

HF168 - 0 - Cumulative Pollution Analysis Requirement

Chief Author: **Fue Lee**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **2/3/2021 3:20:42 PM**
 Agency: **Pollution Control Agency**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	15,143	15,143	15,143	15,143	15,143
Total	-	15,143	15,143	15,143	15,143	15,143
Biennial Total			30,286			30,286

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	117.7	117.7	117.7	117.7
Total	-	117.7	117.7	117.7	117.7

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 2/3/2021 3:20:42 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	15,143	15,143	15,143	15,143	15,143
Total	-	15,143	15,143	15,143	15,143	15,143
	Biennial Total		30,286			30,286
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	15,143	15,143	15,143	15,143	15,143
Total	-	15,143	15,143	15,143	15,143	15,143
	Biennial Total		30,286			30,286
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-			-

Bill Description

The bill amends Section 1. Minnesota Statutes 2018, section 116.07 subdivision 4a Permits by requiring the agency to not issue a permit to a facility without analyzing and considering cumulative impacts from past and present sources in an expanded geographical area that includes the metropolitan county as defined in section 473.121, subdivision 4.

Counties would include: Hennepin, Ramsey, Dakota, Washington, Anoka, Scott and Carver.

Assumptions

1. The costs reflected in this analysis only address PCA costs and are over and above current program appropriations to the PCA.
2. There are approximately 823 existing air emission permits within the expanded geographical area that would potentially be subject to this requirement each year.
3. There are an additional 100 construction/modification air emission permit applications received each year for this geographical area.
4. Agency work activities would include file and data review, air modeling, risk assessment, permit development and meetings.
5. Estimate of time would vary depending upon size, complexity and extent of public interest for each facility. Experience with development of several cumulative impact permits adds six (6) months to the schedule and takes 1) approximately 1,125 hours of staff time above the average amount of time required to develop a permit. (Typical permit development time takes approximately 150 hours each for planning purposes) and 2) an additional 220 hours per permit for air toxics risk review, air dispersion modeling and preparation support to permit development. Total permit development time per cumulative impacts permit is 1,345 hours of staff time.
6. Cumulative impact permits require public hearings.
7. Translations may need to be performed in multiple languages, especially in Environmental Justice areas. It is assumed ~25% of hearings will need these services.

Expenditure and/or Revenue Formula

1. Calculation of cumulative impact permit review costs at agency

a. For the purpose of calculating costs for this fiscal note, we are assuming a 10% average turnover of existing permits based upon expirations; 82 permits affected per year. 82 permits affected per year due to expiration/turn-over. 82 permits x 1,345 hours per permit = 110,290 hours per year.

b. For the purpose of calculating costs for this fiscal note, we are using an average of 100 construction/modification applications each year. 100 construction/modification air emission permit applications. 100 permits x 1,345 hours per permit = 134,500 hours per year.

c. 82 permits/year + 100 permits/year = 182 permits/year. 110,290 hours/year + 134,500 hours/year = 244,790 hours/year. 1 FTE* = 2,080 hours/year. 244,790 hours/year / 2,080 hours/FTE/year = 117.7 FTE/year. 1 FTE = \$128,000. 117.7 FTE x \$128,000/year = **\$15,065,600/year**

2. Calculation of public meeting venues and related costs

a. Very conservatively estimate that 10% of cumulative impact reviews will require public meeting venues to ensure opportunity for community engagement. 182 permits/year x 10% = 18 permits requiring public meetings/year.

b. 18 public meetings/year x venue cost of \$1,500 each = **\$27,000/year**. (Costs for public meeting venues can vary greatly depending upon size of space needed and whether a public space is available (could cost \$200 per event) versus the requirement of using private space (could cost \$2500 per event).)

c. 18 public meetings/year x public notification cost of \$2,500 each = **\$45,000/year**. (Costs for public notification includes flyers and other materials mailed and delivered to the affected communities providing notification of meeting purpose, time and location.

d. 18 public meetings/year x translator cost of \$500 for 3 hours of services x 2 languages x 5 meetings (~25% of meetings) anticipated to require translation services = **\$5,000/year**.

e. Total public engagement, venues and related costs = **\$77,000/year**

3. Total costs per year

a. Total cumulative impact permit review costs at agency = **\$15,065,600/year (117.7 FTE/year)**

b. Total public engagement, venues and related costs = **\$77,000/year**

c. **Grand total = \$15,142,600**

*The annual cost of 1.0 FTE is \$128,000 in FY2021-2025. Annual costs for 1.0 FTE include salary, fringe, and non-specialized employee support costs (work space, computer and office supplies, office equipment, local travel, etc.)

Long-Term Fiscal Considerations

The costs associated with this bill will continue in future fiscal years

Local Fiscal Impact

The bill will may have a fiscal impact on local government to the extent that their staff would provide input and/or monitor the process.

References/Sources

MPCA staff with experience in enforcement actions and development of air emission permits.

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