

# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Environment

#### Pollution Control

##### Technical Assistance and Grant Funding for Wastewater Treatment Systems

The Governor recommends funding for two FTEs for technical assistance and grants to local governments to support greater Minnesota communities in their efforts to meet new pollutant limits and their community wastewater treatment. This funding will explore innovative permitting approaches, evaluate treatment system alternatives to construction, identify cost-effective solutions (including pollution source reduction and optimizing existing infrastructure), and develop engineering plans so municipalities may seamlessly apply for Clean Water State Revolving Fund dollars when construction is needed.

General	Expenditures	\$2,175	\$0
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##### Waste Prevention Recycling Grants and Loans

The Governor recommends funding for three temporary FTEs to provide technical assistance and grants to improve infrastructure for waste prevention, recycling, and composting projects. Priority areas for grant funding would focus on: prevention of wasted food and food rescue, recycling market facility development, composting/anaerobic digestion facility development and expansion, and sustainable building and materials management.

General	Expenditures	\$18,923	\$0
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##### PFAS Community Grants

The Governor recommends providing grants to public and private entities to reduce pollution from per- and polyfluoroalkyl substances (PFAS). The priorities are replacing PFAS firefighting foam, monitoring for PFAS conduits to the environment (municipally-owned landfills, wastewater treatment plants, and waste-to-energy plants), and supporting PFAS pollution prevention at public entities.

General	Expenditures	\$2,000	\$0
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##### Agency Operating Increase

The Governor recommends providing an operating increase to several divisions at MPCA to ensure the agency continues to meet its core statutory responsibilities, including monitoring, rule development, permitting, enforcement, outreach, and response to record requests.

General	Expenditures	\$38	\$76
Petroleum Tank Release Cleanup	Expenditures	\$854	\$1,708
Environmental	Expenditures	\$4,167	\$8,334
Remediation	Expenditures	\$543	\$1,086

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### Pollution Control

#### Railroad Safety

The Governor recommends maintaining an FTE for oil and hazardous substance discharge preparedness and response for railroads with unit trains.

Remediation	Expenditures	\$133	\$266
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#### Accelerate Pollution Prevention at Small Businesses

The Governor recommends expanding the small business loan program to provide no-interest loans to more businesses for pollution prevention. The additional loans will focus on reduction of non-traditional pollution types, such as auto body paint and dry-cleaning chemicals.

General	Expenditures	\$2,000	\$0
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#### Solar Panel Recycling

The Governor recommends establishing a solar panel component product stewardship program to ensure waste is disposed of properly. Solar retailers will collect a fee at the point of sale and remit the proceeds to a product stewardship organization. The group will develop practices to reduce the amount of harmful waste generated by the solar panels.

Environmental	Revenues	\$100	\$200
Environmental	Expenditures	\$100	\$200

#### Restrict Cadmium and Lead in Certain Consumer Products

The Governor recommends funding half of an FTE and equipment to enforce restrictions on toxic lead and cadmium in certain consumer products.

Environmental	Expenditures	\$74	\$148
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#### PFAS Baseline Conditions Study

The Governor recommends funding to assess the levels of per- and polyfluoroalkyl substances (PFAS) throughout the state in water and soil. The funding will pay for PFAS analysis in water samples taken at existing pollutant load monitoring sites and for a contractor to sample and analyze soil around the state. The MPCA will use the data to support disposal guidelines for PFAS-containing materials.

General	Expenditures	\$500	\$0
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#### Pollution Control

##### **Creating a Community-based Brownfield Grant Program**

The Governor recommends creating a grant program to encourage redevelopment of contaminated sites in low-income and underserved communities. The grants will fund environmental assessments and clean up planning for local governments, community groups, nonprofits, and small businesses.

General	Expenditures	\$1,000	\$0
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##### **St. Louis River Mercury TMDL Availability Extension**

The Governor recommends extending the availability of a current onetime appropriation to complete a mercury total maximum daily load study for the St. Louis River from 2022 to 2024. The extension will allow MPCA to undertake additional stakeholder engagement on the project, including ensuring appropriate engagement on technical outputs such as modeling.

Environmental	Expenditures	\$0	\$0
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##### **Increasing Capital Assistance Program Grants for Local Governments**

The Governor recommends increasing the grant limit of the Capital Assistance Program from \$2 million to \$5 million per project and expanding the eligibility for the grants to include projects that reduce food waste and manage construction waste. The small cost for this recommendation will fund new rulemaking.

Environmental	Expenditures	\$17	\$0
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##### **Expand Smart Salting Training**

The Governor recommends continuing MPCA's smart salting training and certification program, funded by a fee from participating local governments.

Restrict Misc Special Revenue	Revenues	\$0	\$1,188
Restrict Misc Special Revenue	Expenditures	\$0	\$1,188

##### **Uniform Tools for Brownfields Program**

The Governor recommends creating a revolving fund to pay MPCA's administrative costs for its voluntary investigation and cleanup program. The revolving fund will receipt the program's annual revenues beyond the first \$350,000. This revolving fund would be appropriated to MPCA annually to administer the program.

Restrict Misc Special Revenue	Revenues	\$90	\$180
Remediation	Revenues	(\$90)	(\$180)

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### Pollution Control

#### 3M Reporting Changes

The Governor recommends decreasing the frequency that MPCA and DNR are required to submit their 3M settlement report to the legislature from twice per year to once per year. MPCA expects the single report will include a similar amount of information as the multiple reports but require less staff time.

Remediation	Expenditures	(\$2)	(\$2)
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#### Technical Assistance for Environmental Review

The Governor recommends onetime funding for a contractor for the Environmental Quality Board to develop Minnesota-based tools and resources that will assist local governments with estimating greenhouse gas emissions for projects that require environmental review. This will reduce the complexity and uncertainty, and increase accuracy, in developing greenhouse gas assessments, and ease the burden on local governments and project proposers in preparing environmental review documents.

General	Expenditures	\$600	\$0
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#### Adaptation Action Grants and Water Storage

The Governor recommends providing grants to local and tribal governments to assist communities with mitigating increased stormwater flows from frequent and heavy rainfalls. Under this proposal, more Minnesota local governments and tribes will be able to successfully invest in upgrading their local infrastructure, critical facilities, and green space assets to reduce risks of localized flooding and urban heat impacts on residents. Stormwater water projects will address localized flooding that can interrupt critical services during severe weather, inadequate stormwater storage capacity, safety concerns caused by undersized stormwater systems, and environmental damage caused by weather extremes. Water storage funding will support local government efforts to control water volume and rates to protect infrastructure, improve water quality, and mitigate the effects of climate change.

General	Expenditures	\$54,000	\$666
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#### Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota. Funds provided to the Minnesota Pollution Control Agency would be used for the adoption of rules related to the establishment of water, energy, odor, and solid waste environmental standards for cannabis businesses.

General	Expenditures	\$538	\$580
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#### Natural Resources

##### Climate Adaptation for Natural Lands and Waters

The Governor recommends modernizing and enhancing DNR-managed facilities and infrastructure and restoring climate-impacted streams to mitigate and adapt to climate change. This includes 1) improving public water accesses, 2) rehabilitating roads and trails to enhance access to public lands and facilities, 3) modernizing state fish hatcheries, and 4) restoring and improving streams, culverts, and water control structures. These funds are available through 2026.

General	Expenditures	\$42,000	\$0
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##### Increase Capacity for Broadband Licensing

The Governor recommends funding for two FTEs for three years to accelerate broadband permitting and licensing. DNR reviews license applications for broadband infrastructure that crosses state land, including public waters.

General	Expenditures	\$246	\$492
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##### Public Safety Response - New

The Governor recommends additional funding to address a deficiency in the Enforcement Division's budget due to the costs of public safety efforts.

General	Expenditures	\$1,730	\$0
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##### Ensure Aggregate Mapping for Local Governments - New

The Governor recommends funding to provide aggregate resource maps for local governments. This investment supports counties and townships with data and technical assistance that informs local land use decisions as it relates to the environment and local economies.

General	Expenditures	\$300	\$600
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##### Lands Bill

The Governor recommends passage of DNR's annual lands bill, which includes land sales and provides DNR the flexibility to waive some applicant costs and fees when a land transaction benefits the state's land management interest.

Land Acquisition	Revenues	\$0	\$0
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##### Minnesota DNR Drought Response—Resolve Well Interferences

The Governor recommends reimbursing well owners and municipalities for costs associated with resolving DNR-confirmed well interferences that occurred from May 1 to December 30, 2021.

General	Expenditures	\$300	\$0
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#### Natural Resources

##### Minnesota DNR Drought Response—Water Efficiency Grants

The Governor recommends providing grants to municipal, township and tribal governments that operate public water supplies to increase water efficiency. This includes repairing pipes, meters, hydrants, and treatment plants; installing water-saving devices and water-efficient equipment; and rebates to residents who replace inefficient water-using devices with more efficient devices. These funds are available through 2026.

General	Expenditures	\$3,000	\$0
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##### Minnesota DNR Drought Response—ReLeaf Minnesota

The Governor recommends providing grants to local and tribal governments to remove and plant shade trees impacted by drought and provide communities with watering equipment to maintain newly planted trees to help increase survivability. Many trees were harmed by the 2021 drought, and removing and replacing these trees will support a more resilient, climate-adapted community tree canopy. These funds are available through 2027.

General	Expenditures	\$4,500	\$0
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##### Minnesota DNR Drought Response—Replacing Drought-Killed Tree Seedlings

The Governor recommends a onetime appropriation to replace seedlings killed by drought on DNR-managed lands and to provide grants to tribal, county, and private forestland owners to replant drought-killed seedlings on their land. These funds are available through 2027.

General	Expenditures	\$5,550	\$0
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##### Enhanced Forest Management Assistance to Private Woodland Owners

The Governor recommends providing planning assistance and cost-share funding to assist private woodland owners to manage their lands for climate mitigation and adaptation. These funds are available through 2027.

General	Expenditures	\$5,500	\$0
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##### Restoring Grasslands and Wetlands on WMAs for Carbon Capture and Resiliency

The Governor recommends enhancing grasslands and restoring wetlands on existing state-owned wildlife management areas to sequester more carbon and enhance climate resiliency, while also providing better pollinator and wildlife habitat. These funds are available through 2026.

General	Expenditures	\$10,000	\$0
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#### Natural Resources

##### Acquisition of Public Lands

The Governor recommends acquiring new public lands to support recreation and conservation with the goal of decreasing the state's net greenhouse gas emissions. These funds are available through 2026.

General	Expenditures	\$24,000	\$0
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##### Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota. Funds provided to the Department of Natural Resources are for training of DNR Enforcement Officers relating to the new cannabis regulatory system and requirements and for the enforcement of environmental standards.

General	Expenditures	\$299	\$0
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#### Water and Soil Resources, Board of

##### Support for Tribal Liaison

The Governor recommends funding for an FTE to serve as the Board of Water and Soil Resources' tribal relations liaison in accordance with Minnesota statute section 10.65. The position will engage the governing bodies of Minnesota's Tribal governments to discuss policy and budget proposals, cooperate on program implementation, and guide the agency's work.

General	Expenditures	\$125	\$262
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##### COVID Unreimbursed Costs

The Governor recommends funding to offset costs caused by the COVID pandemic, including for sanitation and safety supplies, single occupancy vehicle travel, equipment, and staff time. The recommendation also includes adding 1.5 temporary FTEs and contracts to accelerate BWSR projects that had design and construction delayed by the pandemic.

General	Expenditures	\$595	\$0
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##### Adaptation Action Grants and Water Storage

The Governor recommends providing grants to local and tribal governments to assist communities with mitigating increased stormwater flows from frequent and heavy rainfalls. Under this proposal, more Minnesota local governments and tribes will be able to successfully invest in upgrading their local infrastructure, critical facilities, and green space assets to reduce risks of localized flooding and urban heat impacts on residents. Stormwater water projects will address localized flooding that can interrupt critical services during severe weather, inadequate stormwater storage capacity, safety concerns caused by undersized stormwater systems, and environmental damage caused by weather extremes. Water storage funding will support local government efforts to control water volume and rates to protect infrastructure, improve water quality, and mitigate the effects of climate change.

General	Expenditures	\$15,000	\$334
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#### Water and Soil Resources, Board of

##### Healthy Soil Program

The Governor recommends providing grants and technical assistance to landowners, local governments, and other organizations to plant cover crops, enroll conservation tillage, purchase equipment, purchase seed and amendments, or implement other field-scale conservation practices.

General	Expenditures	\$17,000	\$9,000
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#### Metropolitan Council - Environment

##### Mapping Infrastructure Climate Risk & Resiliency Opportunities

The Governor recommends funding a project to develop resources to better identify infrastructure risks and resiliency opportunities in response to a changing climate. Funding would be used to develop a decision-making support toolset that utilizes Minnesota-specific climate, utility infrastructure, and demographic data to quantify potential risks and systematically prioritize equitable funding to mitigate those risks. This toolset would be made available to other regional partners.

General	Expenditures	\$5,000	\$0
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#### Explore Minnesota Tourism

##### Additional Administrative Capacity - New

The Governor recommends adding 3 FTEs at Explore Minnesota Tourism to build additional administrative capacity. These new FTEs will provide support in the areas of brand strategy, communications, and industry relations.

General	Expenditures	\$215	\$430
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