and related work.

# Watershed Division

# Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

## Expenditures by Fund

1000 - General	1,959	1,970	3,171	3,835	2,959	2,959	1,959	1,959
2302 - Clean Water	7,684	7,618	8,112	8,270			7,211	8,211
2800 - Environmental	6,708	8,092	7,293	8,173	7,982	7,982	8,403	8,533
2801 - Remediation	231	236	347	410	384	384	406	409
3000 - Federal	5,320	5,130	9,174	7,949	7,964	7,964	7,964	7,964
<b>Total</b>	<b>21,902</b>	<b>23,046</b>	<b>28,097</b>	<b>28,637</b>	<b>19,289</b>	<b>19,289</b>	<b>25,943</b>	<b>27,076</b>
Biennial Change				11,786		(18,156)		(3,715)
Biennial % Change				26		(32)		(7)
Governor's Change from Base								14,441
Governor's % Change from Base								37

## Expenditures by Activity

Watershed Division	21,902	23,046	28,097	28,637	19,289	19,289	25,943	27,076
<b>Total</b>	<b>21,902</b>	<b>23,046</b>	<b>28,097</b>	<b>28,637</b>	<b>19,289</b>	<b>19,289</b>	<b>25,943</b>	<b>27,076</b>

## Expenditures by Category

Compensation	11,097	11,997	12,087	13,056	8,427	8,427	14,495	15,628
Operating Expenses	6,763	6,120	7,174	8,807	4,170	4,170	5,756	5,756
Grants, Aids and Subsidies	4,013	4,926	8,763	6,774	6,692	6,692	5,692	5,692
Capital Outlay-Real Property	3	4	63					
Other Financial Transaction	26	0	11					
<b>Total</b>	<b>21,902</b>	<b>23,046</b>	<b>28,097</b>	<b>28,637</b>	<b>19,289</b>	<b>19,289</b>	<b>25,943</b>	<b>27,076</b>

Total Agency Expenditures	21,902	23,046	28,097	28,637	19,289	19,289	25,943	27,076
Internal Billing Expenditures	4,293	4,286	4,304	4,580	2,906	2,906	2,906	2,906
<b>Expenditures Less Internal Billing</b>	<b>17,608</b>	<b>18,760</b>	<b>23,793</b>	<b>24,057</b>	<b>16,383</b>	<b>16,383</b>	<b>23,037</b>	<b>24,170</b>

## Full-Time Equivalents

<b>106.27</b>	<b>116.11</b>	<b>105.30</b>	<b>114.45</b>	<b>76.55</b>	<b>76.55</b>	<b>111.55</b>	<b>111.55</b>
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# Watershed Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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## 1000 - General

Balance Forward In		66		332				
Direct Appropriation	1,959	1,959	3,503	3,503	2,959	2,959	1,959	1,959
Cancellations		55						
Balance Forward Out	0		332					
<b>Expenditures</b>	<b>1,959</b>	<b>1,970</b>	<b>3,171</b>	<b>3,835</b>	<b>2,959</b>	<b>2,959</b>	<b>1,959</b>	<b>1,959</b>
Biennial Change in Expenditures				3,077		(1,088)		(3,088)
Biennial % Change in Expenditures				78		(16)		(44)
Governor's Change from Base								(2,000)
Governor's % Change from Base								(34)
Full-Time Equivalents			1.21	2.00				

## 2302 - Clean Water

Balance Forward In	4,059	3,536	3,008	1,582				
Direct Appropriation	6,936	7,065	6,687	6,688	0	0	7,211	8,211
Cancellations		150						
Balance Forward Out	3,311	2,834	1,583					
<b>Expenditures</b>	<b>7,684</b>	<b>7,618</b>	<b>8,112</b>	<b>8,270</b>			<b>7,211</b>	<b>8,211</b>
Biennial Change in Expenditures				1,080		(16,382)		(960)
Biennial % Change in Expenditures				7		(100)		(6)
Governor's Change from Base								15,422
Governor's % Change from Base								
Full-Time Equivalents	35.33	38.08	34.70	35.90			35.00	35.00

## 2800 - Environmental

Balance Forward In		667		191				
Direct Appropriation	7,375	7,425	7,484	7,982	7,982	7,982	8,403	8,533
Cancellations		1						
Balance Forward Out	667		191					
<b>Expenditures</b>	<b>6,708</b>	<b>8,092</b>	<b>7,293</b>	<b>8,173</b>	<b>7,982</b>	<b>7,982</b>	<b>8,403</b>	<b>8,533</b>
Biennial Change in Expenditures				667		498		1,470
Biennial % Change in Expenditures				5		3		10
Governor's Change from Base								972
Governor's % Change from Base								6

# Watershed Division

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Full-Time Equivalents	46.51	56.89	48.06	52.10	52.10	52.10	52.10	52.10

## 2801 - Remediation

Balance Forward In		3		26				
Direct Appropriation	234	234	373	384	384	384	406	409
Cancellations		0						
Balance Forward Out	3		26					
<b>Expenditures</b>	<b>231</b>	<b>236</b>	<b>347</b>	<b>410</b>	<b>384</b>	<b>384</b>	<b>406</b>	<b>409</b>
Biennial Change in Expenditures				289		11		58
Biennial % Change in Expenditures				62		1		8
Governor's Change from Base								47
Governor's % Change from Base								6
Full-Time Equivalents	2.34	2.70	3.48	3.60	3.60	3.60	3.60	3.60

## 3000 - Federal

Balance Forward In	16							
Receipts	5,304	5,130	9,174	7,949	7,964	7,964	7,964	7,964
<b>Expenditures</b>	<b>5,320</b>	<b>5,130</b>	<b>9,174</b>	<b>7,949</b>	<b>7,964</b>	<b>7,964</b>	<b>7,964</b>	<b>7,964</b>
Biennial Change in Expenditures				6,673		(1,195)		(1,195)
Biennial % Change in Expenditures				64		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	22.09	18.44	17.85	20.85	20.85	20.85	20.85	20.85

## 8200 - Clean Water Revolving

Balance Forward In	14,863	14,171	11,785	8,728	5,806	2,806	5,806	2,806
Receipts	170	138	101	78	78	78	78	78
Transfers In	2,000							
Net Loan Activity	(2,862)	(2,524)	(3,158)	(3,000)	(3,078)	(884)	(3,078)	(884)
Balance Forward Out	14,171	11,785	8,728	5,806	2,806	2,000	2,806	2,000

**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), including support to local governments through technical assistance
- Convenes monthly public meetings to provide a forum for the public and state leaders to collaborate on environmental policy
- Supports informed decision-making that protects and enhances Minnesota's environmental quality
- Leads interagency coordination on cross-cutting environmental issues
- Convenes Environmental Congress, advisory panels, and other public events and processes to provide avenues for meaningful public engagement

**PURPOSE AND CONTEXT**

The Minnesota Environmental Quality Board (EQB) is a forum for leadership and coordination on environmental issues. The Board's mission is to support informed decision-making that protects and enhances Minnesota's environmental quality. This is accomplished by fostering meaningful conversations, supporting collaborative policy and program development, and ensuring effective environmental review of potentially impactful projects.

The EQB supports the State's One Minnesota Plan *Environment, Safe and Thriving Communities, Housing, Workforce, and Equity and Inclusion* priorities. The Board's unique contribution is the ability to bring multiple agencies and the public together to advance interdisciplinary discussions on complex environmental issues.

EQB strategically works to:

- Foster meaningful conversations around environmental issues
- Support innovative state policy and program development on priority and emerging environmental issues
- Maintain and improve Minnesota's environmental review program
- Move towards achieving environmental quality without disproportionate impacts

**SERVICES PROVIDED****Meaningful Conversations and Engagement**

- Regularly bring Minnesotans together around environmental issues and provide a forum for public dialogue with agency leaders
- Hold Board meetings to share information and foster public participation in decision making
- Distribute relevant scientific, economic, and policy documents that inform the public about environmental issues and the state's connected programs, outcomes, and opportunities
- Convene and participate in work groups to ensure partner and community input informs state policies

## Cross-Agency Policy and Program Development

- Facilitate interagency coordination that aligns agency programs to support the state’s policy goals for public health and environmental protection
- Provide written reports to the governor, legislature, and state and local agencies on priority environmental issues, including policy considerations and economic analyses
- Produce reports on key environmental issues of interest to the public, such as the Environment and Energy Report Card, the State Water Plan, and annual reports on pollinator protection activities
- Lead and facilitate interagency working groups to respond to complex environmental issues with broad cross-sector impacts
- Environmental Review
- Oversee and administer Minnesota’s state-level environmental review program
- Provide technical assistance to project proposers, government units, and the public through guidance documents, online resources, technical presentations, and one-on-one assistance
- Collect and evaluate data to monitor statewide environmental review activities and measure the effectiveness of the program, report on results and trends, and use data to identify program improvements
- Continuously evaluate and improve program effectiveness for all parties through training and education, updated program guidance and tools, and administrative rule revisions

## RESULTS

### EQB-Wide

- Presented statewide metrics and information that assess the condition of Minnesota’s environment through the 2024 Environment and Energy Report Card (<https://www.eqb.state.mn.us/sites/eqb/files/2024%20Minnesota%20Environment%20and%20Energy%20Report%20Card.pdf>)
- Led the Interagency Pollinator Protection Team (IPPT) in developing the 2023 Pollinator Action Framework ([https://www.eqb.state.mn.us/sites/eqb/files/2023%20Minnesota%20State%20Agency%20Pollinator%20Annual%20Report\\_MN%20Pollinator%20Action%20Framework\\_Final.pdf](https://www.eqb.state.mn.us/sites/eqb/files/2023%20Minnesota%20State%20Agency%20Pollinator%20Annual%20Report_MN%20Pollinator%20Action%20Framework_Final.pdf)), a set of recommended actions to achieve healthy and diverse pollinator populations (as directed by Executive Order 19-28)
- Worked with agencies to implement new requirements for reporting of fish kills and fish kill investigations in the EQB Monitor (as required by Laws of Minnesota 2023, Chapter 60)
- Established a Tribal Coordination and Consultation policy
- Updated the organizational Strategic Plan to guide decision making for the next five years

### Environmental Review Program

EQB staff regularly track and report on environmental review data. The following table provides a summary of 2023 calendar year data. More complete data is available in the Minnesota Environmental Review Performance Report 2022-2023 (<https://www.eqb.state.mn.us/sites/eqb/files/ERIS%20Mar%202024%20Packet%20-%20FINAL.pdf>), on page 58 of the linked document. In FY25, EQB plans to launch a data dashboard to make performance information more accessible.

Measure name	Measure type	Measure data source	Most recent data (2023)
Environmental Review Process Types - Environmental Assessment Worksheet (EAW) - Environmental Impact Statement (EIS) - Alternative Urban Areawide Review (AUAR)	Quantity	<i>EQB Monitor</i> published notices	53 EAWs 14 petitions 6 AUARs 2 EISs
Mandatory Categories (project type)	Quantity	<i>EQB Monitor</i> published notices	Projects in 16 different mandatory categories 82% of reviews completed by local governments
Comment letters	Quantity	<i>EQB Monitor</i> published notices	Average of 11 letters per project
Time to complete environmental review (from complete submittal to final decision)	Quality	<i>EQB Monitor</i> published notices	EAW: 97 days EIS: 720 days AUAR: 210 days
Technical assistance support provided by EQB	Quantity	Internal tracking	284 requests (in 2022)
Environmental review provided usable information	Results	<i>EQB Monitor</i> submittal service	89% - yes, provided usable information 83% - process identified mitigation measures
Public participation	Results	<i>EQB Monitor</i> submittal service	77% - yes, provided additional public participation

- Implemented online EQB Monitor submittal service coupled with a searchable environmental review projects map (<https://pca-gis02.pca.state.mn.us/EQB/>) and database (<https://webapp.pca.state.mn.us/eqb-search/search>) that increased staff efficiency and public access to active and historic environmental review documents
- In collaboration with co-authoring agencies, and as required by statute (Minn. Stat. 116D.04), completing the 2024 Mandatory Category Report (<https://www.eqb.state.mn.us/environmental-review/mandatory-categories-environmental-review> )
- Implemented a continuous improvement process, including establishing criteria to evaluate program effectiveness against the key objectives in Minn. R. 4410.0300. Received and evaluated over 200 comments with improvement suggestions and worked with MNTEC to compile a list of tribally-recommended environmental review improvements
- Provided support to businesses through participation with the Minnesota Business First Stop Program and established dedicated support for Minnesota's energy transition communities

M.S. 116C (<https://www.revisor.mn.gov/statutes/cite/116c>) and 116D (<https://www.revisor.mn.gov/statutes/cite/116d>) provide the legal authority for the Environmental Quality Board's operations and initiatives.

# Environmental Quality Board

# Program Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b><u>Expenditures by Fund</u></b>								
1000 - General	945	942	1,527	1,740	1,276	1,276	1,309	1,343
2001 - Other Misc Special Revenue				38				
2800 - Environmental	326	183	216	231	226	226	236	239
<b>Total</b>	<b>1,271</b>	<b>1,125</b>	<b>1,742</b>	<b>2,009</b>	<b>1,502</b>	<b>1,502</b>	<b>1,545</b>	<b>1,582</b>
Biennial Change				1,355		(747)		(624)
Biennial % Change				57		(20)		(17)
Governor's Change from Base								123
Governor's % Change from Base								4

## **Expenditures by Activity**

Environmental Quality Board	1,271	1,125	1,742	2,009	1,502	1,502	1,545	1,582
<b>Total</b>	<b>1,271</b>	<b>1,125</b>	<b>1,742</b>	<b>2,009</b>	<b>1,502</b>	<b>1,502</b>	<b>1,545</b>	<b>1,582</b>

## **Expenditures by Category**

Compensation	806	667	816	1,126	1,023	1,023	1,066	1,103
Operating Expenses	465	458	926	883	479	479	479	479
<b>Total</b>	<b>1,271</b>	<b>1,125</b>	<b>1,742</b>	<b>2,009</b>	<b>1,502</b>	<b>1,502</b>	<b>1,545</b>	<b>1,582</b>

Total Agency Expenditures	1,271	1,125	1,742	2,009	1,502	1,502	1,545	1,582
Internal Billing Expenditures	311	311	511	400	366	366	366	366
<b>Expenditures Less Internal Billing</b>	<b>960</b>	<b>814</b>	<b>1,231</b>	<b>1,609</b>	<b>1,136</b>	<b>1,136</b>	<b>1,179</b>	<b>1,216</b>

## **Full-Time Equivalents**

	7.16	6.25	6.82	10.66	10.00	10.00	10.00	10.00
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# Environmental Quality Board

# Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		136		327				
Direct Appropriation	1,081	1,081	1,854	1,413	1,276	1,276	1,309	1,343
Cancellations		275						
Balance Forward Out	136		327					
Expenditures	945	942	1,527	1,740	1,276	1,276	1,309	1,343
Biennial Change in Expenditures				1,379		(715)		(615)
Biennial % Change in Expenditures				73		(22)		(19)
Governor's Change from Base								100
Governor's % Change from Base								4
Full-Time Equivalents	6.12	5.20	5.67	9.51	8.85	8.85	8.85	8.85
2001 - Other Misc Special Revenue								
Balance Forward In				38				
Transfers In			38					
Balance Forward Out			38					
Expenditures				38				
Biennial Change in Expenditures				38		(38)		(38)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
2800 - Environmental								
Balance Forward In	143	4		5				
Direct Appropriation	193	193	221	226	226	226	236	239
Cancellations	6	13						
Balance Forward Out	4		5					
Expenditures	326	183	216	231	226	226	236	239
Biennial Change in Expenditures				(62)		5		28
Biennial % Change in Expenditures				(12)		1		6
Governor's Change from Base								23
Governor's % Change from Base								5
Full-Time Equivalents	1.04	1.05	1.15	1.15	1.15	1.15	1.15	1.15

# Minnesota Pollution Control Agency

# Federal Funds Summary

(Dollars in Thousands)

Federal Agency and ALN #	Federal Award Name and Brief Purpose	FY 2024 Actual	FY 2025 Revised	FY 2026 Revised	FY 2027 Revised	Required State Match or MOE?	FTEs
Environmental Protection Agency ALN 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.	\$ 248	\$ 672	\$ 672	\$ 672	No	2.3
Environmental Protection Agency ALN 66.419	Water Pollution Control Program Support: Grants supporting surface water monitoring activities in streams, wetlands and lakes.	\$ 375	\$ 751	\$ 751	\$ 751	No	2
US Geological Services ALN 15.980	National Ground Water Monitoring Network: Agency's Statewide Water Quality Data in monitoring network database.	\$ -	\$ 99	\$ -	\$ -	No	-
Environmental Protection Agency ALN 66.034	Particulate Monitoring (PM) 2.5 Monitoring: Supports air quality fine particle monitoring, IRA Monitoring and Air Sensors.	\$ 698	\$ 1,801	\$ 811	\$ 782	No	4.4
Environmental Protection Agency ALN 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.	\$ 3,465	\$ 3,621	\$ 3,454	\$ 3,454	Yes	22.14
Environmental Protection Agency ALN 66.204	Multipurpose Grants to States and Tribes: To implement high priority activities, complementing programs under established environmental statutes.	\$ 25	\$ -	\$ -	\$ -	No	-
Environmental Protection Agency ALN 66.469	Great Lakes Program: To restore and maintain the chemical, physical, and biological integrity of the Great Lakes Basin Ecosystem.	\$ 38	\$ -	\$ -	\$ -	No	-
Environmental Protection Agency ALN 66.046	Climate Pollution Reduction grants (CPRG); planning grants set to develop ambitious climate action and air pollution reduction plans and initiate development of those plans. Implementation grants provide resources to implement climate pollution reduction projects covered by climate plans to achieve significant emission reductions and improved air quality.	\$ 443	\$ 15,240	\$ 67,614	\$ 32,301	No	9.9
	<b>Environmental Analysis and Outcomes Total</b>	<b>\$ 5,291</b>	<b>\$ 22,184</b>	<b>\$ 73,302</b>	<b>\$ 37,960</b>		<b>40.74</b>
Environmental Protection Agency ALN 66.804	Underground Storage Tanks Program: Permitting and compliance activities for regulated underground storage tanks, including detection and identification of releases.	\$ 554	\$ 585	\$ 585	\$ 585	Yes	3

# Minnesota Pollution Control Agency

# Federal Funds Summary

(Dollars in Thousands)

Federal Agency and ALN #	Federal Award Name and Brief Purpose	FY 2024 Actual	FY 2025 Revised	FY 2026 Revised	FY 2027 Revised	Required State Match or MOE?	FTEs
Environmental Protection Agency ALN 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.	\$ 2,829	\$ 2,883	\$ 2,678	\$ 2,678	Yes	21
	<b>Industrial Total</b>	<b>\$ 3,382</b>	<b>\$ 3,468</b>	<b>\$ 3,263</b>	<b>\$ 3,263</b>		<b>24</b>
Environmental Protection Agency ALN 66.447	Sewer Overflow and Stormwater Reuse Municipal Grants: for planning, design, or construction to manage, reduce, treat, or recapture stormwater or subsurface drainage water.	\$ 380	\$ 796	\$ 624	\$ 624	No	-
Environmental Protection Agency ALN 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.	\$ 1,293	\$ 1,174	\$ 1,117	\$ 1,117	Yes	8.9
	<b>Municipal Total</b>	<b>\$ 1,673</b>	<b>\$ 1,970</b>	<b>\$ 1,741</b>	<b>\$ 1,741</b>		<b>8.9</b>
Environmental Protection Agency ALN 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.	\$ 1,283	\$ 1,365	\$ 717	\$ 717	Yes	11.05
Environmental Protection Agency ALN 66.608	Environmental Information Exchange Network Grant Program and Related Assistance; inter-governmental partnership to foster better environmental management and decision making through increased access to timely and high quality environmental information. This allows organizations to exchange and share data over the Internet regardless of the specific information technology used.	\$ -	\$ 230	\$ 35	\$ 35	No	0.2
	<b>Operations Total</b>	<b>\$ 1,283</b>	<b>\$ 1,595</b>	<b>\$ 752</b>	<b>\$ 752</b>		<b>11.25</b>
Department of Defense ALN 12.113	Dept. of Defense Memorandum of Agreement (DSMOA): Environmental cleanup and site restoration on various federal Department of Defense installations.	\$ 105	\$ 192	\$ 230	\$ 230	No	0.5
Environmental Protection Agency ALN 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.	\$ 421	\$ 804	\$ 804	\$ 804	Yes	3.94
Environmental Protection Agency ALN 66.805	Leaking Underground Storage Tank Trust Fund: Administrative activities to clean up properties contaminated with petroleum from underground storage tanks.	\$ 1,860	\$ 1,738	\$ 1,410	\$ 1,410	Yes	9.5

# Minnesota Pollution Control Agency

# Federal Funds Summary

(Dollars in Thousands)

Federal Agency and ALN #	Federal Award Name and Brief Purpose	FY 2024 Actual	FY 2025 Revised	FY 2026 Revised	FY 2027 Revised	Required State Match or MOE?	FTEs
Environmental Protection Agency ALN 66.809	CORE Program: Administration and implementation of the State's Superfund Program.	\$ 161	\$ 113	\$ 113	\$ 113	Yes	0.8
Environmental Protection Agency ALN 66.817	Brownfields Response Program: Development and enhancement of the Voluntary Investigation and Cleanup and Petroleum Brownfields Programs.	\$ 2,217	\$ 2,547	\$ 1,678	\$ 1,678	No	11.57
Environmental Protection Agency ALN 66.818	Brownfields Assessment and Cleanup Cooperative Agreements: Brownfield Assessment activities at multiple target area locations in the seven county Twin Cities.	\$ 947	\$ 500	\$ 500	\$ 500	No	0.41
Environmental Protection Agency ALN 66.469	Great Lakes Program: Lake Area Management and Remedial Action Plan Capacity and St. Louis Area of Concern Remediation to Restoration Support - To restore capacity and protect water quality in the Lake Superior Basin through coordinative efforts to reduce impairments and toxic chemicals and support Remedial Action Plan implementation activities in the St. Louis Area of Concern.	\$ 2,341	\$ 1,150	\$ 1,150	\$ 1,150	No	2.05
Environmental Protection Agency ALN 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.	\$ 159	\$ 150	\$ 150	\$ 150	Yes	1
	<b>Remediation Total</b>	<b>\$ 8,212</b>	<b>\$ 7,194</b>	<b>\$ 6,035</b>	<b>\$ 6,035</b>		<b>29.77</b>
U.S. Fish and Wildlife Service ALN 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.	\$ 361	\$ -	\$ -	\$ -	No	0
Environmental Protection Agency ALN 66.040	MN Clean Diesel Program: Decreases diesel fuel emissions through grants and loans for emission reduction technologies.	\$ 653	\$ 977	\$ 977	\$ 977	Yes	1
Environmental Protection Agency ALN 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.	\$ 1,614	\$ 1,688	\$ 1,688	\$ 1,688	Yes	11.35
Environmental Protection Agency ALN 66.708	Pollution Prevention (P2) Grants: Supports P2 technical assistance services and/or training for businesses to reduce and/or eliminate pollution from air, water and/or land.	\$ 515	\$ 221	\$ 234	\$ 223	No	0.09

# Minnesota Pollution Control Agency

# Federal Funds Summary

(Dollars in Thousands)

Federal Agency and ALN #	Federal Award Name and Brief Purpose	FY 2024 Actual	FY 2025 Revised	FY 2026 Revised	FY 2027 Revised	Required State Match or MOE?	FTEs
Environmental Protection Agency ALN 66.920	Solid Waste Infrastructure for Recycling (SWIFR) Grants: Supports improvements to local post-consumer materials management to assist waste management authorities in making improvements to waste management systems.	\$ -	\$ 100	\$ 150	\$ 150	No	-
Environmental Protection Agency ALN 66.046	Climate Pollution Reduction Grant (CPRG); Implementation grants provide resources to implement climate pollution reduction projects covered by climate plans to achieve significant emission reductions and improved air quality.		\$ 10,647	\$ 24,585	\$ 18,879	No	6
Environmental Protection Agency ALN 66.049	Clean Heavy-Duty Vehicles (CHDV); incentivize and accelerate the replacement of existing non-ZE Class 6 and 7 heavy-duty vehicles with ZE vehicles. These replacement vehicles will ensure cleaner air for the communities they operate, as well as the reduction in GHG from these vehicle replacements will also help address the outsized role of the transportation sector in fueling the climate crisis.		\$ 5,321	\$ 5,865	\$ 3,438	Yes	1.5
Department of Energy ALN 81.253	Manufacturing and Energy Supply Chain/Consumer Battery Recycling; strengthen and secure domestic manufacturing and energy supply chains needed to modernize the nation's energy infrastructure and support an equitable transition to a decarbonized energy system and economy.		\$ 662	\$ 588	\$ -	Yes	0.1
	<b>Resource Management and Assistance Total</b>	<b>\$ 3,142</b>	<b>\$ 19,616</b>	<b>\$ 34,087</b>	<b>\$ 25,355</b>		<b>20.04</b>
Environmental Protection Agency ALN 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.	\$ 5,727	\$ 3,000	\$ 3,000	\$ 3,000	Yes	-
Environmental Protection Agency ALN 66.469	Great Lakes Program: Funding through LAMP Focus Areas to restore, protect, and educate about water quality in the Lake Superior Basin.	\$ 6	\$ 692	\$ 733	\$ 733	No	-
Environmental Protection Agency ALN 66.485	Gulf Hypoxia Program: Five years of federal funding provided to Gulf of Mexico Hypoxia Task Force States to advance state nutrient reduction strategies aimed at reducing nutrient loads to in-state waters and the Mississippi River system.	\$ 582	\$ 1,311	\$ 1,311	\$ 1,311	No	1

# Minnesota Pollution Control Agency

# Federal Funds Summary

(Dollars in Thousands)

Federal Agency and ALN #	Federal Award Name and Brief Purpose	FY 2024 Actual	FY 2025 Revised	FY 2026 Revised	FY 2027 Revised	Required State Match or MOE?	FTEs
Environmental Protection Agency ALN 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.	\$ 2,859	\$ 2,946	\$ 2,920	\$ 2,920	Yes	19.85
	<b>Watershed Total</b>	<b>\$ 9,174</b>	<b>\$ 7,949</b>	<b>\$ 7,964</b>	<b>\$ 7,964</b>		<b>20.85</b>
	<b>Federal Fund – Agency Total</b>	<b>\$ 32,156</b>	<b>\$ 63,976</b>	<b>\$ 127,144</b>	<b>\$ 83,070</b>		<b>155.55</b>

## 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 comes directly from the U.S. Environmental Protection Agency (EPA). In 2024, the MPCA received a seminal award from the Department of Energy (DoE). In the FY 2024-2025 biennium, the MPCA acquired \$95 million in the form of grants and cooperative agreements. Federal revenues accounted for approximately 8.22% of the MPCA's budget in the FY 2024-2025 biennium, while the FY 2026-2027 biennium is projected to be 25.28%.

The majority of federal funds are noncompetitive and support program activities in which the MPCA is authorized by EPA to execute grant-related activities at the state level. Individual awards are received under several MPCA divisions, including Environmental Analysis and Outcomes, Industrial, Remediation, Resource Management and Assistance (RMAD), and Watershed. MPCA is committed to pursuing additional federal funding resources that align with agency's 2024-2028 Strategic Plan's goals and objectives.

In 2024, MPCA received its largest grant to date: the Climate Pollution Reduction (CPRG) Implementation, a competitive grant totaling \$199 million. These funds are allocated to support activities in two agency divisions, specifically Climate and RMAD; however, they are still classified as a single grant by the EPA. The Performance Partnership Grant (PPG) is a continuing environmental program grant totaling \$61 million. The PPG functions as an "umbrella" grant combining continuing environmental program grants as determined by federal allocations and some competitive awards. The funds support activities in seven agency divisions, yet they are classified as one grant by the EPA. By receiving the PPG as a single award, MPCA effectively minimizes federal administrative and reporting burdens, while enhancing its flexibility in resource management to achieve its goals and objectives agency-wide.