

Budget for One Minnesota



Minnesota Pollution Control Agency FY2020-2021 Budget

House Environment & Natural Resources Finance
Division

February 28 and March 5, 2019





**MPCA Mission: Protect and improve
the environment and human health**

Budget for One Minnesota



Key priorities:

- Efficiency and due diligence
- Stakeholder engagement and communication
- Statewide effort to address climate change

Leading through Science

- Established in 1967
- Medium-sized agency (about 900 FTE)
- Low turnover rate (2.5%)
- 48% women
- 70% of staff are scientists
 - Engineers
 - Hydrologists
 - Soil Scientists
 - Chemists
 - Biologists
 - Environmental Specialists

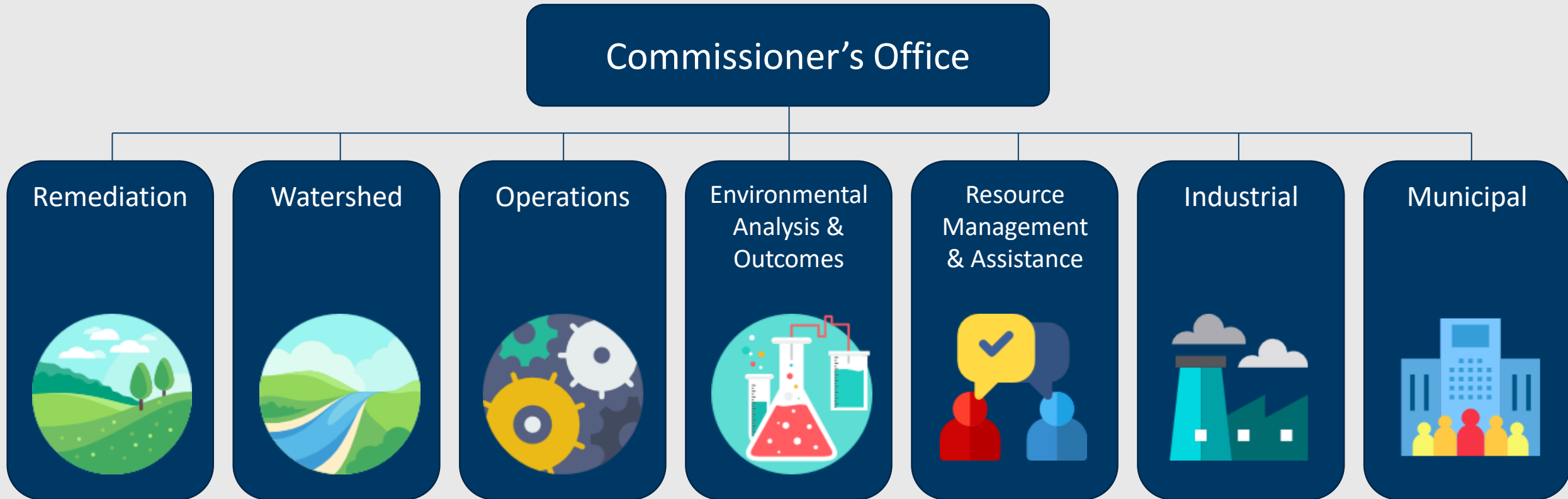


MPCA Statutory authority

State Laws	229 state laws (not including appropriations) apply to the MPCA and direct program operations.
Delegated authority for federal laws (US EPA):	<ul style="list-style-type: none">■ Air programs: Outdoor air monitoring, permitting, air toxics, compliance & enforcement, regional haze, rules, etc.■ Water programs: Monitoring, permitting, TMDL, enforcement and compliance, stormwater, feedlot, etc.■ Land programs: Solid waste, hazardous waste monitoring & enforcement, Resource Conservation and Recovery Act (RCRA), etc.



MPCA Organizational Structure



Budget Priorities

Budget for One Minnesota



Education



Health Care



Community
Prosperity



FY 2020-2021 Governor's Recommendations

Budget Initiative	General Fund	Environmental Fund	Remediation Fund	CLIF	Other Misc	Clean Water
Business Friendly Data Services		1,600				
St. Louis River Area of Concern		484				
Climate Outreach and Engagement	250					
EIS for Karst Groundwater Contaminants	2,000					
Vapor Intrusion and Contaminants of Emerging Concern			1,210			
Streamlined Water Policy and Permitting		671				
Electric Vehicle Infrastructure	1,500				100	
Food Waste Reduction	1,500					
Recycling Market Development		800				
Air Appropriation Increase		774				
Extend Availability of Freeway Landfill Appropriation				1,622		
Extension of PFA Assistance Appropriation		373				
Clean Water Fund Request						46,910
Legal Costs	1,638					
Railroad and Pipeline Safety Assessment Reinstatement					500	
TOTAL	6,888	4,702	1,210	1,622	600	46,910 ⁹

Business-friendly data services

- Accelerate placement of our 400+ applications and services online
- Benefits permit holders, city staff, citizens, consultants, regulated parties
- MPCA receives average 525 data requests per month
- Online services save time and money
- Maintain 2 FTE and add 2 FTE
- \$800,000 / year / ongoing
- Environmental Fund



St. Louis River Area of Concern



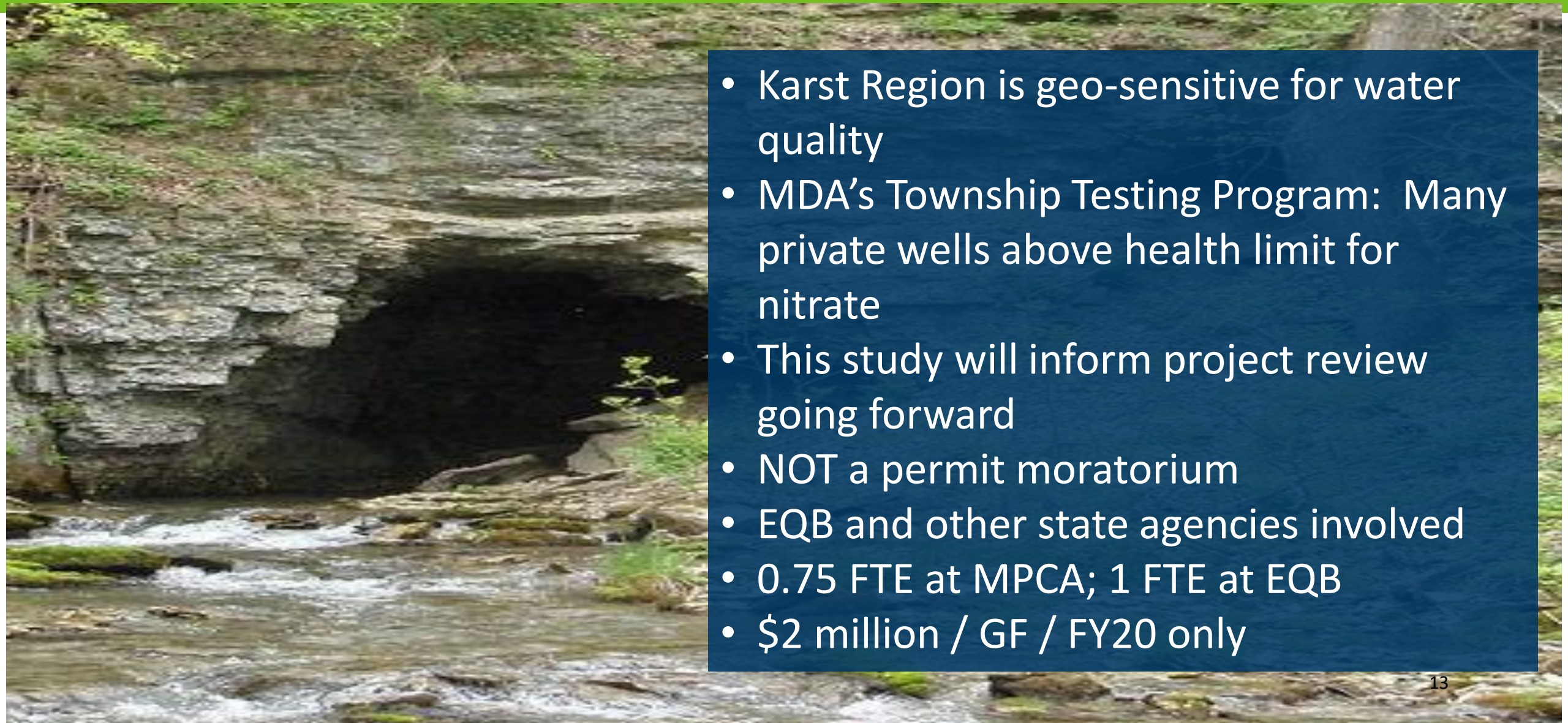
- Continue to leverage \$47.2 M federal funding (GLRI)
- Maintains 4 FTE for cleanup at 10 sites
- Coordination, technical analysis, project management
- Maintains 4 FTE
- \$484,000 / Env Fund / FY21
- Tails: \$363,000 / year in the FY22-23 biennium

Climate outreach and engagement

- A series of public meetings statewide
- Communities, businesses, youth, state & local government leaders, NGOs
- Goal: Act strategically on climate change:
 - build on successes,
 - understand local needs,
 - forge a green economy
- \$250,000 FY20 only / 0.5 FTE
- General Fund



Environmental Impact Statement for karst groundwater contamination

- 
- A photograph of a karst landscape. In the foreground, a stream flows over rocks, creating white foam. The background shows a rocky cliff face with a dark cave entrance. The overall scene is lush with green moss and vegetation.
- Karst Region is geo-sensitive for water quality
 - MDA's Township Testing Program: Many private wells above health limit for nitrate
 - This study will inform project review going forward
 - NOT a permit moratorium
 - EQB and other state agencies involved
 - 0.75 FTE at MPCA; 1 FTE at EQB
 - \$2 million / GF / FY20 only

Vapor intrusion and contaminants of emerging concern

- Accelerate review statewide for vapor intrusion and groundwater contamination at:
 - 2,055 closed Superfund sites
 - 110 closed landfill sites – PFAS, etc.
- Moves completion at Superfund sites to FY28 (instead of current FY61)
- 5 new FTE (3 for Superfund, 2 for closed landfill)
- \$605,000/year from Remediation Fund



Streamlined water policy and permitting

- Based on work of 2018 Water Fee Advisory committee:
 - Water fees = at least 30% agency costs
 - 4-year phase in of new water fees
 - Except: 6 year phase in for feedlot fees
 - Tie city stormwater fee to population
- Authorizes MPCA to spend funds from fee increases
- Extends thru 2021 technical assistance funding appropriated in 2017 for PFA projects
- 1.8 FTE in FY20; 3 FTE cumulative end of biennium
- \$223,000 in FY21 and \$448,000 in FY22
- Environmental Fund

Electric vehicle infrastructure



- Accelerate placement of EV infrastructure statewide
- Both Fast and Level 2 charging stations
- Meets strong demand for EV chargers
- ZERO FTE - dollars added to existing program
- \$1.5 million General Fund FY20 one-time
- \$50,000 ongoing from Highway Users Tax Distribution Fund from \$25 increase in EV registration

Food Waste Reduction



- Food waste is 30% of our waste stream
- Proposal will divert food waste away from landfills by:
 - New food rescue (both retail and prepared food) & food waste prevention grants
 - Remove barriers to expanding organics recycling programs (e.g. addressing PFAS)
 - Analysis of emerging technologies (e.g. anaerobic digestion)
- 0.5 FTE
- \$750,000 / year / ongoing
- General Fund



Recycling market development

- Grants to develop new value-added and other businesses to spur growth in recycling markets
 - Match to be required
 - Pay for costs that banks and lenders generally don't cover
- Zero FTE
- \$400,000 / year/ ongoing
- Environmental Fund



Air appropriation increase

- Federal Clean Air Act requirement since 1990s
- Air emissions fees must cover the cost of issuing permits
- Each biennium, inflationary increase in costs must be authorized
- Maintains existing levels of service in air program
- \$258,000 in FY20
- \$516,000 in FY 21
- Environmental Fund

Extend availability of Freeway Landfill appropriation

- Extends the availability of a 2017 \$3 million appropriation from June 30, 2019 through FY21.
- Needed due to delays at site
- Funds used for feasibility studies, engineering, design
- Funding request for cleanup anticipated in 2020 Session



Extension of PFA assistance appropriation

- Extends a 2016 appropriation for \$486,000 through FY 21.
- Currently, these funds cancel on June 30 2019.
- Funds provide technical assistance and review of municipal water infrastructure projects
- Additional work needed to get new, higher level of PFA bonding out the door



Legal costs/Railroad & Pipeline Safety Assessment

- Two transfers from other agencies
- \$1,638 million from DNR for legal costs related to defending NorthMet, etc., permits
- \$500,000 from DPS to carry out duties under Chapter 115E related to emergency preparedness and response activities



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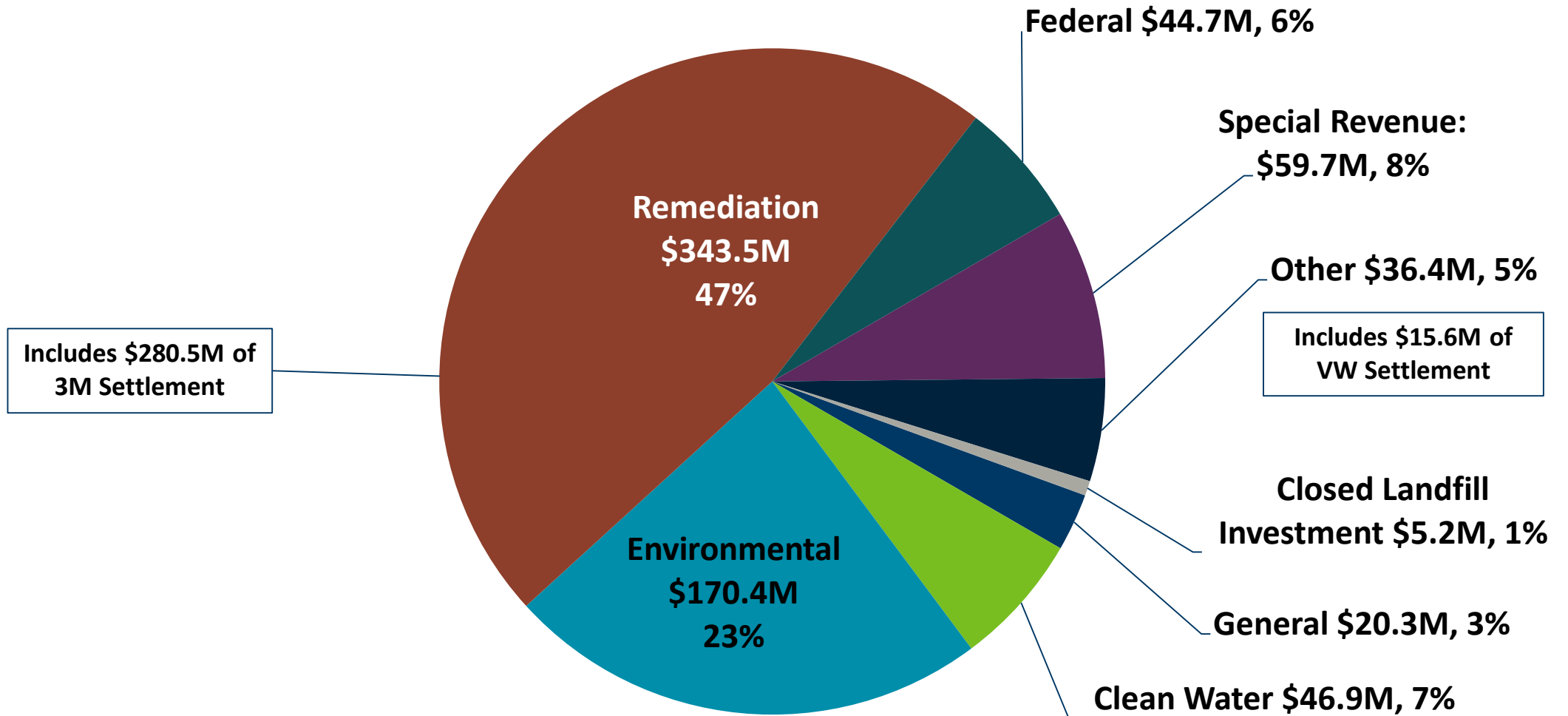
Questions?

Minnesota Pollution Control Agency

Biennial comparison

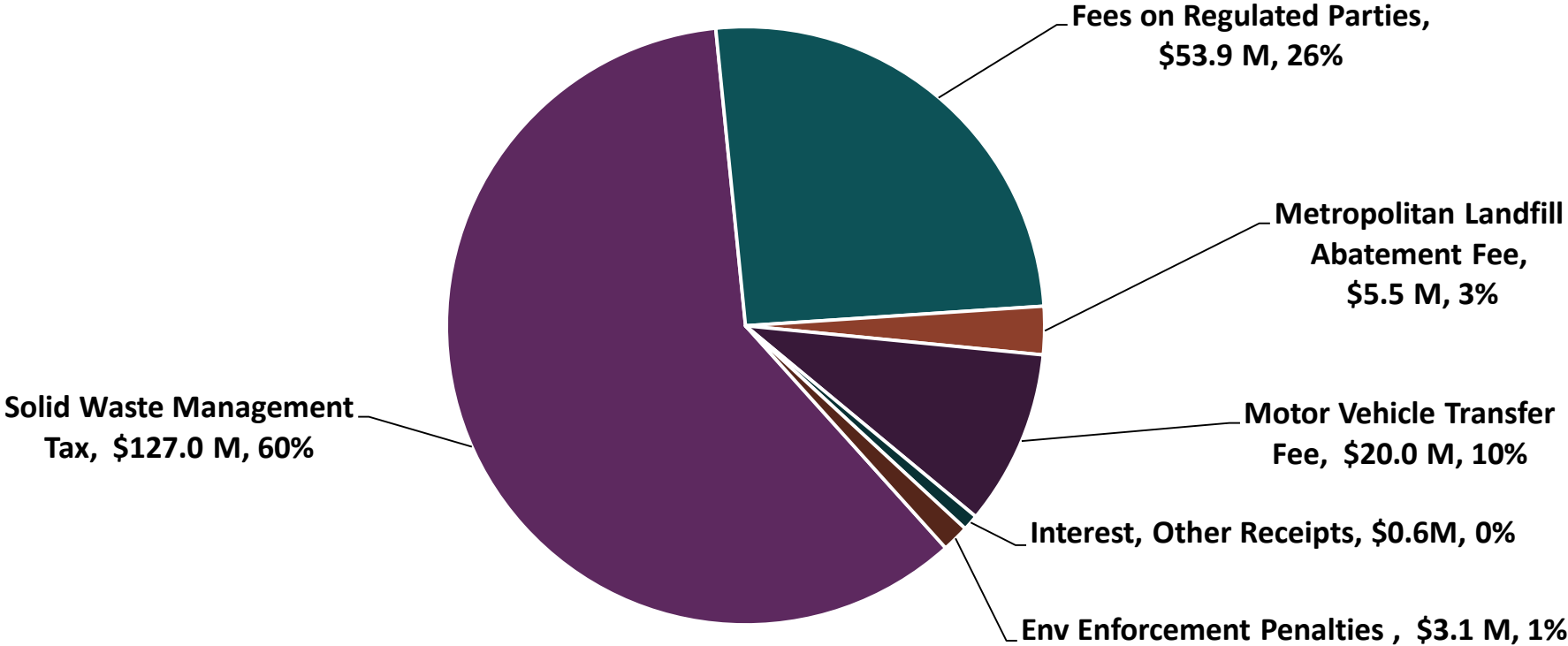
	FY2018-FY2019	Recommended FY2020-2021	Change as \$\$\$	Change as %
General	14.5	20.3	5.8	40.0%
Clean Water	52.2	46.9	(5.3)	(10.2%)
Environmental	166.1	170.4	4.3	2.6%
Remediation	218.1	343.5	125.4	57.5%
Federal	40.6	44.7	4.1	10.1%
Special Revenue	60.7	59.7	(1)	(1.6%)
Closed Landfill Investment	1.4	5.2	3.8	271.4%
Other	45.3	36.4	(8.9)	(19.6%)
Total Recommendation	598.9	727.1	128.2	21.4%
Total of settlements and appropriation extensions	(160.4)	(285.6)	(125.2)	
Agency Total without settlements and appr extensions	438.5	441.5	3.0	0.7%

FY20-21 Recommended Budget by fund: \$727.1M

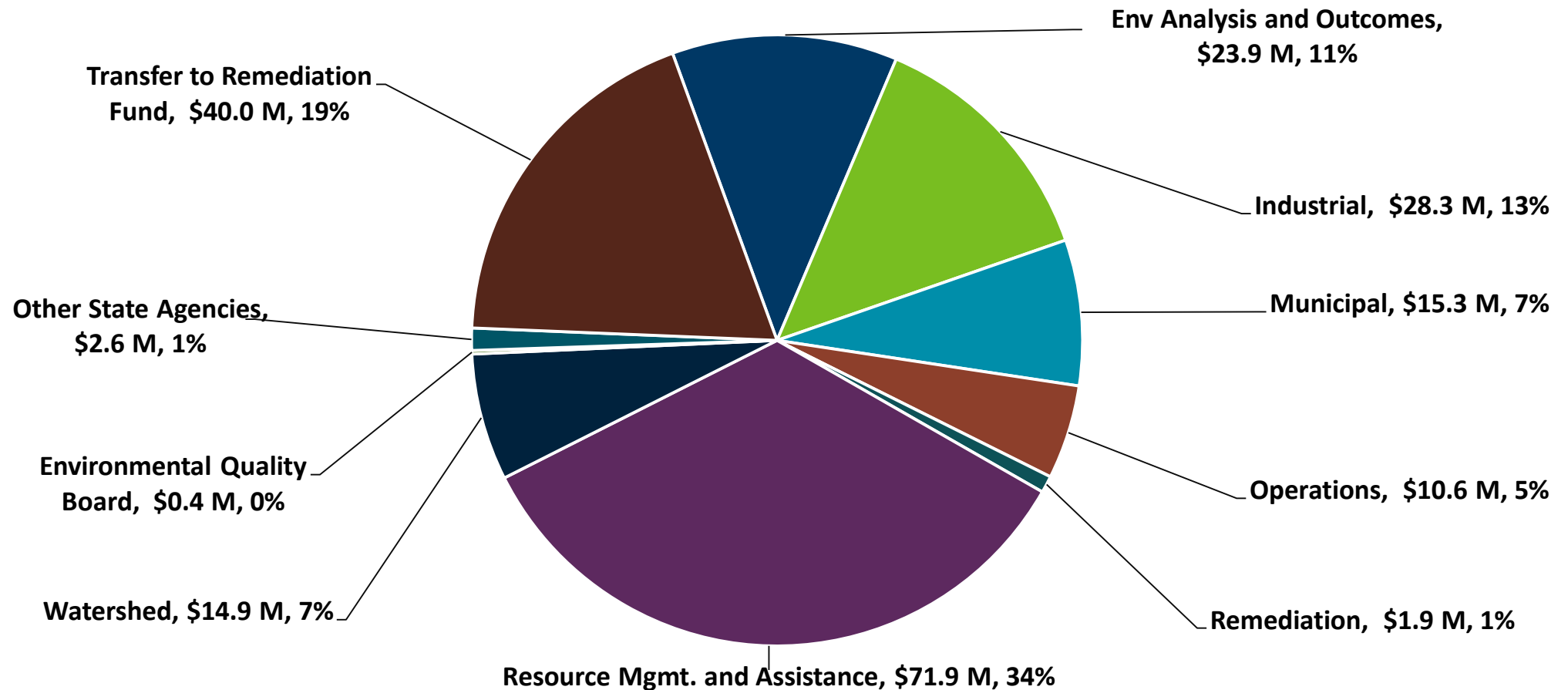


FY 20-21 Environment Fund receipts: \$210.2M

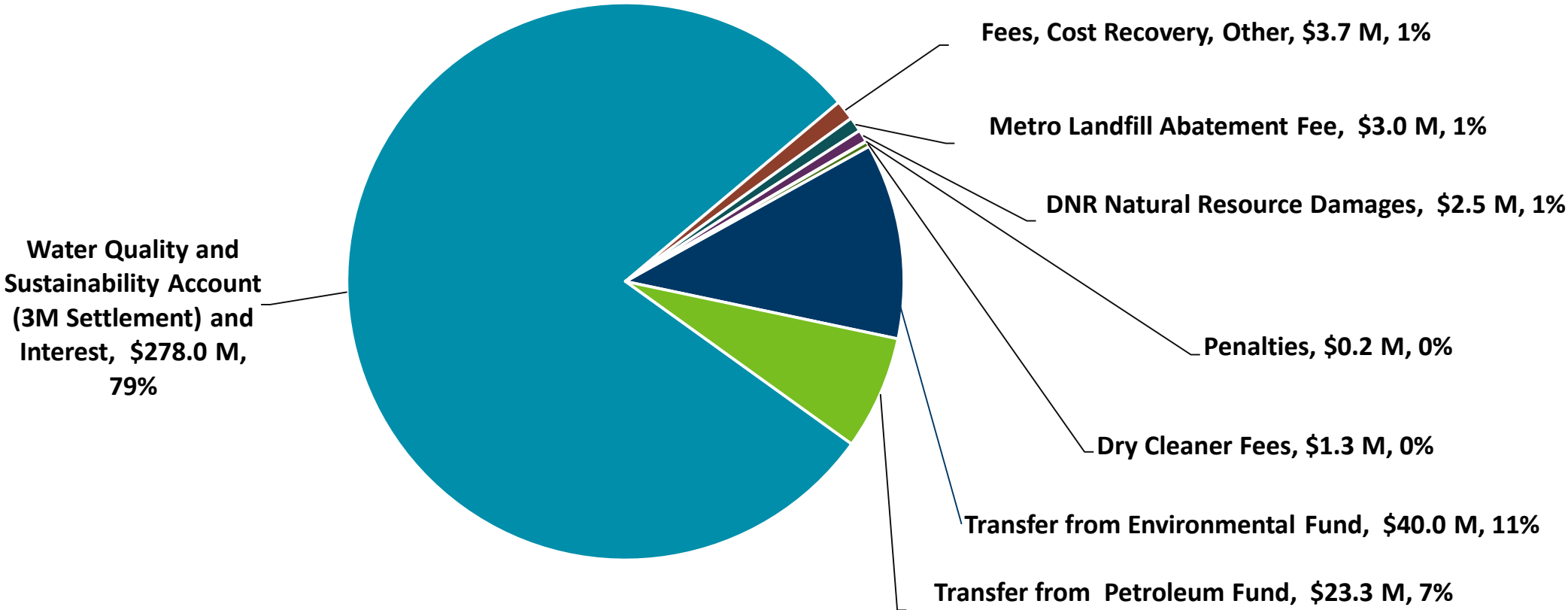
Tax on garbage is the largest source of revenue, 63% of total receipts.



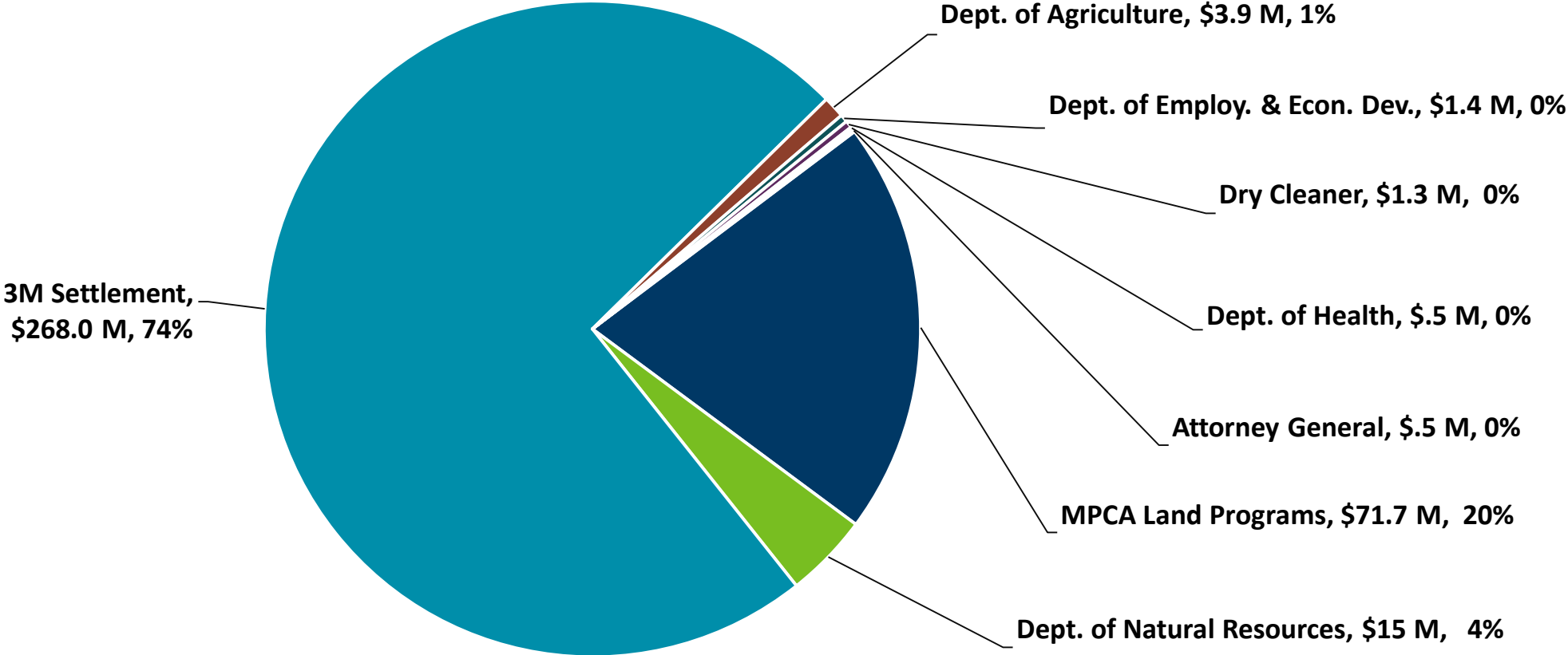
FY 20-21 Environmental Fund expenditures: \$210M



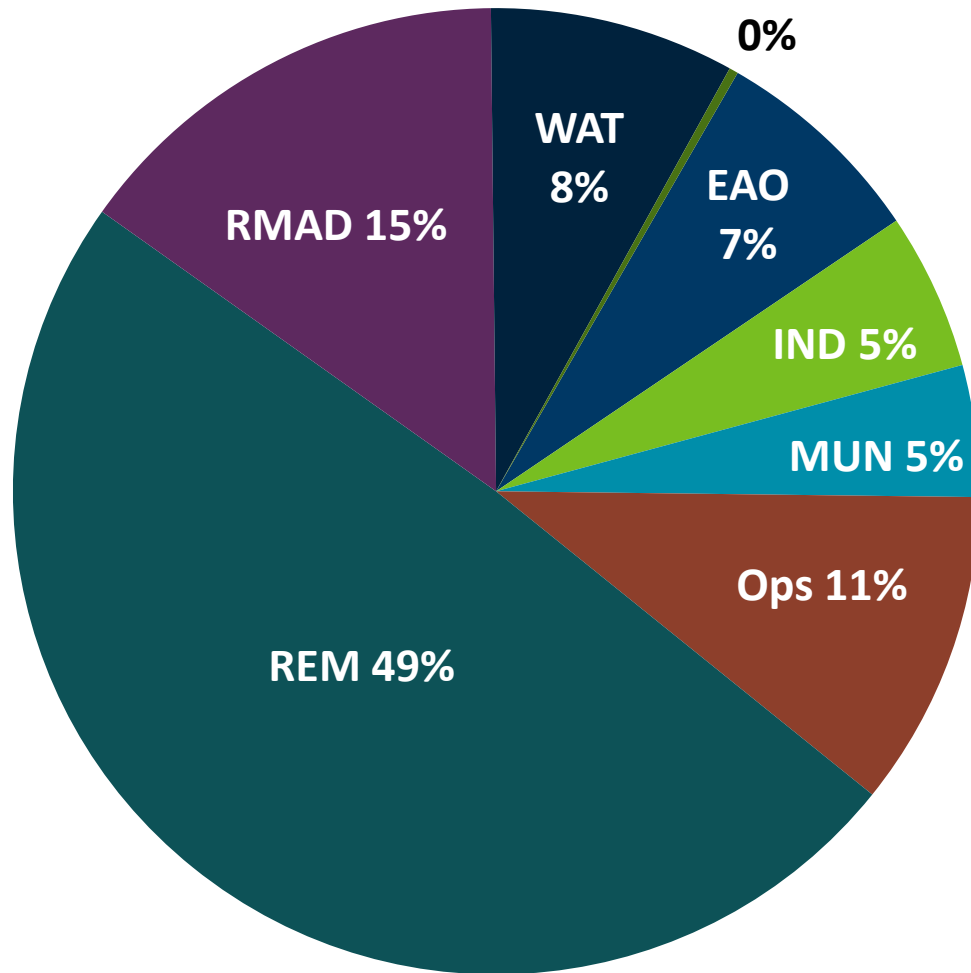
FY 20-21 Remediation Fund receipts: \$352.1M



FY 20-21 Remediation Fund expenditures: \$362.3M



FY 2020-21 proposed budget by division: \$727.1M



- Environmental Analysis and Outcomes Division: \$52.5M 7%
- Industrial Division: \$38.2M 5%
- Municipal Division: \$32.1M 4%
- Operations Division: \$77.3M 11%
- Remediation Division: \$356.1M 49%
- Resource Management and Assistance Division: \$108.8M 15%
- Watershed Division: \$59.6M 8%
- Environmental Quality Board: \$2.5M

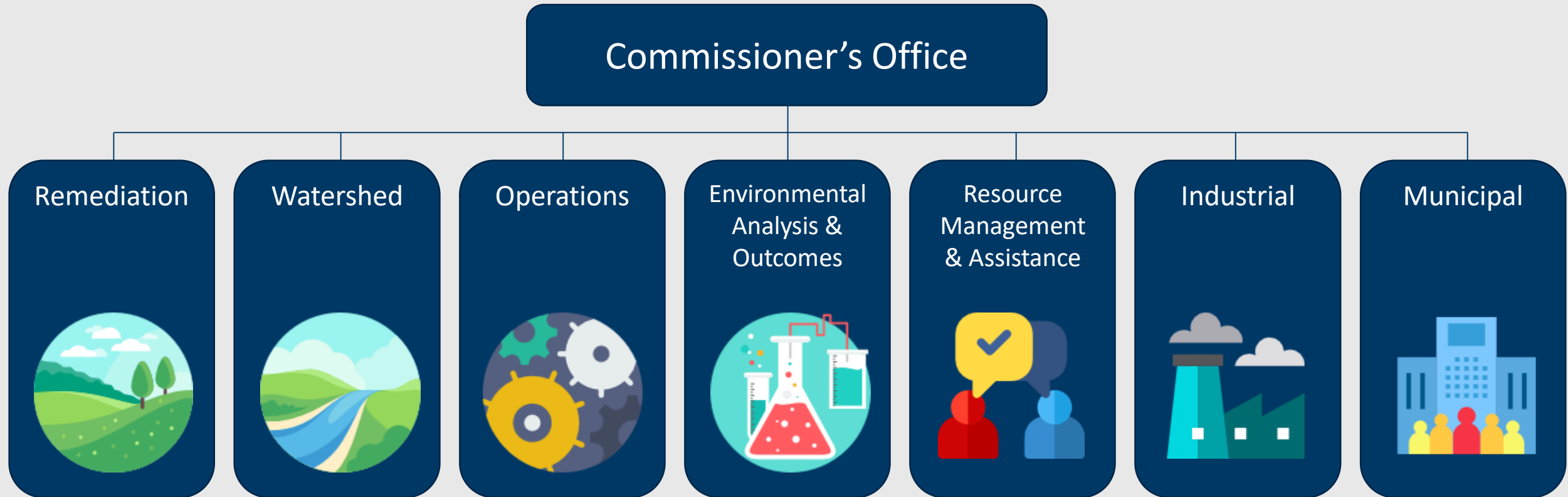
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Questions?

Minnesota Pollution Control Agency

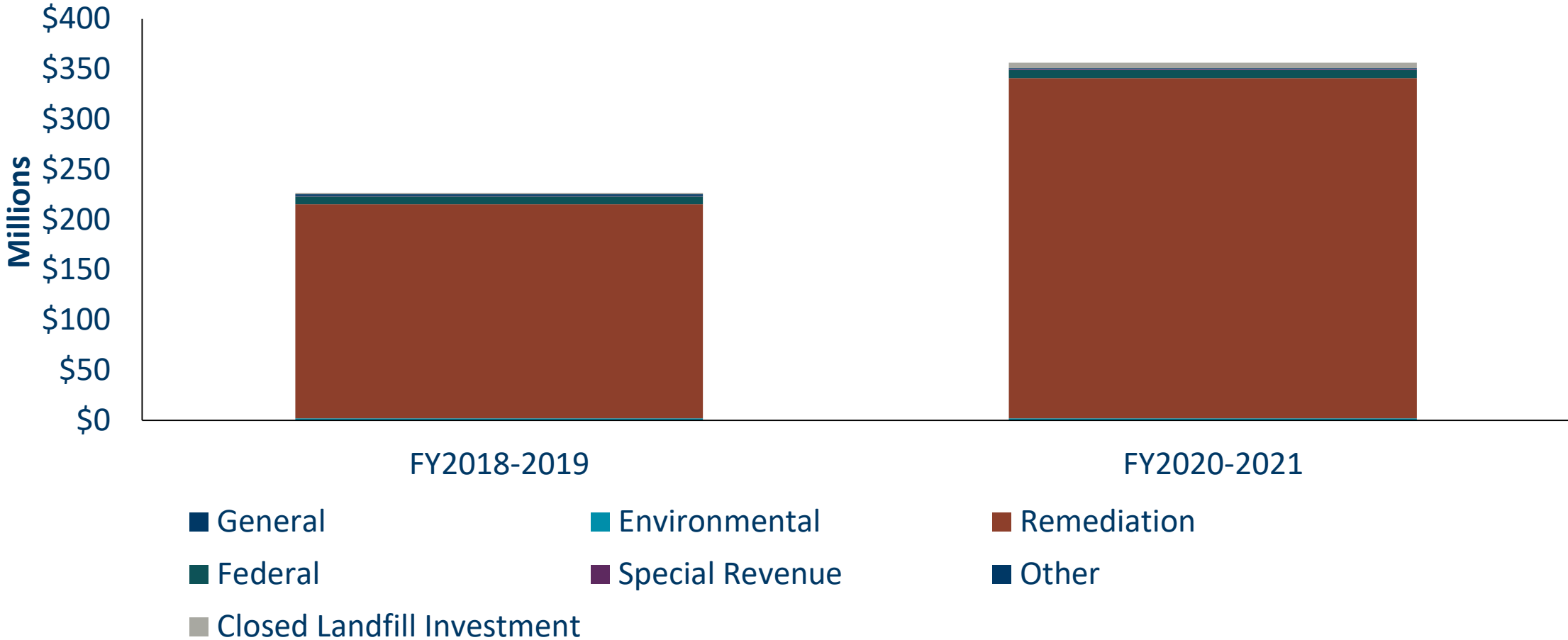
MPCA Organizational Structure



Remediation Division

- **Cleanups:** Investigate, mitigate risk, and clean up and/or provide long-term care for contaminated properties:
 - Carry out these activities when there is no viable responsible party
 - Coordinate St. Louis Rive Area of Concern cleanup project
- **Brownfields:** Oversee and assist in safe redevelopment and reuse of contaminated properties by third parties
- **Closed Landfills:** Manage 110 closed landfill sites statewide to protect against and mitigate water contamination and gas explosion risks
- **Emergency Response:** Protect Minnesotans from hazards caused by spills and assist with natural disaster recover efforts

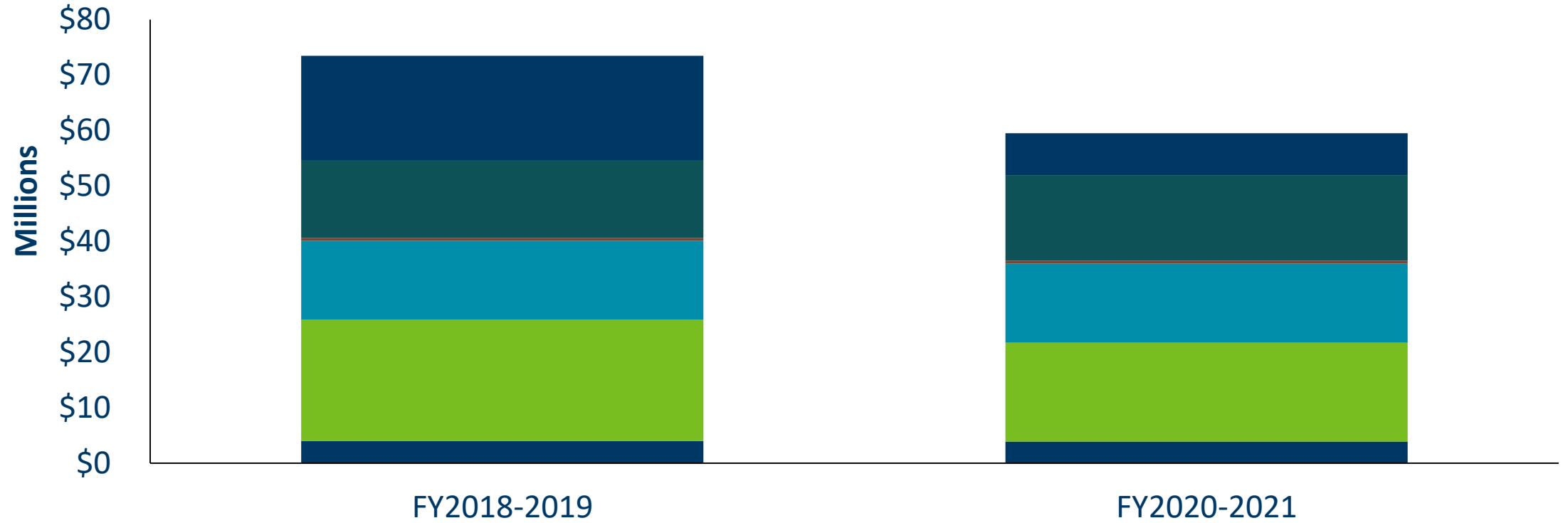
Remediation Division funding



Watershed Division

- Build local capacity to restore and improve the environment
 - Work with local partners to develop Watershed Restoration and Protection Strategies (WRAPS), including Total Maximum Daily Loads (TMDLs)
 - Jointly oversee management of Feedlots with County Feedlot Officers
- Programs and services are managed and delivered through regional offices

Watershed Division funding

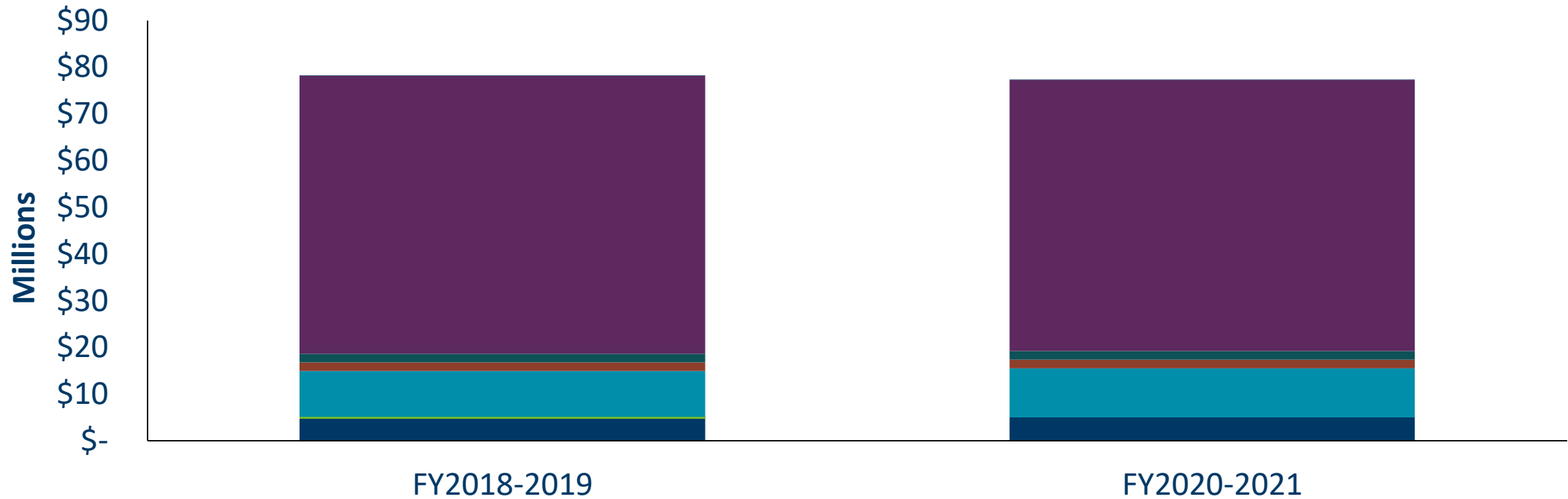


■ General ■ Clean Water ■ Environmental ■ Remediation ■ Federal ■ Special Revenue ■ Other

Operations Division

- Manages resources (people, dollars, and knowledge) to meet the agency's priorities
- Provides continuous improvement support for the agency
- Provide services that benefit all agency programs, including fiscal & contracting, human resources, data management, emergency response management, facilities & fleet, communications.

Operations Division funding

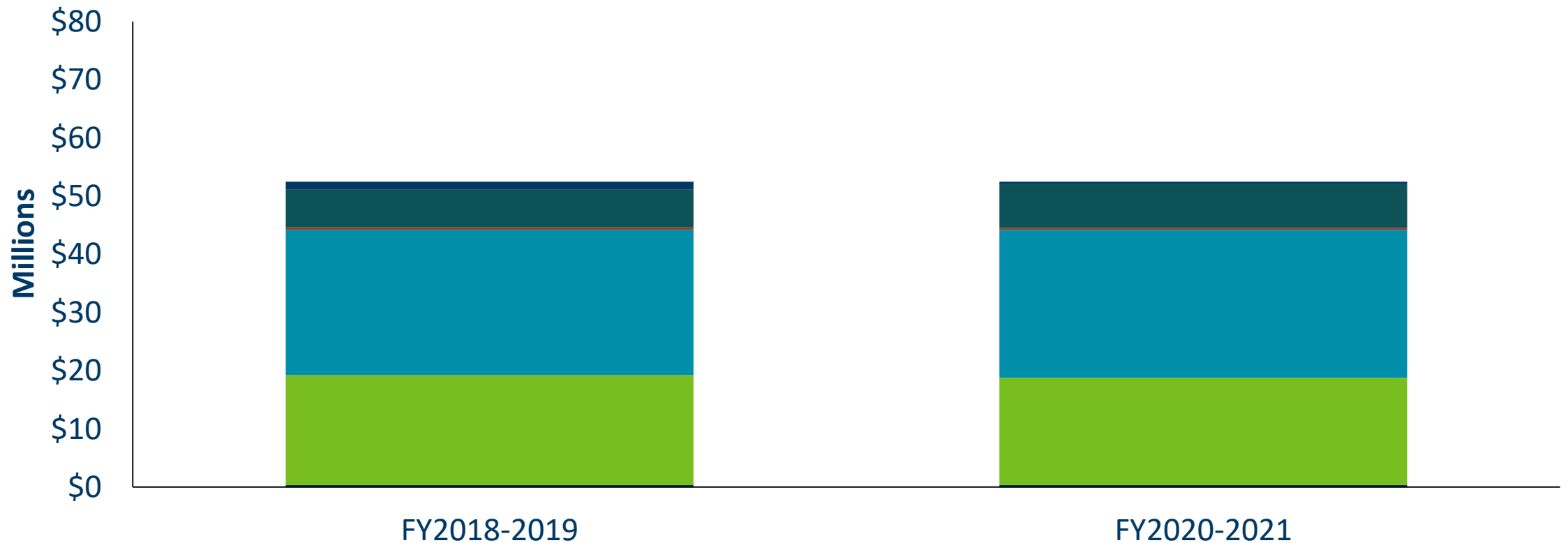


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Environmental Analysis and Outcomes Division

- Monitors and evaluates the quality of Minnesota's lakes, streams, groundwater and air
- Identifies environmental threats and impacts
- Helps set environmental goals, establish standards, and measure progress
- Performs risk assessments, air modeling, and effluent limit reviews to support regulatory programs
- Helps ensure the quality and availability of agency, permittee and partner-collected data

Environmental Analysis and Outcomes Division funding

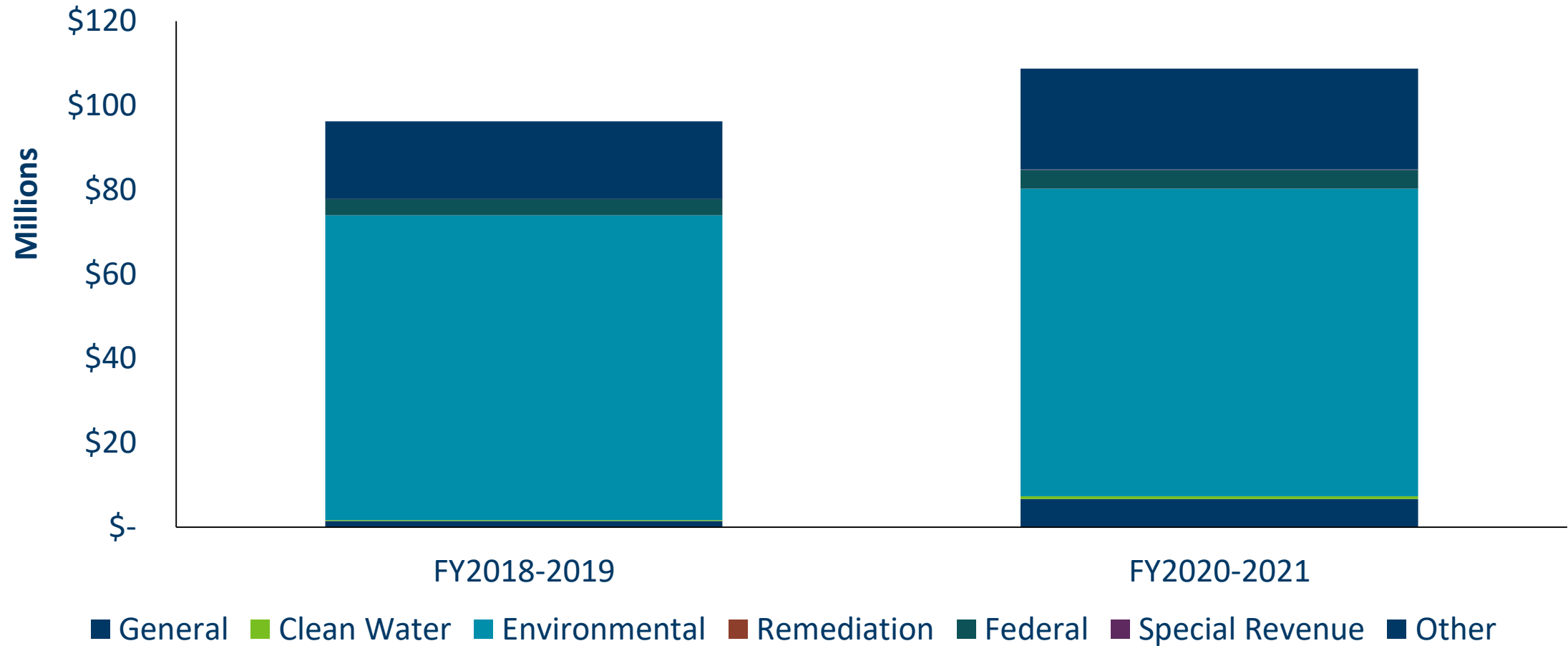


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Resource Management and Assistance Division

- Regulating and managing solid waste
- Prevent or minimize negative impacts of citizens' actions on public health and the environment in a way that benefits the environment, economy and society
- Offering a wide array of tools and resources to businesses, citizens, permittees, governments and other partners to prevent, manage and clean up pollution from waste

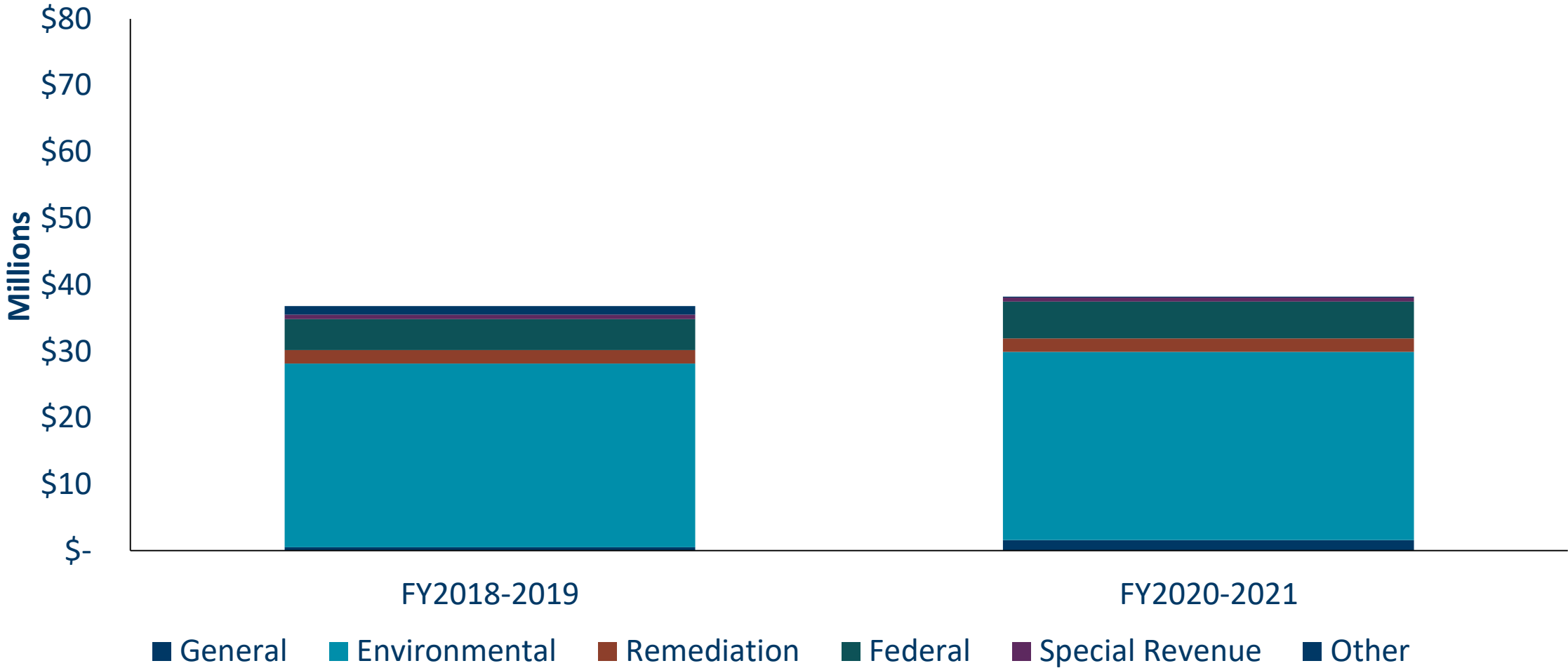
Resource Management and Assistance Division funding



Industrial Division

- Provides core regulatory services for industrial facilities in the air and water quality, hazardous waste, and petroleum storage tank programs
- Supports jobs and economic growth state-wide while ensuring environmental protection

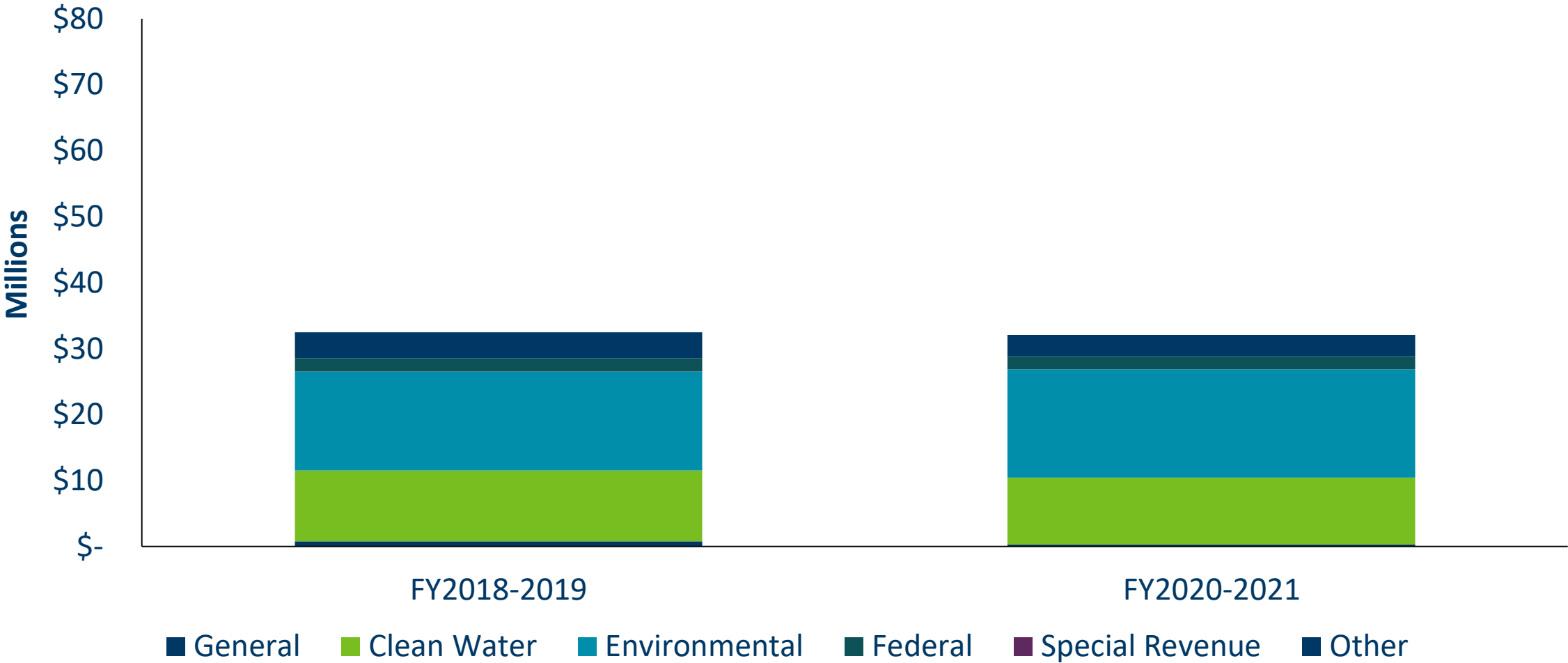
Industrial Division funding



Municipal Division

- Wastewater treatment facility permitting, inspections, technical assistance, and enforcement
- Review, approval, and prioritization of proposed wastewater treatment construction projects for funding through the Public Facilities Authority
- Strengthening local septic system programs through general financial support, training and certification programs, technical assistance, enforcement referral, and low income “fix-up” grants
- Municipal and construction stormwater permitting, inspections, technical assistance, and enforcement including an accelerated outreach program for newly permitted municipalities and those regulated through a TMDL
- Stormwater Manual/Wiki operation and updating (>7M hits since 4/2/13)

Municipal Division funding



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Questions?

Minnesota Pollution Control Agency

Budget for One Minnesota



Environmental Quality Board

Will Seuffert, Executive Director

Mission: To enhance Minnesota’s environmental quality for current and future generations by leading interagency work to advance meaningful public engagement and facilitate informed decision-making on critical environmental issues.

Membership: 9 state agency heads and 8 citizens representing each Congressional District

Leadership: MPCA Commissioner Bishop, rotating assignment

Authority: 116C, 116D, 116G, 103A/103B

What’s Our Role?

Public forum to
engage in
environmental
decision-making

Strategic
Interaction of
Multiple State
Agencies

Steward
Minnesota’s
Environmental
Review Process

General Fund \$2.162 M, Environmental Fund \$0.386 M, Total \$2.548 M

2018-19 Initiatives

- Environmental Review Oversight and Program Improvement: Rulemaking
- Governor's Task Force on Wild Rice (E.O. 18-08, 18-09)
- Interagency Pollinator Initiative (E.O. 16-07)
- 25% by 2025 Public Engagement Process
- Energy and Environment Report Card
- Interagency coordination on climate change mitigation and adaptation
- Emerald Ash Borer Interagency Team

2020-21 Initiatives

- Generic Environmental Impact Statement
- Environmental Congress: Fall 2019
- State Water Plan: Fall 2020
- Climate Change Planning and Engagement
- Environmental Review Oversight and Program Improvement: Rulemaking
- Continued support of ongoing initiatives

Environmental Quality Board

- General Fund \$2.162 M
- Environmental Fund \$0.386 M
- Total \$2.548 M

Budget for One Minnesota



The End Questions?

Minnesota Pollution Control Agency