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

AT A GLANCE

- 941 employees: 701 in St. Paul and 240 in seven regional offices
- Limit pollution to protect human health by issuing more than 15,000 permits
- Monitor the condition of air, water, and land at more than 1,000 sites across the state
- Protect nonpolluted waters and restore waters that do not meet standards
- Prevent pollution by providing technical and financial assistance
- Clean up contaminated land and return it to productive use in our communities
- Ensure individuals and businesses comply with state and federal environmental regulations
- Inspect and license more than 40,000 sites that involve hazardous waste, feedlots, and storage tanks
- 247,000 people visited MPCA's Eco Experience exhibit at the 2013 Minnesota State Fair
- 2013 Eco Experience exhibit received "People's Choice Award for Best Attraction" at the Minnesota State Fair
- Work closely with Minnesota businesses to successfully comply with regulations
- Train and certify wastewater operators, landfill inspectors, tank operators, and household hazardous waste facility staff
- Work closely with partners: sister state and federal agencies, local governments, and nonprofits
- Provide relevant environmental information to citizens
- Seek guidance and approval on environmental issues from 12-member citizen's board

Our mission is to protect and improve our environment and enhance human health. We play a key role in contributing to the following statewide outcome: A clean, healthy environment with sustainable uses of natural resources.

PURPOSE

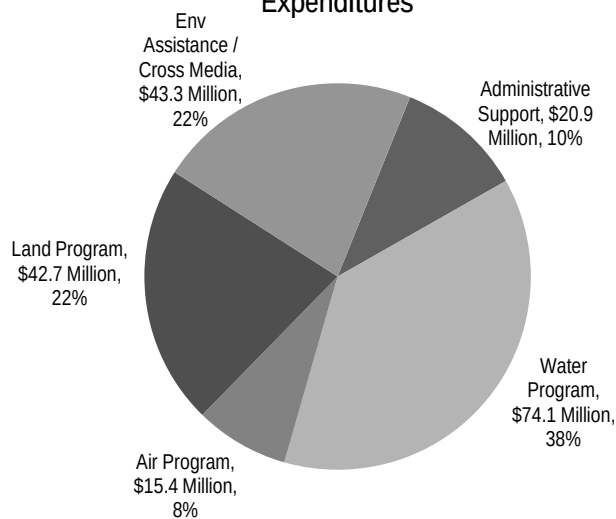
The MPCA monitors environmental quality, offers technical and financial assistance and enforces environmental regulations. We find and clean up spills or leaks that can affect our health and environment. We develop statewide policy, and support environmental education and help ensure pollution does not have a disproportionate impact on any group of citizens.

We work with many partners — citizens, communities, businesses, all levels of government, environmental groups, and educators — to prevent pollution and conserve resources. These partnerships allows us to:

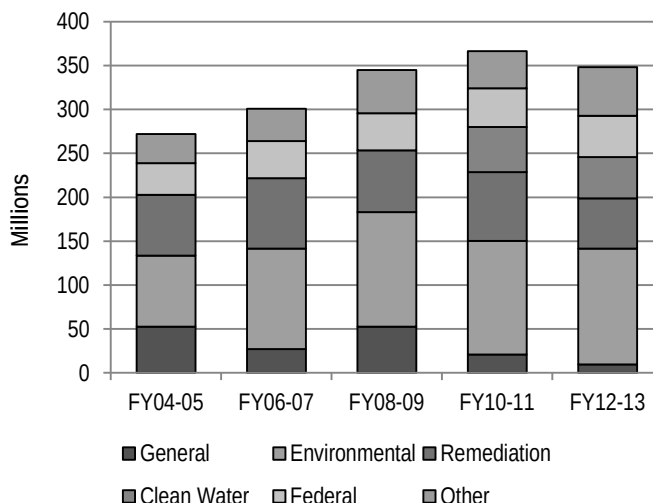
- Foster greater commitment and personal responsibility for our environment
- Work to minimize the use and generation of toxic chemicals in products and materials
- Help others convert waste into energy or high-value products
- Protect, restore, and preserve the quality of our waters
- Develop solutions to Minnesota's climate-change challenges

Minnesota is a national model for environmental protection. Our state's air, land and water are cleaner now than 40 years ago, even with a growing population and rising industrialization.

Spending By Program FY 13 Actual Expenditures



Historical Spending



BUDGET

Our total budget contains five programs:

- Three budget programs each represent a separate environmental area:
 - Water program
 - Air program
 - Land program
- The fourth is made up of programs that blend or affect more than one media: Environmental Assistance / Cross Media.
- The fifth budget area is our Administrative Support programs.

Actual expenditures for FY 2013 totalled \$196 million. The Water Program accounted for 38% of the expenditures; Air Program for 8%; Land Program for 22%; Environmental Assistance / Cross Media for 22%; and Administrative Support for 10%.

Our budget is funded from multiple state government funds. The funding we have received from the general fund has decreased over this 10-year timeframe, and in the FY 2012-13 biennium accounts for less than 3% of our budget.

Our largest funding source is the Environmental Fund that accounts for 38% of our spending. Second largest is the Remediation Fund at 17%. The Clean Water Fund, one of the Legacy funds created when voters passed the constitutional amendment in November 2008, was new to our funding mix in FY 2010-11, and now funds 13% of our budget. Federal grants pay for 14%, and all other state funds make up the remaining 16%.

Over this 10-year timeframe, biennial expenditures increased from \$272 million in FY 2004-05 to \$366 million in FY 2010-11, then to \$348 million in FY 2012-13.

STRATEGIES

As a regulatory agency, our job is to limit pollution caused by businesses, organizations, and individuals. This is fundamental to our mission: to protect the environment and human health. We develop regulations, provide education and technical assistance to help meet these regulations, and enforce them if the need arises. More and more, the focus is also on preventing pollution, rather than just controlling it or cleaning it up.

Our range of activities includes:

- Using testing and research to identify environmental problems.
- Setting priorities and operating strategies.
- Setting standards and develop rules that protect people and the environment.
- Writing permits to control activities that affect the environment.
- Providing technical assistance and training; outreach and education to schools, organizations and the general public.
- Publicizing and demonstrating pollution-prevention techniques.
- Responding to emergencies.
- Enforcing rules.

M.S. 116 (<https://www.revisor.mn.gov/statutes/?id=116>) provides the legal authority for Minnesota Pollution Control Agency.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	4,822	4,877	4,182	5,219	4,874	4,763	5,991	5,675
1200 - State Government Special Rev	71	77	76	77	76	76	76	76
2000 - Restricted Misc Special Rev	1,422	1,566	1,613	2,386	1,704	1,704	1,704	1,704
2001 - Other Misc Special Rev	19,559	20,487	22,907	33,800	27,520	27,370	27,520	27,370
2050 - Environment & Natural Resource	0	0	0	743	0	0	0	0
2302 - Clean Water Fund	17,932	30,100	23,942	33,802	0	0	29,325	29,325
2403 - Gift	161	0	0	0	0	0	0	0
2800 - Environmental	58,882	72,678	68,853	76,696	73,786	73,786	75,734	76,802
2801 - Remediation Fund	29,732	31,462	34,890	34,635	26,257	26,257	27,375	27,545
3000 - Federal	25,207	22,171	22,776	28,108	26,030	25,268	26,030	25,268
8200 - Clean Water Revolving	1,712	1,318	1,326	1,511	1,511	1,511	1,511	1,511
Total	159,501	184,736	180,566	216,977	161,758	160,735	195,266	195,276
Biennial Change				53,306		(75,050)		(7,001)
Biennial % Change				15		(19)		(2)
Governor's Change from Base								68,049
Governor's % Change from Base								21

Expenditures by Program

Program: Water	44,633	62,584	54,595	71,445	34,681	33,865	64,390	63,967
Program: Air	12,120	15,224	15,871	17,607	16,577	16,631	17,016	17,517
Program: Land	40,970	42,722	46,089	46,702	37,978	37,978	39,211	39,500
Program: Environmental Asst Crossmedia	41,795	43,241	41,364	48,138	45,450	45,339	47,577	47,370
Program: Administrative Support	19,983	20,965	22,647	33,085	27,073	26,922	27,073	26,922
Total	159,501	184,736	180,566	216,977	161,758	160,735	195,266	195,276

Expenditures by Category

Compensation	69,009	73,856	79,534	84,420	68,652	68,412	78,564	79,662
Operating Expenses	65,008	83,668	77,040	96,946	66,086	65,793	82,529	81,932
Other Financial Transactions	801	590	731	121	121	121	371	371
Grants, Aids and Subsidies	24,337	25,519	23,148	35,465	26,880	26,380	33,783	33,282
Capital Outlay-Real Property	345	1,103	113	25	20	30	20	30
Total	159,501	184,736	180,566	216,977	161,758	160,735	195,266	195,276
Total Agency Expenditures	159,501	184,736	180,565	216,977	161,758	160,735	195,266	195,276
Internal Billing Expenditures	20,224	27,337	20,120	24,695	19,396	19,373	23,906	23,802

Expenditures by Category

Expenditures Less Internal Billing	139,277	157,399	159,946	190,614	141,301	140,301	170,292	170,402
<i>Full-Time Equivalents</i>	861.1	883.4	918.0	1,010.8	842.2	839.8	952.1	950.4

(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		130		787	111		111	
Direct Appropriation	5,220	5,216	4,764	4,763	4,763	4,763	6,468	6,758
Receipts				0	0	0	0	0
Net Transfers	(268)	(268)	205	(220)			(588)	(1,083)
Cancellations		201						
Expenditures	4,822	4,877	4,182	5,219	4,874	4,763	5,991	5,675
Balance Forward Out	130		787	111				
<i>Biennial Change in Expenditures</i>				(298)		236		2,265
<i>Biennial % Change in Expenditures</i>				(3)		3		24
<i>Gov's Exp Change from Base</i>								2,029
<i>Gov's Exp % Change from Base</i>								21
FTEs	26.8	27.0	19.7	22.1	22.4	21.8	25.7	25.8

1200 - State Government Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		5		0				
Direct Appropriation	75	75	75	75	75	75	75	75
Open Appropriation	1	3	1	1	1	1	1	1
Cancellations		5						
Expenditures	71	77	76	77	76	76	76	76
Balance Forward Out	5		0					
<i>Biennial Change in Expenditures</i>				4		0		0
<i>Biennial % Change in Expenditures</i>				3		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	488	608	752	718	64	67	64	67
Direct Appropriation	0	0	0	0	0	0	0	0
Receipts	1,544	1,667	1,579	1,732	1,707	1,707	1,707	1,707
Expenditures	1,422	1,566	1,613	2,386	1,704	1,704	1,704	1,704
Balance Forward Out	610	709	718	64	67	70	67	70

(Dollars in Thousands)

2000 - Restricted Misc Special Rev

Biennial Change in Expenditures			1,011		(591)	(591)
Biennial % Change in Expenditures			34		(15)	(15)
Gov's Exp Change from Base						0
Gov's Exp % Change from Base						0
FTEs	8.8	8.4	8.8	14.0	11.2	11.2

2001 - Other Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	648	1,691	8,942	6,838	2	2	2	2
Receipts	20,586	27,759	20,839	26,302	27,157	27,007	27,157	27,007
Internal Billing Receipts	20,225	27,340	20,317	24,977	25,382	25,382	25,382	25,382
Net Transfers	(30)	(25)	(36)	663	363	363	363	363
Expenditures	19,559	20,487	22,907	33,800	27,520	27,370	27,520	27,370
Balance Forward Out	1,645	8,938	6,838	2	2	2	2	2
Biennial Change in Expenditures				16,660		(1,817)		(1,817)
Biennial % Change in Expenditures				42		(3)		(3)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	108.5	114.5	126.4	173.6	102.1	100.1	102.1	100.1

2050 - Environment & Natural Resource

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Direct Appropriation	0	0	0	743	0	0	0	0
Expenditures	0	0	0	743	0	0	0	0
Biennial Change in Expenditures				743		(743)		(743)
Biennial % Change in Expenditures						(100)		(100)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2302 - Clean Water Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	1,731	8,707	1,620	5,299				
Direct Appropriation	24,212	23,558	28,365	28,465	0	0	29,325	29,325
Open Appropriation	39	59	68	38	0	0	0	0

(Dollars in Thousands)

2302 - Clean Water Fund

Receipts			0		0	0	0	0
Cancellations	2	1,222	811					
Expenditures	17,932	30,100	23,942	33,802	0	0	29,325	29,325
Balance Forward Out	8,048	1,001	5,299					
<i>Biennial Change in Expenditures</i>			9,712		(57,744)		906	
<i>Biennial % Change in Expenditures</i>			20		(100)		2	
<i>Gov's Exp Change from Base</i>							58,650	
FTEs	80.1	87.6	90.6	86.1	0	0	94.6	94.6

2403 - Gift

	Actual FY12	FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	FY17	Governor's Recommendation FY16	FY17
Balance Forward In	161	0	0	0		0		0
Receipts	0							
Net Transfers				0				
Expenditures	161	0	0	0	0	0	0	0
Balance Forward Out			0		0	0	0	0
<i>Biennial Change in Expenditures</i>				(161)		0		0
<i>Biennial % Change in Expenditures</i>				(100)		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2800 - Environmental

	Actual FY12	FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	FY17	Governor's Recommendation FY16	FY17
Balance Forward In	3,131	10,773	3,151	5,003	2,998	2,964	2,998	2,964
Direct Appropriation	63,703	63,797	68,836	72,982	71,982	71,982	73,924	74,987
Open Appropriation	213	276	141	195	195	195	195	195
Receipts	2,677	2,522	2,439	8,657	10,131	11,688	10,131	11,688
Net Transfers	(57)	(93)	(944)	(919)	(919)	(919)	(919)	(919)
Cancellations		1,505						
Expenditures	58,882	72,678	68,853	76,696	73,786	73,786	75,734	76,802
Balance Forward Out	10,742	3,094	5,003	2,998	2,964	2,930	2,964	2,930
<i>Biennial Change in Expenditures</i>				13,990		2,022		6,986
<i>Biennial % Change in Expenditures</i>				11		1		5
<i>Gov's Exp Change from Base</i>								4,964
<i>Gov's Exp % Change from Base</i>								3
FTEs	382.6	395.1	432.4	454.2	453.9	453.9	457.9	457.9

2800 - Environmental**2801 - Remediation Fund**

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	6,324	8,944	8,192	8,909	8,913	9,718	8,913	9,718
Direct Appropriation	10,496	10,496	10,496	11,146	10,496	10,496	11,614	11,784
Open Appropriation	13,326	13,336	18,437	16,395	9,365	9,365	9,365	9,365
Receipts	1,436	1,375	1,445	1,350	1,453	1,453	1,453	1,453
Net Transfers	6,312	5,113	5,229	4,889	5,748	5,748	6,348	6,348
Cancellations		237					600	600
Expenditures	29,732	31,462	34,890	34,635	26,257	26,257	27,375	27,545
Balance Forward Out	8,152	7,566	8,909	8,913	9,718	10,523	9,718	10,523
<i>Biennial Change in Expenditures</i>				8,332		(17,011)		(14,605)
<i>Biennial % Change in Expenditures</i>				14		(24)		(21)
<i>Gov's Exp Change from Base</i>								2,406
<i>Gov's Exp % Change from Base</i>								5
FTEs	77.4	91.1	87.0	90.5	85.3	85.3	93.3	93.3

3000 - Federal

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	0	1	0	0				
Receipts	25,208	22,572	22,775	28,108	26,030	25,268	26,030	25,268
Net Transfers				0				
Expenditures	25,207	22,171	22,776	28,108	26,030	25,268	26,030	25,268
Balance Forward Out		402	0					
<i>Biennial Change in Expenditures</i>				3,506		414		414
<i>Biennial % Change in Expenditures</i>				7		1		1
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	162.6	148.0	142.2	157.5	154.4	154.6	154.4	154.6

6000 - Miscellaneous Agency

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In	2	2	2	2	2	2	2	2
Receipts				0	0	0	0	0
Balance Forward Out	2	2	2	2	2	2	2	2

(Dollars in Thousands)

6000 - Miscellaneous Agency**8200 - Clean Water Revolving**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	5,792	7,030	5,876	7,128	7,378	7,628	7,378	7,628
Receipts	518	361	394	250	250	250	250	250
Net Transfers	2,433	1,318	2,185	1,511	1,511	1,511	1,511	1,511
Cancellations		37						
Expenditures	1,712	1,318	1,326	1,511	1,511	1,511	1,511	1,511
Balance Forward Out	7,030	7,354	7,128	7,378	7,628	7,878	7,628	7,878
<i>Biennial Change in Expenditures</i>				(192)		184		184
<i>Biennial % Change in Expenditures</i>				(6)		7		7
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	13.6	10.9	10.3	12.3	12.3	12.3	12.3	12.3

Minnesota Pollution Control Agency

FY 16-17 Biennial Budget Change Item

Change Item: Clean Water Fund

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	\$29,325	\$29,325	\$0	\$0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$29,325	\$29,325	\$0	\$0
FTEs	94.5	94.5	0	0

Recommendation:

The Governor recommends an appropriation of \$29.325 million in each of FY 2016 and FY 2017 from the Clean Water Fund to the Water Program. This appropriation continues the systematic progress we are making to assess lakes, rivers and streams and to protect and restore watersheds. The funding will ensure continued assessment, monitoring and protection of the state's waters (surface water and groundwater), and will address point and nonpoint sources of pollution. Included are funds to continue our work on a data system intended to improve our assessment and project management efforts, and meet the reporting requirements adopted by the Legislature in 2013. This recommendation supports our work with local partners, continues restoration efforts of impaired watersheds, and sets strategies to protect unimpaired watersheds. Funding will also continue leveraging available federal money to restore the St. Louis River Basin in Lake Superior, a source of drinking water for the City of Duluth. The recommendation also cancels a past appropriation to make the funds available for future appropriations.

The requested appropriation of \$58.65 million for FY 2016-17 is a 3% increase over the amount appropriated in FY 2014-15. The increase will cover higher costs of compensation, including higher compensation costs imbedded in the monthly billing from MN.IT Services. Appropriations from the Clean Water Fund will also be subject to the same internal cost allocation rate assessed to all other funding sources. Our staffing funded by this request will continue at current levels.

In FY 2014-15, the Clean Water appropriations made up 15% of our biennial budget.

Rationale/Background:

The state Clean Water Legacy Act (CWLA) and the federal Clean Water Act (CWA) require the state to make reasonable progress in assessing waters of the state for impairments and in developing plans for restoring waters to their intended uses. In 2002, the Office of the Legislative Auditor (OLA) noted the requirement to identify, evaluate, and restore waters was significantly underfunded. In 2003, the Legislature directed us to engage stakeholders in developing an efficient and accountable path to clean water. In 2005, court rulings cited the impaired waters section of the federal CWA in blocking the issuance of a wastewater permit to the cities of Annandale and Maple Lake. This action added momentum for passage of the state's CWLA in 2006. In 2008, Minnesotans approved the Clean Water, Land and Legacy Amendment that provides 25 years of constitutionally dedicated funding—an increase in the state sales tax—for clean water, habitat, parks and trails, and the arts.

This funding request enables us to continue our work toward the goals of the CWLA. That law directs us to identify impaired waters in 10 years and to complete 10% of total maximum daily load (TMDLs) studies each year. We work with other state agencies on an inter-agency team to coordinate our programs related to this Clean Water effort, and with local partners to ensure local conditions are understood, and implementation plans are properly targeted. Collectively, state agencies use a watershed approach by first identifying the health of Minnesota's water resources, identifying impaired waters and those in need of protection, and implementing watershed-specific restoration and protection plans based on this information.

Prior to the Legacy Amendment, funding was insufficient to conduct this work as indicated in the OLA's 2002 report. Our monitoring and assessment efforts were funded such that we could not assess water resources across the state in a reasonable timeframe. Additionally, no funding existed for developing watershed restoration and protection strategies, including TMDL studies. The watershed approach is holistic, addressing the chemical, physical, and biological needs of the watershed. Working at a watershed scale is more

efficient and effective. This approach manages the system by looking at protection as well as restoration needs, and allows for adaptive management as results are tracked and reported systematically across the state.

Proposal:

The appropriations for FY 2014-15 to our Water Program from the Clean Water Fund were authorized as one-time funding. We are therefore requesting a continuation of funding for FY 2016-17, and the components of our request are presented below.

1. **Continue monitoring and assessment efforts to meet the 10-year cycle (\$16.9 million):** Statewide monitoring and assessment work is on track to meet the 10-year schedule, at a rate of about 10% of the watersheds each year. Intensive watershed monitoring includes biological, chemical, and habitat monitoring in watersheds to assess the water conditions. Assessments determine if waters are impaired and serve as a basis for further analysis of watershed problems, protection options, and overall watershed planning efforts. This component includes funding to include large river mainstem monitoring. Additionally we are monitoring a representative subset of surface waters for contaminants of new and emerging concern and developing risk-based screening values to evaluate the ecological risks associated with these contaminants.
2. **Watershed Restoration and Protection Strategies: TMDL and WRAP development (\$21.2 million):** In 2008, we launched a watershed approach to systematically and comprehensively conduct the state's water-quality monitoring, restoration and protection planning needs on a 10-year cycle. Watershed restoration and protection strategies (WRAPS), including TMDLs, are developed with local partners to set strategies for impaired waters and unimpaired waters by setting reduction and protection goals, milestones, and measures to guide state and local government implementation efforts.
3. **Groundwater assessment (\$2.9 million):** Funding for this component will be used to monitor and enhance the ambient groundwater well network. We use the network of wells to collect critical water quality data needed for drinking water protection and surface water impact analysis, including modeling to support TMDL stressor identification, and in a subset of monitoring wells, to identify contaminants of emerging concern.
4. **Enhanced County inspections/Sub-Surface Treatment Systems (SSTS) corrective actions (\$7.5 million):** This funding supports technical assistance and county implementation of SSTS program requirements (under M.S. 115.55), including issuing permits, conducting inspections, identifying and resolving non-compliant SSTS, and revising and maintaining SSTS ordinances.
5. **Great Lakes restoration project (\$1.5 million):** This portion of the request is for Great Lakes restoration projects in the St. Louis River area of concern, planned and carried out with local and federal partners. Individual projects require at least a 65:35 non-state local match for every CWF dollar.
6. **Clean Water Partnership (\$3.0 million):** Funding provides grants to study and implement solutions that protect basins and watersheds before water quality standards are exceeded.
7. **Watershed research and database development (\$2.3 million):** Funding will be used to develop an integrated watershed data management system (Watershed Data Integration Project or WDIP). This project will interface with existing systems and give us and the public a central location for reporting, analysis, and management of watershed data. This effort improves our ability to track progress and manage Clean Water-funded projects, and meet the reporting requirements included in the 2009 CWLA amendments.
8. **Wastewater treatment system design and technical assistance (\$.80 million):** Identify and pilot options for implementing standards, not to develop new standards. The MPCA will work with regulated parties to identify new or more efficient ways of meeting standards at wastewater treatment facilities (municipal and industrial).
9. **Stormwater research and guidance (\$.55 million):** This funding will measure the performance of existing stormwater infiltration sites, as identified in the Minimal Impact Design Standards (MIDS) project. Our staff will monitor the range of existing infiltration devices and compare these to design criteria, maintenance records, and quantify year-round infiltration rates. Part of this effort is to develop and refine pretreatment options and standards for municipal stormwater treatment systems.
10. **National Pollution Discharge Elimination System (NPDES) wastewater/stormwater TMDL implementation (\$1.9 million):** This component will fund our staffing costs needed to implement response actions to TMDLs requiring reductions from these point sources as a result of the additional information gathered from our watershed approach.
11. **Clean Water Council Operations (\$0.1M):** Expenses over the biennium for Council operations.

Results:

The components listed above continues our progress on the assessment of all the state's watersheds in a 10-year timeframe, and to complete WRAPS and TMDL studies that identify the pollution reduction needed to restore a water body that does not fully support beneficial uses such as swimming or a healthy fishery, or what might be needed to protect watersheds that still fully support beneficial uses.

Over the past five years, we have intensely monitored more than 50% of the state's major watersheds and, assuming that pace continues, all 81 major watersheds will be completed by 2017. Monitoring data show that, in general, 60% of Minnesota's lakes and streams support beneficial uses. We rely on hundreds of volunteers to help us measure water clarity and document changes in this measure. In 2018, the cycle will begin again and allow us to compare data from the previous cycle. For example, data recently showed how various efforts focused on the Minnesota River have improved levels of oxygen, phosphorus, and chlorophyll during low flow conditions, which benefits fish and other aquatic life. While additional work is needed in this river basin, conditions are improving.

Based on monitoring and assessment results, the next step is developing watershed restoration and protection strategies to identify what needs to be addressed to restore beneficial uses or what water bodies need protection. Currently, 53 watersheds have strategy projects underway and 37 lakes and streams have been restored to date.

We track our projects and funding on the Legislative Coordinating Commission's website: [Minnesota's Legacy](#) includes all recipients of the funds. Our performance report is available on the Legacy website:

http://www.legacy.leg.mn/sites/default/files/resources/2012%20Clean%20Water%20Fund%20Performance%20Report_low%20resolution%20for%20web.pdf. This performance report uses 18 factors to gauge progress on protecting and restoring the state's water resources.

Statutory Change(s):

No statutory change is needed.

Minnesota Pollution Control Agency

FY16-17 Biennial Budget Change Item

Change Item: Environmental Data Services and Program Improvements

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	\$900	\$900	\$900	\$900
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$900	\$900	\$900	\$900
FTEs	4.0	4.0	4.0	4.0

Recommendation:

The Governor recommends appropriations of \$900,000 from the Environmental Fund in each of FY 2016 and FY 2017. In the current biennium, MPCA developed and started using a new data and information management system to replace DELTA, the foundational system used to support core permitting and regulatory work. In FY2016-17 and continuing, funding will be used to further develop business processes that support the new system. These new processes will integrate with other critical applications and databases. This proposal will adequately support, maintain and improve analysis of existing environmental data to provide critical information requested by the public and regulated parties.

The request will increase the Environmental Fund base budget by about 1.3% and the agency's total budget by about 0.5%.

Rationale/Background:

In the last three years, MPCA has invested significant resources to develop a new information and data management system to replace DELTA, their legacy system. DELTA was nearly 25 years old and at the end of its functional life. The new system does not just replace the old system, nor have they simply replicated their current business processes in it. Rather, the functionality was designed in conjunction with significant business process redesign and improvement.

MPCA knew the time was right for to undertake a major overhaul of their data systems and business processes, and their investment positions them to serve many audiences with capabilities that are already the norm in the business world today. Companies, governments, other organizations and individuals want and expect to do business with MPCA through the Internet. They also increasingly want electronic access to data and information that MPCA stores.

Through MPCA's current system, they offer only 10 online services. With the launch of the new system they will double that number, but MPCA knows that more than 100 online services are needed to provide equal access to all parties. A primary driver for this investment is their need to issue environmentally-protective permits in a timely fashion to help maintain the state's strong economy.

At the same time, they are required by recently enacted law to issue some simple types of permits within 90 days, and issue more complex permits within 150 days. The new system will allow MPCA to continue to meet these goals as well as provide more efficient assistance to regulated entities and businesses.

The new system will also allow MPCA to improve access to high-quality environmental data on their website. Web-based services such as MPCA's award-winning "What's In My Neighborhood" application and other data-driven web pages are accessed thousands of times every year by citizens, businesses and other state and local agencies. Providing ready access to data and information builds trust between MPCA and their audiences, and underscores their commitment to serve the public and regulated parties.

These applications are supported by other data systems such as the Air Emissions Inventory system and the Environmental Quality Information System for water quality data. These systems help to manage the millions of pieces of data that regulated parties and other stakeholders submit to MPCA each year. Adequately supporting and maintaining the program business processes for these data systems allows them to continue to provide the information that is critical to others who use it to make informed choices about where they live, work and play.

Proposal:

Providing timely, current and accurate environmental information and services is the cornerstone of MPCA's work. Upholding the principals of good customer service requires modern data systems that allow for information to be easily entered and accessed. By building and maintaining the business processes that support these systems, MPCA not only supports the concepts of "good government," but positively impacts jobs, a strong economy and a healthy environment. Here are some of the benefits MPCA would continue working on if the recommendation is funded:

- Better, faster customer service by developing business processes that allow for online services for regulated parties to submit applications, notifications, data and reports;
- Quicker property redevelopment because of faster and more accurate responses to record requests;
- Processes that allow easier online access to environmental data and other public information for all Minnesotans;
- Enhance partnerships with local and state government partners by developing processes that allow them to use our data systems.

MPCA relies on regulated entities and county partners to help test the new system — especially their new online services. Through this testing, they are helping MPCA define needed improvements and areas for new services. Involving the regulated entities will strengthen their support for the new systems and allow MPCA to create the business processes that support those needs. Minnesota business organizations have expressed interest in the agency pursuing new information and data management systems so that permitting would be faster and data would be more transparent and reliable.

The ultimate goal of this funding is to continue to enhance the business system and update it as needed in response to changing regulations and new ways of doing business. The money will be used to:

- Acquire services needed to develop business processes for additional functionality and online services;
- Hire staff to accelerate the amount of documents and data we can share while continuing to ensure the privacy of that data; and,
- Support the other environmental data systems that provide critical information for staff and outside parties.

The new system will be operational starting in FY 2015 and momentum for use of the system will continue to build if we can ensure reliable system operation and maintenance.

Results:

These are the measures that will be used to track results. Permitting results will be reported in the annual agency permit timeliness report to the Legislature. Other results will be reported through existing agency program, operational and strategic reports some of which are displayed on the agency's website dashboard at <http://www.pca.state.mn.us/dashboard>.

Type of Measure	Name of Measure	FY14/15	FY16/17	FY18/19
Quantity	Data accessibility (% available online)	10	23	60
Quantity	Project management timeliness (% on time)	25	30	60
Quantity	Data request timeliness	30 days	25 days	7 days
Quantity	Number of online services	10	50	100
Quality	Data quality evaluations	Fair	Good	Excellent
Results	% of data practices requests filled online	0	10	50
Results	Increase in government partner use of our data systems	0	1	5

Statutory Change(s):

No statutory change needed.

Minnesota Pollution Control Agency

FY16-17 Biennial Budget Change Item

Change Item: Superfund and Petroleum Site Cleanup

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Remediation Fund				
Expenditures	\$350	\$350	\$350	\$350
Revenues	0	0	0	0
Petroleum Fund				
Expenditures	\$600	\$600	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$950	\$950	\$350	\$350
FTEs	8.0	8.0	4.0	4.0

Recommendation:

The Governor recommends an increased appropriation of \$350,000 in each of FY 2016 and FY 2017 from the Remediation Fund to the Land Program. Additionally, the Governor recommends an increase in funding of \$600,000 in each of FY 2016 and FY 2017 from the Petroleum Fund to our Land Program. Specifically:

- an annual increase of \$600,000 for Superfund Administration to manage and oversee investigation and mitigation efforts at known Superfund sites. Increased funding for this purpose was authorized in the 2014 legislative session and specified as one-time funding in FY 2015 as the agency determined the long-term need for resources for this program;
- an annual decrease of \$250,000 for Closed Landfill Administration, since the closed landfill construction project list is nearing completion;
- an annual increase of \$350,000 for Petroleum Administration to address persistent toxic vapor issues; and
- an annual increase of \$250,000 for Underground Storage Tank inspection and compliance program to discover, clean up and prevent future releases of petroleum from underground tanks.

Increased funding of \$600,000 in each year from the Petroleum Fund will be transferred to and spent from the Remediation Fund. This initiative connects the source of the funding with the need and purpose of MPCA programs receiving the increased appropriation.

The increased appropriation is a 9% increase to the base budget for the Land Program, and a 0.5% increase to the total agency budget.

Rationale/Background:

The goals of the three programs contained within this budget initiative are closely related, as are the reasons they need greater resources. Each of the programs exist to manage the risk to public health and the environment associated with sites or storage tanks that have been identified as contaminated with hazardous substances or pose a risk to contaminate the state's land and water. As updated scientific methods, public health evaluations, compliance and enforcement actions, and lower exposure limits reveal the need to address persistent contaminants, the scope of our work in these areas also increases.

Superfund Program. The current Superfund staffing complement in FY15 has proven appropriate for responding to the growing list of sites without viable responsible parties able to pay for required site remediation work. In addition, the program requires this higher staffing level in an on-going basis to respond to emerging environmental health priorities and lower thresholds of contaminants.

The following contaminants and issues will result in a significant increase in MPCA Superfund activities over the next several years:

- Trichloroethylene (TCE)
- 1,1,2,2-Tetrachloroethylene (PERC)
- Perfluorochemicals (PFCs)
- Lead
- Carcinogenic Polycyclic Aromatic Hydrocarbons (cPAHs)
- Vapor Intrusion
- Groundwater/Drinking Water Protection

These issues necessitate:

- additional assessments and work at currently active sites;
- a greater degree of investigations and cleanups at a larger number of future sites than had been anticipated, and;
- re-assessment of closed sites to ensure that they do not pose a continued threat to public health and the environment.

Petroleum Remediation and Tanks Programs. The funding available to these programs is inadequate to address the inspection, compliance and enforcement, permitting, and assistance efforts needed to prevent releases from storage tanks as well as to perform vapor intrusion screening for volatile organic compounds (VOCs) at petroleum leaks sites. Due to a 34% reduction in federal funding in FY 2015, there are insufficient funds to maintain a viable Tanks Program that meets the three-year inspection cycle national standard. Additionally, this shortage will reduce our ability to provide compliance assistance to the continuously changing owners of retail facilities. This assistance is the primary reason Minnesota has exceeded tank regulation compliance rates over the past three years. Further, of the over 14,000 petroleum leaks sites that were closed prior to 2006, approximately 750 are believed to be high probability as vapor intrusion sites, which could allow carcinogenic VOCs to enter into cracks in basement foundations or through sump or drain systems. We have evaluated 20 of the vapor intrusion sites and determined that ground water and soil gas sampling was necessary at 10, with three requiring immediate vapor remediation efforts. We now project that 15% of the 750 sites may need vapor remediation.

Proposal:

Superfund Program. Through this budget initiative, staff capacity will be maintained at FY15 levels to ensure that key strategies are successfully implemented, including: risk reduction achieved through management of sites progressing from site discovery to completion; sites are prepared for continued use or reuse upon meeting human health and environmental criteria; and, site assessments, investigations, reviews and response actions are started and completed within appropriate timeframes and applicable deadlines. The funding continues to support the 3 FTE to program and 1 FTE to legal staff (authorized by the legislature in FY 2015) and will allow the needed level of resources for our project activities and provide oversight for the increased level of responsible party led activities that are projected for the future sites. This is an established program with key supporters at citizen, local, state, and federal levels.

Petroleum Remediation and Tanks Programs. The funding will maintain the current staff capacity to ensure that tank inspection activities occur at the frequency recommended by federal standards and allow compliance assistance to ensure that facility owners will receive the support required to operate businesses safely, preventing petroleum leaks. The petroleum remediation program will also have the ability to assess all 750 vapor sites within a four-year timeframe, and begin vapor remediation efforts at sites demonstrating intrusion risks to people through exposure at residential and industrial buildings. These combined efforts will ensure petroleum tank compliance rates are maintained and VOC exposure risks reduced. This initiative funds four positions in the agency, two each in the Underground Storage Tanks and Petroleum Remediation programs. These positions were funded in our budget in FY 2015, but were not funded in our base budget in FY 2016-17.

The \$600,000 per year requested for this portion of the initiative would be transferred to the Remediation Fund from the Petroleum Fund according to existing financial mechanisms.

Results:

The budget initiative will enable the Superfund Program to accomplish the key strategies outlined above at a significantly greater number of projects in a systematic and sustainable fashion. This will be demonstrated by:

- a) reduction in the number of sites awaiting assessment and cleanup, both in terms of the currently known active sites that are on the fund-financed list but with progress slowed due to lack of funding, as well as responsible party led sites in need of additional enforcement activities due to staffing resource constraints;
- b) progress in prioritizing closed sites for re-assessment due to the emerging contaminants and lowered standards, and a reduction in the backlog of the sites identified for re-assessment by completing the necessary investigations and cleanups.

The Underground Storage Tanks program will be able to complete 100% of its federal inspection commitments on an annual basis, which is the primary performance measure of this program. The Petroleum Remediation Program will close 80% of leaks sites within three years of being reported, and assess all vapor sites within a three-year timeframe.

Statutory Change(s):

No statutory change is required.

Minnesota Pollution Control Agency

FY16-17 Biennial Budget Change Item

Change Item: Restructuring Program Fees

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
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 granting MPCA authority to restructure the fees generated through many of MPCA's operating programs in its Water and Land Programs. Fees are deposited to the Environmental Fund. The redesigned fee structure will be developed, presented, and approved through the existing rule process. Currently, the cost of providing services to individuals and entities in our Water and Land Programs is much larger than the fee revenue collected by those programs, predominantly in the permitting, monitoring, assistance, and compliance service areas.

MPCA proposes a revision in their fee funding structure that mirrors its Air Program by establishing in legislation a target amount of fee revenue to be collected. This proposal does not include an increase in spending authorization — such authorization will be requested in a future biennial budget.

Rationale/Background:

The department's Water and Land Programs do not collect enough money to cover program costs. Moreover, the manner in which MPCA assesses these fees is not consistent across agency programs. Fee payers in the Water and Land Programs currently pay about 7% and 19% respectively of what it costs to provide the required services, while fee payers in the Air Program pay approximately 75%.

This inconsistency has caused multiple longstanding problems that will continue to worsen over time: 1) the fee collection structure is fundamentally inequitable; and, 2) both the Legislative Auditor and key legislators have directed MPCA to recover a greater percentage of their costs through fees. As a result, the Water and Land Programs are "underfunded" with respect to fee revenue. Funding for these programs has historically been supplemented from available resources in the Environmental Fund, which limits MPCA's ability to make resource allocation decisions other than to provide resources to water and land activities that are not charging fees to cover their own program costs.

Fees paid by program users are inconsistent and inequitable

Other than in the air and hazardous waste areas, permit holders are not paying their fair share for the services they use, resulting in other audiences bearing the costs. This runs contrary to the belief that those benefitting from the services MPCA provides should pay a reasonable portion of the costs to provide those services.

In its January 2002 report, the Legislative Auditor indicated that the Legislature needed to address the MPCA water funding imbalance. Although water permit application fees were increased by rule in 2010, the water annual permit fee structure from 2003 remains in effect. This outdated fee structure cannot adequately fund water programs and services, and is dramatically inconsistent when compared to the level of support generated through fees in the Air Program. MPCA is also aware of the inconsistencies and inequities in the funding for the Land Program. Businesses storing hazardous waste have permit and license fees that nearly cover the program costs. However, businesses storing petroleum in underground tanks or solid waste facilities have no permit fees. Such inconsistencies and inequities in fee payment result in all Minnesotans covering the expenses of those receiving permitting, assistance, monitoring, and compliance services in these program areas.

The existing funding mix is unsustainable

MPCA has mostly managed through this funding dilemma by using resources in the Environmental Fund to support basic program work, address new issues, and to cover the cost of inflation. The available resources in the Environmental Fund were never intended to meet all these purposes, and certainly were not intended to fund the breadth of the agency's work into the future.

The Clean Water Fund was established with definite boundaries around how this funding source can be used. Statute makes it clear that Clean Water resources must "supplement traditional sources of funding for these purposes and may not be used as a substitute." Thus, the increasing traditional regulatory needs of the Water Program cannot be covered by the Clean Water Fund. MPCA has only used this funding for activities connected to the new and innovative watershed approach, not traditional regulatory functions.

Additional pressure on MPCA's current funding mechanism results from the fact that federal funding has been decreasing in both the Land and Water Programs for the past 20 years. In the 1980s and 1990s, the Water Program was substantially funded by the General Fund and federal funds. The General Fund now accounts for 3% and the federal funds 12% of our entire budget.

Finally, as the state generates less and/or recycles more of its waste (the Solid Waste Management Tax is not paid on recyclables), revenues from the Solid Waste Management Tax deposited into the Environmental Fund will decline. In recent years, aggressive recycling and reduction goals have been set, especially in the metropolitan area (75% by 2030). During the FY 2014 - FY 2015, an additional \$7 million a year was given to metropolitan counties to help achieve recycling goals. In addition, commercial facilities in the metropolitan area must offer recycling to their employees, customers, and tenants by 2016. This represents major changes that should significantly increase recycling — which will cause a reduction in revenues from the Solid Waste Management Tax and a significant impact to the stability of the Environmental Fund.

Proposal:

We propose correcting the inconsistencies and inequity in our funding system by establishing a percentage of program costs to be funded through fees and a provision to offset increasing costs due to inflation. This framework would closely mirror existing authority in statute for the Air Program. MPCA believes it is better to plan for and implement these changes now, before reductions in the revenue stream to the Environmental Fund are realized. It will also provide time to devise a thoughtful fee rule that is consistent and equitable and allow it to be phased in. The potential outcomes of the proposal include:

- Safeguarding our ability to provide the appropriate level of services to meet citizen expectations for protecting human health and the environment.
- Creating a fee structure that is consistent with the level of service provided and reflective of environmental risk.
- Creating closer alignment between funding sources and expenditures.
- Completing a rulemaking process through which stakeholders contribute meaningfully in our development of fee structure criteria such as minimum fees, caps, graduated scale, phase in period, etc.

Once implemented, the governor and Legislature would continue to set the appropriation level for the land and water areas of MPCA's budget. The appropriation level would be the amount of revenue needed to be collected for that two-year period through the fee structure. Using the fee formula that would be outlined in rules, the annual permit fees would be calculated and billed to permittees. In the formula, there would be a provision to cover inflationary costs linked to the Consumer Price Index.

This process mirrors the way the air appropriation and annual air permit fees are determined. The governor and legislature determines whether or not the overall fee revenues would increase beyond inflation by appropriations through the biennial budget process. The spending authority will continue to be set through the biennial budget process.

Results:

The agency has worked to maintain and improve Land and Water Program services over the years despite stagnant to non-existent fee revenues in some programs. Efforts to improve environmental outcomes, access to information, and permit timeliness have been successful through process improvement initiatives and relying on other funding, which is expected to be less stable in the future. However, the lack of sustainable fee revenues will ultimately result in fewer FTEs in the Land and Water Programs in the permitting, monitoring, assistance, and compliance service areas. Fewer FTEs mean reduced environmental outcomes, data access and information sharing with stakeholders and the public, and will adversely affect the permit timeliness gains that have recently been achieved in both Land and Water Programs. The desired result is to prevent a reduction in these services by establishing an equitable, transparent, consistent, and stable fee structure that supports the cost of Land and Water Programs through payments made by those benefitting most from these services.

Statutory Change(s):

Minnesota Statutes, Chapter 116 would be amended to provide the agency the authority to collect fees for the Land and Water Programs in the same manner it collects fees for the Air Program.

Change Item: Toxic Free Kids Act Enhancements (Safer Consumer Products)

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$543	\$826	0	0
Revenues	0	0	0	0
Misc Special Revenue Fund				
Expenditures	0	0	\$576	\$562
Revenues	0	0	\$908	\$230
Net Fiscal Impact = (Expenditures – Revenues)	\$543	\$826	\$(332)	\$332
FTEs	3.3	4.0	4.0	4.0

Recommendation:

The Governor recommends a new appropriation of \$543,000 in FY 2016 and \$826,000 in FY 2017 from the General Fund to the Environmental Assistance and Cross Media Program. The appropriation is one-time, and will be replaced by authority to spend receipts deposited to a new account in the Miscellaneous Special Revenue Fund in the next biennium.

The new funding is a joint initiative with the Minnesota Department of Health (MDH) and the Minnesota Department of Commerce (Commerce). The initiative will increase available information, enhance consumer awareness, and give product manufacturers incentives to reduce problem chemicals in consumer products. The initiative will also fund assistance and compliance efforts to reduce the certain chemicals in products. This proposal will amend the Minnesota Toxic Free Kids Act (TFKA) to add reporting, fee payment, and other requirements for manufacturers or distributors of children's products that contain Priority Chemicals.

MPCA currently receives an annual appropriation of \$89,000 from the Environmental Fund to implement provisions of the Toxic Free Kids Act enacted in 2009. Of this amount, MPCA transfers \$57,000 annually to the MDH for their efforts related to this act.

Rationale/Background:

Contaminants of concern are increasingly found in Minnesota's environment. Minnesotans have been found to carry toxic metals, endocrine active chemicals, and others in their bodies. Our exposure to these chemicals could play a role in increasing health problems, including infections, cancer, obesity, reproductive problems, and behavioral and learning disorders. In particular, chemicals with potential developmental, reproductive, or carcinogenic effects are being found in products marketed to children. Consumers are concerned about everyday exposures to potentially harmful chemicals in products. Information about product content to assist the public in avoiding these potentially harmful chemicals is not easily available. Minnesota businesses that develop safer product chemistries and market safer products should be promoted in Minnesota to address the above issues and support Minnesota jobs and our economy.

The TFKA was introduced out of concern for toxic substances in consumer products, particularly those used by children. The law passed in 2009 required MDH to identify Chemicals of High Concern to Children (CHCs) and identify a subset as Priority Chemicals. It also required MDH and MPCA to provide the Legislature with recommendations for how to reduce and phase out the use of Priority Chemicals in children's products and promote the use of safer alternatives.

That 2010 legislative report, *Options to Reduce and Phase-out Priority Chemicals in Children's Products and Promote Green Chemistry*, included five chemicals policy recommendations, including requiring manufacturers that produce or sell children's products in Minnesota that contain one or more PCs be subject to the reporting requirement, and directing state agencies to develop materials to educate Minnesotans about PCs, the concepts of risk and exposure, and ways Minnesotans can limit their exposure to PCs.

Proposal:

This proposal will amend the TFKA to require manufacturers and distributors of children's products that contain PCs to disclose this information us. The reporting requirement would be phased in over six years, starting with the manufacturers and distributors of children's products with the greatest sales revenue in Minnesota. We will make the reported information available to the public. The level of detail required to be reported will increase after the first reporting cycle, to further discourage the use of PCs and enhance the amount of information available to consumers.

The proposal will also require that MDH and Commerce develop and implement an education effort regarding PCs in children's products. Amendments to the TFKA will give MPCA expanded authority to enforce the TFKA, and work with Commerce to coordinate their approach to compliance, assistance, and enforcement. Lastly, the three agencies will submit a joint report to the Legislature every three years summarizing the agencies' implementation of the TFKA, including recommendations for additional legislative policy addressing toxics in children's products.

To fund the agencies' efforts, and provide further incentive for discontinuing the use of PCs, the proposal would require manufacturers and distributors of children's products that contain PCs to pay a fee of \$1,000 for each product category/PC combination reported to MPCA. The fee would ramp-up in successive reporting cycles. Any revenues collected in excess of those needed for the agencies' reporting, education, and compliance efforts would be made available as grants to accelerate the development of safer chemical alternatives to PCs and their incorporation into children's products as PC replacements.

The overall highlights of this proposal include:

- Increased information and empowerment for consumers interested in avoiding toxic chemicals in children's products.
- Reduced presence of PCs in children's products and reduced chance of exposure and potential health effects.
- Incentives to reduce the amount of PCs to which Minnesotans, our environment, and critical organisms are exposed.
- Places the responsibility and much of the cost of informing consumers and reducing chemical hazards in products with the companies that make and profit from them.
- Provides Minnesotans with information which is not available under any other state or federal statute, demonstrating Minnesota's leadership on product chemical safety issues.

FY2016:

Of the requested appropriation of \$543,000, \$104,000 will be transferred to MDH and \$104,000 to Commerce for the cost of 1.0 FTE in each agency to accomplish the responsibilities for planning and communicating with manufacturers and the public on various aspects of the TFKA. We will use the remaining funds for 1.3 FTE to work with the requirements of the TFKA and outreach efforts, and 1.5 FTE in MN.IT Services for the planning and development of the mechanism for manufacturers to report on product chemicals.

FY 2017:

Of the requested appropriation of \$826,000, \$104,000 will be transferred to MDH and \$124,000 to Commerce for the cost of 1.0 FTE in each agency to continue the efforts started in the previous year. The additional funds transferred to Commerce are for costs related to educational outreach to multiple audiences, from manufacturers to consumers, on the provisions of the TFKA. We will use the remaining funds for 2.0 FTE to work with the requirements of the TFKA, outreach efforts, compliance and enforcement, and 2.0 FTE in MN.IT Services for the development and implementation of the mechanism for manufacturers to report on product chemicals, and for this information to become available to the public.

IT Related Proposals:

New information technology resources (either new hires or contractors) equivalent to 1.5 FTE in FY 2016 and 2 FTE in FY 2017 would be required in the first two years to develop reporting, fee payment, and data management information technology systems. After that, the equivalent of 0.15 FTE of resources would be required for maintenance.

Results:

- Consumers have the information needed to make informed choices about the products they purchase for themselves and their families.
- Consumer demand drives improvement in products being produced and sold in Minnesota.
- Funding is available to leverage/catalyze the development of safer chemistries and new products, processes or approaches that reduce the use of or Minnesotans' exposure to problem chemicals.
- Businesses understand and comply with existing Minnesota statutes and rules.
- Improved business climate for the development and production of safer products.

Potential measures:

- Trends in the number of children's products reported as containing PCs.
- Consumer survey regarding awareness of PCs and safer alternatives (before and after health education efforts).
- Number of safer alternatives (chemicals or products) developed by Minnesota companies.
- Product tests completed and data published.

- Rates of compliance with existing chemical bans.
- Priority chemicals replacement availability and tech-transfer to Minnesota companies.

The information will be collected via an on-line reporting system, grant reports, and agency data collection efforts. Measures will be reported via on-line program website that is linked among the three agencies, and also via a joint legislative report completed by the three agencies every three years.

Statutory Change(s):

116.9401-116.9406

Fiscal Impact Detail by Agency

Minnesota Pollution Control Agency	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$335	\$598	0	0
Transfers Out	\$208	\$228	0	0
Misc Special Revenue				
Expenditures	0	0	\$348	\$334
Transfers out	0	0	\$228	\$228
Revenues	0	0	\$908	\$230
Net Fiscal Impact	\$543	\$826	\$(332)	\$332
FTEs	1.3	2.0	2.0	2.0

Commerce	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$104	\$124	0	0
Transfers In	\$104	\$124	0	0
Misc Special Revenue				
Expenditures	0	0	\$124	\$124
Transfers In			\$124	\$124
Net Fiscal Impact	\$0	\$0	\$0	\$0
FTEs	1.0	1.0	1.0	1.0

Minnesota Department of Health	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$104	\$104	0	0
Transfers In	\$104	\$104	0	0
Misc Special Revenue				
Expenditures	0	0	\$104	\$104
Transfers In			\$104	\$104
Net Fiscal Impact	\$0	\$0	\$0	\$0
FTEs	1.0	1.0	1.0	1.0

Minnesota Pollution Control Agency

FY16-17 Biennial Budget Change Item

Change Item: Operating Adjustment

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	32	64	64	64
Environmental Fund				
Expenditures	848	1,713	1,713	1,713
Remediation Fund				
Expenditures	105	211	211	211
Petroleum Fund				
Expenditures	63	127	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,048	2,115	1,988	1,988
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding for compensation related costs associated with the delivery of agency services. This amount represents an annual increase of 1.8% for General Fund compensation costs.

Rationale/Background:

Each year, compensation costs rise due to labor contract settlements, and changes in employer-paid contributions for insurance, FICA, Medicare, retirement, and other factors. Absorbing this increase in compensation costs within existing agency base appropriations results in reduced staffing and/or reduced non-compensation spending.

Proposal:

The Governor recommends increasing agencies' general fund budgets for employee wage and benefit costs by 1.8% per year for FY 2016-17. Agencies were instructed to include a 1.8% increase to total compensation each year in their base budgets, based upon the compound annual compensation spending rate increase per FTE over the last ten years for executive branch employees. This recommendation is intended to allow agencies to maintain their current level of agency operations.

For non-General Fund direct appropriated funds, the Governor's budget recommendations also include an adjustment of 1.8% per year, where the amount can be supported by the source of revenue.

Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

Statutory Change(s):

N.A.

Minnesota Pollution Control Agency

FY 16-17 Biennial Budget Change Item

Change Item: Air Program Spending Increase

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Environmental Fund				
Expenditures	\$200	\$403	\$403	\$403
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$200	\$403	\$403	\$403
FTEs	0	0	0	0

Recommendation:

The Governor recommends an increase of \$200,000 in FY 2016 and \$403,000 in FY 2017 from the Environmental Fund to the Air Program. The appropriation increase will maintain the service levels provided by the Air Program to industrial and municipal regulated parties given the increased costs of program and support expenses.

The change is a less than a 1% increase to base funding from the Environmental Fund.

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 assure that adequate resources are available to meet the requirements of the Act. Salaries, benefits, and program support costs are all projected to increase modestly in FY 2016-17.

State law directs us to increase fees to cover the reasonable costs of our Air Program. Specifically, M.S. 116.07, subd. 4d (b) authorizes us to increase air permit fees to cover the costs of delivering the air quality program. However, we must request an increase in our spending authority equal to the incremental increase in fees. Without the requested increase, our spending authority for the Air Program will remain at FY 2014-15 levels. With program costs increasing by the rate of inflation, appropriations that remain at FY 2014-15 levels will force the MPCA to reduce program service levels in FY 2016-17.

Proposal:

We have calculated the amount program costs are expected to increase in FY 2016-17. We are 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. We are requesting an increase in our authorized appropriation to the Air Program from the Environmental Fund equal to the increase in emission fees that will be generated in FY 2016 and FY 2017 under the inflationary cost provisions in statute.

The impact to our Air Program of this requested funding increase is the ability to continue providing services at the delivery levels in the current biennium. Several measures within Air Program operations will demonstrate the success of this proposal. These include whether we are able to maintain the same level of program staffing; continue the pace of processing permit applications; continue site inspections and enforcement routines; and continue prompt response to requests for technical assistance and the review of complex operational plans and applications, particularly from companies in mining, energy and manufacturing sectors.

Results:

The primary outcome we are seeking is to continue the levels of effort and service in the next biennium as compared to the current. The increased costs addressed by this request cover all aspects of the Air Program from staffing to our regulatory work to air quality monitoring.

Statutory Change(s):

No statutory change is needed.

Minnesota Pollution Control Agency

FY16-17 Biennial Budget Change Item

Change Item: Revisor's Office Administrative Rules System

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$380	\$855	\$430	\$430
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$380	\$855	\$430	\$430
FTEs	3.0	3.0	3.0	3.0

Recommendation:

The Governor recommends an appropriation to MPCA for transfer to the Revisor's Office of \$380,000 in FY 2016 and \$855,000 in FY 2017 from the General Fund for the design, development, and operation of a new online system to serve as the official rulemaking system across state government. The initiative reflects the need for higher funding in FY 2016-17 for system design and development, with a transition in future years to maintenance-level funding. There is currently no base funding for this activity at the Revisor's Office.

The Governor also recommends policy changes to make the rulemaking process shorter and more efficient while preserving public participation and independent legal review. Changes include the creation of a non-controversial expedited process for creating a non-controversial expedited process for simple or noncontroversial rulemakings; increasing the use of expedited and exempt rules; adding flexibility and simplifying the rules justification required in the Statement of Need and Reasonableness (SONAR); and reducing reporting and paperwork to utilize electronic notification and eliminating duplicative reports.

Rationale/Background:

Each agency keeps an official record of the rulemaking it undertakes. Agencies handle this responsibility in different ways, so there is no uniform way or place for the public to access the information. While some agencies have these documents online for active rulemakings, most materials from past rulemaking are kept in electronic or paper files (especially for older rulemakings) that must be requested by the public for review.

The current rulemaking process is a one size fits all process that does not recognize the difference between a simple and noncontroversial rulemaking or a complex and controversial rulemaking. A cross-agency legislative work group has proposed several changes to the rulemaking process to make it shorter and more efficient, while preserving public participation and independent legal review. By streamlining the existing rulemaking process, we can improve the quality of regulations through timely implementation of changes; increase regulatory certainty and remove confusion by reducing the period of time when rules are "in transition"; and improve public access to information about agencies' rulemaking efforts.

Proposal:

The first component of this request funds an envisioned new system, the Administrative Rules Status System. Ownership of the system will fall under the auspices of the Revisor's Office. The system will also aid in the long-term preservation of rulemaking documents and give citizens access to rulemaking documents. The system is modeled after the Revisor's Bill Status System and a beta version of the Historic Administrative Rules Status System.

The goal of the change item is to improve public access and transparency of state agencies' official rulemaking records through the creation of an online records system. The envisioned Administrative Rules Status System would serve as a one-stop shop for the public to follow and research rulemakings. Agencies could fulfill their requirement to maintain the official rule record by submitting the required documents to the Revisor for inclusion in the online records system. In addition, agencies would be able to use the system to store electronic versions of their old official rulemaking records, once those records are converted to electronic formats.

The Revisor is the ideal host of the system, since it already maintains the official record of the Minnesota Constitution, Laws and Statutes. Funds would be used to expand on the beta version of Historic Administrative Rules Status System that stores some historic rulemaking documents back to 1980. Since the system would be able to serve as the official record of all rulemakings, additional resources are needed to improve security, increase storage capabilities, and ensure authenticity and preservation of documents. The

design and build of the system would occur during FY 2016-2017. In FY 2018, the system would be operational for the public to use; funds requested in FY 2018-19 will be dedicated to the operation and maintenance of the system.

The second component of this request amends the rulemaking process to make the following changes:

Creation of Non-Controversial Expedited Process. A noncontroversial expedited process is created for agencies to choose for simple or noncontroversial rulemakings. The process would vastly speed up the process (3-5 months). It provides a “circuit breaker” for public protection in the event the rule is more controversy or complex than expected by allowing 25 people to request the proposal go through the full rulemaking process

Increase Use of Expedited and Exempt Rules. Beyond the general authority to use the expedited process for non-controversial rules, the proposal adds additional areas where expedited rulemaking is allowed, such as conforming to state and federal changes or repealing obsolete and unnecessary rules. A change is also included to allow more exempt rules to be permanent rules, to reduce the need to complete two rulemaking processes.

Add Flexibility and Simplifies Rules Justification. The current SONAR (Statement of Need and Reasonableness) has evolved from a description of the need and reasonableness of a proposed rule to include a laundry list of specific requirements to be checked off. The work in preparing the SONAR has shifted away from the core need and reasonableness discussion in order to complete these tasks. The proposal modifies the contents of the SONAR, returning it to its roots, to address the purpose, impacts, people and groups impacted, and costs and benefits of the rule.

Reduce Reporting/Paperwork. Several changes are made throughout the proposal to increase the use of electronic notification, reduce reports that duplicate information, and remove requirements that are not providing value. This will be implemented through the database outlined above, which will act as the official rulemaking record for future rulemakings, saving agencies resources from storing the materials and making them more accessible to the public. It will have the capability to store old rulemakings records agencies transform from hard to electronic copies.

IT Related Proposals:

The Legislature/Revisor will be doing the work and directly receive the requested funds. The Legislature has IT operations separate from MN.IT Services. However, this proposal anticipates interaction with MN.IT Services at many steps throughout the project. The proposal calls for staff and consultant services for the design and development activities, new software and hardware. Expected expenses for FY 2020-21 will be similar to the FY 2018-19 expenses.

Results:

While improvement in the public’s belief in the transparency of the rulemaking process is difficult to measure, the number of people accessing the official record of rulemakings can be tracked. The beta version of the Historic Administrative Rules Status System has tracked the number of “hits” for various parts of its system since May 2013. Hits on the state register were a little over 2,000 in May 2013, and had grown to approximately 7,000 in May 2014. Hits for rule searches were roughly static in that time period. Unfortunately, agencies do not have metrics for tracking the number of historical requests for accessing electronic or paper copies of the official records in their possession. As more people become aware of the new system, the Revisor’s tracked “hits” will increase, along with the number of people signed up for the proposed “MyRules” application (modeled off the “MyBills” tool).

Statutory Change(s):

14.365 OFFICIAL RULEMAKING RECORD

MPCA / Environmental Quality Board

FY16-17 Biennial Budget Change Item

Change Item: EQB Environmental Review Efficiency Package

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	\$750	\$250	\$250	\$250
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	\$750	\$250	\$250	\$250
FTEs	2.0	2.0	2.0	2.0

Recommendation:

The Governor recommends an increased appropriation of \$250,000 in FY 2016 and \$250,000 in FY 2017, and a one-time investment of \$500,000 in FY 2016 to Environmental Quality Board (EQB) from the General Fund to support an environmental review efficiency initiative.

This initiative will support a more robust and efficient environmental review program through the following activities:

- Timely and regular rule updates to the Environmental Review Program, outlined in Minn Rules 4410
- The development of a web-based mapping tool to make Environmental Review documents accessible to external audiences, enabling easier access to information for project proposers, regulators, and the general public

Rationale/Background:

The Environmental Quality Board (EQB) is a state agency that coordinates policy decisions, facilitates communications with other state agencies, and provides oversight for environmental review statewide. The EQB consists of a small staff, but has a legacy that stretches over more than four decades. The Environmental Review Program is the principal responsibility of the EQB, and is designed to inform governmental decision makers and the public about a proposed project's potential environmental impacts and possible mitigation measures.

Much has changed since environmental review rules (Minn Rules 4410) were initially drafted over 40 years ago. As regulators and communities have gained experience with a variety of different project types, and as technology has enabled the evolution of project designs and mitigation measures, so too is the Environmental Review Program in need of regular updates. These updates would be based on recommendations contained in the 2013 mandatory category report, recent concerns raised over issues such as propane availability, and feedback from citizens, project proposers and responsible government units (RGUs). The EQB is currently in the process of updating its Environmental Review rules for silica sand projects, as mandated and funded by the 2013 legislature, but it requires additional staff to maintain pace with changes in industry, projects and technology, which this request will address.

In addition, throughout the years, thousands of environmental review documents like Environmental Assessment Worksheets, Environmental Impact Statements, and Alternative Urban Areawide Reviews have been created for projects like the new Twins Stadium, the Minnesota Zoo, agricultural and highway developments, as well as local interest projects. The vast majority of these documents live in boxes stored at the MPCA, with only a very rudimentary filing system in place. These files, some more than 40 years old, need to be archived, preserved and catalogued for easy access by the public, project proposers, and RGUs. These records can act as examples for those looking to participate in the decision-making process on a state or local level, serve as a model for facilitating peer-to-peer collaboration and cross agency communication.

Consequently, this multi-pronged initiative is designed to update the program through rulemaking and create more transparency by making documents readily available to the public through an easily navigable web-based portal. This initiative would make environmental review more transparent, accountable and efficient.

Proposal:

This proposal consists of two distinct initiatives outlined below.

- 1) **Environmental Review Rule Updates:** This proposal is intended to provide timely and regular updates to the Environmental Review Program as outlined in MN Rules 4410. This proposal would provide the staff resources (2 FTE) to make regular updates to MN Rules 4410 to develop a more efficient and accountable Environmental Review Program. As with all EQB initiatives, this effort would require the participation and support of member agencies that perform environmental review. This request will also enable the Board to more thoroughly engage the public in environmental decision-making.
- 2) **Environmental Review Web-Tool:** The public and stakeholders will be able to participate in the environmental review process earlier and more easily through a new public information web-based portal. This will make government more transparent and accessible to citizens, reduce costly delays, and improve the quality of decision making. The EQB requires a one-time funding source to assess the existing data, create electronic versions, and associate geospatial data with these records to create an electronic portal for this information. This initiative will rely on advice and input from environmental review customers (RGU's, citizens, project proposers) throughout the development process. This is a new initiative that was endorsed by the Board in November 2012, building off of a recent Office of Legislative Auditor's report and legislative charge to streamline environmental review. Specifically, the Board recommended that this proposal be developed to bring Minnesota's Environmental Review Program into the 21st century by developing a more enhanced system of information assembly and distribution. This would assist the public, agencies and project proposers by having immediate access to the details of an environmental review for a specific project, as well as to environmental reviews of previous projects. The analysis of this information will support and highlight within the Environmental Review Program process improvement needs and needs for potential rule revisions. Future phases of the information system could expand to include access to other agency data, permits, or other information related to environmental documents.

IT Related Proposals:

General Fund support of \$500,000 is requested for FY2016- FY2017 will allow MN.IT to create the initial functional databases and infrastructure and launch a website. Functionality may be added in the future as funding permits. Funding will also support the document preparation, scanning, and uploading into a database for over 20,000 environmental review files.

Results:

A broad measure of EQB's success is the engagement of Minnesota's citizens in environmental review throughout the state. As the oversight authority for the Environmental Review Program, the EQB has a role in maintaining a program that is effective and accountable. EQB staff provides technical assistance to regulating authorities assigned with environmental review requirements, process citizen petitions, and regularly publish the EQB monitor. The Environmental Review Program is measured by timely completion of those tasks, but to a greater degree by the satisfactory and timely completion of environmental review documents. Rule updates will address criticisms that stakeholders have about various components of the Environmental Review Program, and support staff will maintain efficiency and timely response to requests for assistance.

This is a new initiative that will be measured with web analytics, and general customer feedback. On a broader level, it will enable the EQB and interested stakeholders to better track and analyze trends, environmental review timeliness, and public participation levels.

Statutory Change(s):

No change in statute is required with this proposal.

Program: Water<http://www.pca.state.mn.us/water>**AT A GLANCE**

- 1,040 separate locations monitored for water quality
- 2,819 water-related permits issued
- 417 water quality compliance actions
- 81 major watersheds being evaluated for water quality
- 71 grants and contracts totaling \$6.9 million awarded to local partners
- \$152.3 million in loan awards for local improvement projects

PURPOSE & CONTEXT

Our water program is structured to ensure Minnesota has clean water that supports aquatic life, healthy communities, and a strong economy.

Components of the program include:

- Monitor, evaluate, and communicate lake, stream, wetland, and groundwater conditions.
- Reduce and prevent water pollution from all Minnesota sources such as cropland, wastewater, stormwater, septic systems, and feedlots.
- Work cooperatively with local partners to implement activities that protect Minnesota waters.

SERVICES PROVIDED

We conduct activities to ensure that the state's lakes, rivers, streams, and groundwater are clean, healthy, and sustainable. In doing so, we develop water quality standards and monitor surface water and groundwater quality. We issue construction and operation permits to Minnesota businesses and municipalities, and determine compliance with those permits, federal regulations, and Minnesota laws. We develop protection and restoration strategies and award grants to local partners for water quality improvement projects. We provide technical assistance to regulated facilities, communities, and citizens. These activities fall into three major categories:

Monitor/Assess:

- Monitor watersheds to identify water quality trends through state and local efforts, remote sensing, and volunteers.
- Assess data to understand the water condition and identify causes of stress on a water body and its aquatic insects and fish.
- Track effectiveness of protection and restoration activities.
- Assess wastewater collection and treatment systems for improvement.

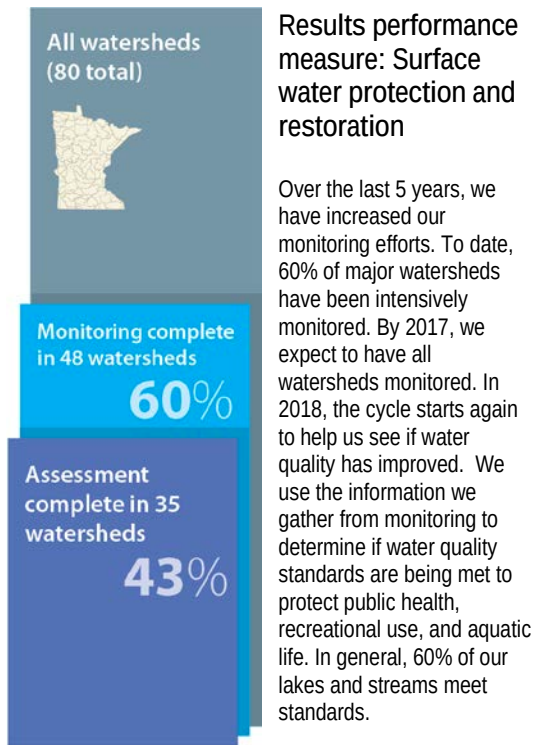
Management:

- Develop water quality standards to protect Minnesota's waters.
- Issue permits, conduct inspections, and take enforcement regarding wastewater, stormwater, septic systems, and feedlots.
- Help business, local governments, and citizens reduce the amount of water they use and increase the use of low-cost water quality protection measures.
- Help communities and citizens understand their local water resources and what may impact the quality of these resources.
- Partner with counties and local health boards to repair imminent health threats due to improperly constructed or operating septic systems, particularly for low-income households

Protection/Restoration:

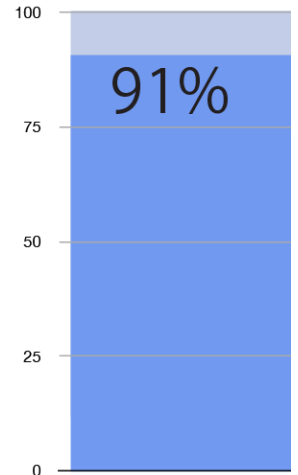
- Work with local partners to develop Watershed Restoration & Protection Strategies for all 81 major watersheds.
- Facilitate and oversee grant, contract, and loan awards to local partners for water quality improvement projects.

RESULTS



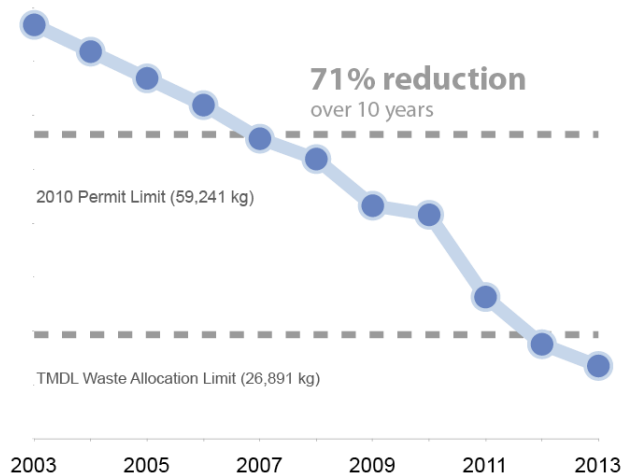
Results performance measure: Percent of water permits issued within 150 days

The MPCA has worked hard to process permits more quickly without compromising our environment. We are now able to issue 91% of all permits within 150 days.



Results performance measure: Percent of lakes getting clearer

Clarity is improving in almost a quarter of lakes. A smaller fraction has seen a decline in clarity. Hundreds of volunteers help the MPCA measure water clarity to detect signs of degradation to a lake. In the last 10 years, 22% of lakes show clarity improving. In 10% there was a decline in clarity, and 68% showed no significant change.



Results performance measure: Amount of phosphorus being released into the Minnesota River by wastewater treatment plants

The MPCA regulates the amount of phosphorus discharged from wastewater treatment facilities. Over the last 10 years, significant reductions have been made (71% reduction), driven in large part by tighter permit limits and good compliance from community wastewater treatment plants. Phosphorus contained in sediment runoff from cropland is a persistent problem. Excess phosphorus stimulates growth of algae, which can make waters unsuitable for swimming and fishing.

Minnesota Statutes, Chapters, [114D](https://www.revisor.mn.gov/statutes/?id=114D) (<https://www.revisor.mn.gov/statutes/?id=114D>), [115](https://www.revisor.mn.gov/statutes/?id=115) (<https://www.revisor.mn.gov/statutes/?id=115>) and [116](https://www.revisor.mn.gov/statutes/?id=116) (<https://www.revisor.mn.gov/statutes/?id=116>) provide the agency with its main authorities to provide regulatory, monitoring and assistance services.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	3,649	3,628	3,370	4,104	3,737	3,737	3,757	3,777
1200 - State Government Special Rev	70	75	75	75	75	75	75	75
2000 - Restricted Misc Special Rev	1	0	0	0	0	0	0	0
2001 - Other Misc Special Rev	21	2	6	0	0	0	0	0
2050 - Environment & Natural Resource	0	0	0	743	0	0	0	0
2302 - Clean Water Fund	17,893	30,042	23,875	33,764	0	0	29,325	29,325
2800 - Environmental	16,024	21,840	20,533	21,126	20,830	20,830	21,194	21,567
2801 - Remediation Fund	-11	0	0	0	0	0	0	0
3000 - Federal	5,274	5,681	5,410	10,122	8,528	7,712	8,528	7,712
8200 - Clean Water Revolving	1,712	1,318	1,326	1,511	1,511	1,511	1,511	1,511
Total	44,633	62,584	54,595	71,445	34,681	33,865	64,390	63,967
Biennial Change				18,823		(57,495)		2,316
Biennial % Change				18		(46)		2
Governor's Change from Base								59,811
Governor's % Change from Base								87

Expenditures by Budget Activity

Budget Activity: Water	44,633	62,584	54,595	71,445	34,681	33,865	64,390	63,967
Total	44,633	62,584	54,595	71,445	34,681	33,865	64,390	63,967

Expenditures by Category

Compensation	19,941	22,652	25,099	25,019	18,123	18,070	25,836	26,374
Operating Expenses	17,867	32,830	24,354	33,567	10,973	10,710	25,816	25,356
Other Financial Transactions	263	40	14				250	250
Grants, Aids and Subsidies	6,494	6,942	5,099	12,841	5,584	5,084	12,487	11,986
Capital Outlay-Real Property	68	120	29	19	0	0	0	0
Total	44,633	62,584	54,595	71,445	34,681	33,865	64,390	63,967
Total Agency Expenditures	44,633	62,584	54,595	71,445	34,681	33,865	64,390	63,967
Internal Billing Expenditures	7,756	10,923	7,705	10,625	5,706	5,681	10,216	10,110
Expenditures Less Internal Billing	36,877	51,661	46,825	60,675	28,869	28,078	54,066	53,747
Full-Time Equivalents	279.2	291.5	309.5	315.8	229.6	229.6	324.2	324.2

Program: Water

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		88		367				
Direct Appropriation	3,737	3,737	3,737	3,737	3,737	3,737	3,757	3,777
Receipts				0	0	0	0	0
Cancellations		197						
Expenditures	3,649	3,628	3,370	4,104	3,737	3,737	3,757	3,777
Balance Forward Out	88		367					
<i>Biennial Change in Expenditures</i>				197		0		60
<i>Biennial % Change in Expenditures</i>				3		0		1
<i>Gov's Exp Change from Base</i>								60
<i>Gov's Exp % Change from Base</i>								1
FTEs	14.6	13.8	13.3	13.3	13.3	13.3	13.3	13.3

1200 - State Government Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		5		0				
Direct Appropriation	75	75	75	75	75	75	75	75
Cancellations		5						
Expenditures	70	75	75	75	75	75	75	75
Balance Forward Out	5		0					
<i>Biennial Change in Expenditures</i>				5		0		0
<i>Biennial % Change in Expenditures</i>				4		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Receipts	1	0	0	0	0	0	0	0
Expenditures	1	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				(1)		0		0
<i>Biennial % Change in Expenditures</i>				(100)		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0	0.0						

2000 - Restricted Misc Special Rev**2001 - Other Misc Special Rev**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Receipts	21	2	6	0	0	0	0	0
Expenditures	21	2	6	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				(17)		(6)		(6)
<i>Biennial % Change in Expenditures</i>				(73)		(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.2							

2050 - Environment & Natural Resource

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Direct Appropriation	0	0	0	743	0	0	0	0
Expenditures	0	0	0	743	0	0	0	0
<i>Biennial Change in Expenditures</i>				743		(743)		(743)
<i>Biennial % Change in Expenditures</i>						(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2302 - Clean Water Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	1,731	8,707	1,620	5,299				
Direct Appropriation	24,212	23,558	28,365	28,465	0	0	29,325	29,325
Receipts				0	0	0	0	0
Cancellations	2	1,222	811					
Expenditures	17,893	30,042	23,875	33,764	0	0	29,325	29,325
Balance Forward Out	8,048	1,001	5,299					
<i>Biennial Change in Expenditures</i>				9,705		(57,639)		1,011
<i>Biennial % Change in Expenditures</i>				20		(100)		2
<i>Gov's Exp Change from Base</i>								58,650
FTEs	80.1	87.6	90.6	86.1	0	0	94.6	94.6

2800 - Environmental

Program: Water

Program Financing by Fund

(Dollars in Thousands)

2800 - Environmental

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		3,331		296				
Direct Appropriation	19,355	19,280	21,641	21,642	21,642	21,642	22,006	22,379
Receipts		0	0	0	0	0	0	0
Net Transfers			(812)	(812)	(812)	(812)	(812)	(812)
Cancellations		771						
Expenditures	16,024	21,840	20,533	21,126	20,830	20,830	21,194	21,567
Balance Forward Out	3,331		296					
<i>Biennial Change in Expenditures</i>				3,794		1		1,102
<i>Biennial % Change in Expenditures</i>				10		0		3
<i>Gov's Exp Change from Base</i>								1,101
<i>Gov's Exp % Change from Base</i>								3
FTEs	158.8	165.7	184.6	191.4	191.4	191.4	191.4	191.4

2801 - Remediation Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Expenditures	(11)	0	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				11		0		0
<i>Biennial % Change in Expenditures</i>				100		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

3000 - Federal

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		1						
Receipts	5,274	5,680	5,410	10,122	8,528	7,712	8,528	7,712
Expenditures	5,274	5,681	5,410	10,122	8,528	7,712	8,528	7,712
<i>Biennial Change in Expenditures</i>				4,578		708		708
<i>Biennial % Change in Expenditures</i>				42		5		5
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	11.2	12.7	9.9	12.0	11.9	11.9	11.9	11.9

8200 - Clean Water Revolving

(Dollars in Thousands)

8200 - Clean Water Revolving

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	5,792	7,030	5,876	7,128	7,378	7,628	7,378	7,628
Receipts	518	361	394	250	250	250	250	250
Net Transfers	2,433	1,318	2,185	1,511	1,511	1,511	1,511	1,511
Cancellations		37						
Expenditures	1,712	1,318	1,326	1,511	1,511	1,511	1,511	1,511
Balance Forward Out	7,030	7,354	7,128	7,378	7,628	7,878	7,628	7,878
<i>Biennial Change in Expenditures</i>				(192)		184		184
<i>Biennial % Change in Expenditures</i>				(6)		7		7
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	13.6	10.9	10.3	12.3	12.3	12.3	12.3	12.3

Program: Air<http://www.pca.state.mn.us/index.php/air/index.html>**AT A GLANCE**

- Tracks air quality at 55 locations in Minnesota.
- Conducts air quality permitting, compliance determination and enforcement for over 2,000 larger pollution sources.
- Reduces air pollution from small sources of air pollution, including cars, trucks, lawn, and construction equipment.

PURPOSE & CONTEXT

The MPCA's Air Program has two primary goals: that Minnesota's outdoor air is healthy for all to breathe, and Minnesota reduces its contribution to regional, national, and global air pollution. Our efforts support human health and contribute to strong economies in Minnesota communities. We provide leadership for air quality protection by implementing the Clean Air Act. All Minnesotans benefit from this program.

SERVICES PROVIDED

Air pollution is released from large and small sources — from the largest coal-fired power plants, oil refineries, and taconite plants, to automobiles, lawnmowers, and backyard fire pits. Air pollution is harmful to human health and can be obvious, smoky, and smelly, or it can be undetectable. To understand air quality in our communities, we monitor the air and collect information about the pollution released from large and small air pollution sources. Knowing air pollution levels and where the pollution is coming from is critical for deciding how to reduce harmful pollution.

The services we provide fall into three categories: assessment, management and restoration/improvement.

Assessment:

- Monitor for the Air Quality Index and compliance with ambient air quality standards using 154 monitors located in 55 sites statewide. Ambient air quality standards apply to our general air quality across the state or in a region rather than what must be achieved at a specific facility.
- Provide technical assistance and quality assurance for 21 monitors at 10 industrial locations.
- Monitor for toxic air pollutants at 20 locations.
- Develop annual emission inventories for more than 2,300 companies.
- Conduct air emission risk analysis for about 20 industrial emission sources each year.

Management:

- Issue federal and state air quality operating permits.
- Issue construction and operating permits for new and expanding facilities.
- Review compliance with air quality rules, regulations, and permits.
- Take enforcement action when warranted.
- Maintain daily air quality index for the Twin Cities, Duluth, Rochester, Marshall, Brainerd, Detroit Lakes, Ely, and St. Cloud and issue alerts when air quality is expected to exceed health benchmarks.

Restoration/Improvement:

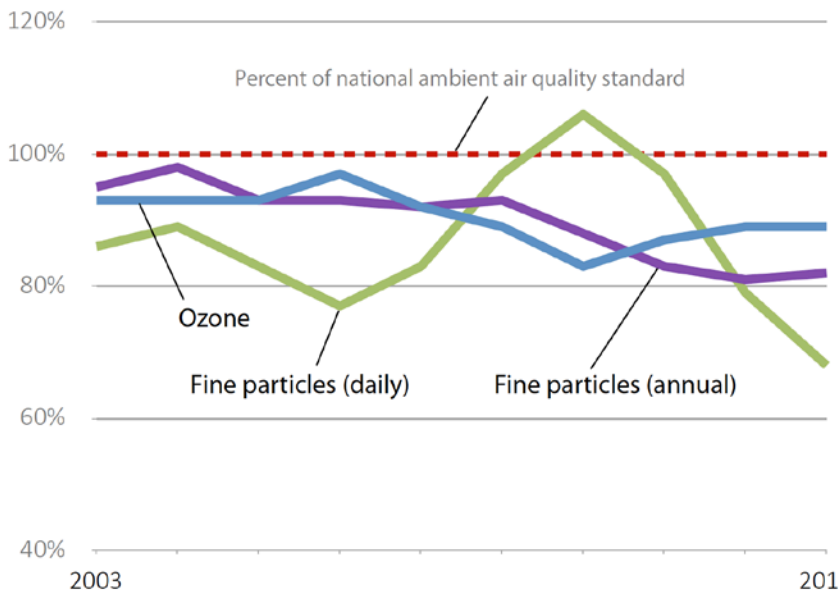
- Develop plans, strategies, and tactics for maintaining and improving air quality.
- Reduce emissions that contribute to regional haze, ozone, fine particulate, and toxic air pollutants.
- Reduce emissions that contribute to greenhouse gases.

RESULTS

Results performance measure: levels of key air pollutants

The MPCA monitors air pollution such as fine particulates and ground-level ozone (smog) and compares them to federal standards set to protect our health. Overall, air pollution levels in Minnesota have improved over the last 20 years. But standards have tightened over this same time period, reflecting new knowledge of how these pollutants affect us.

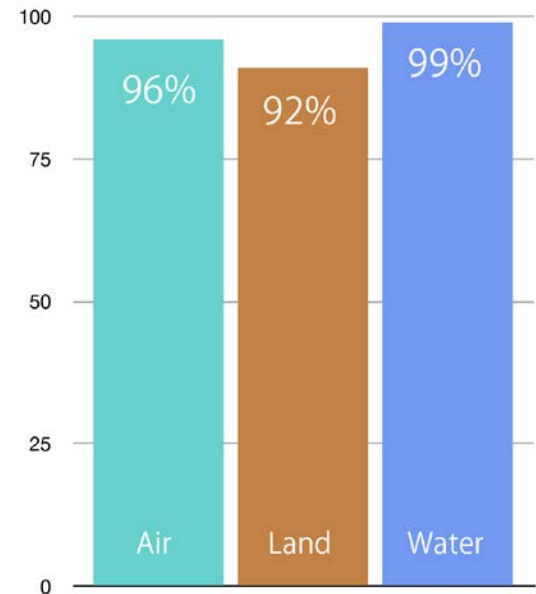
Key air pollutants on the Twin Cities



Results performance measure: compliance rates for permit holders

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

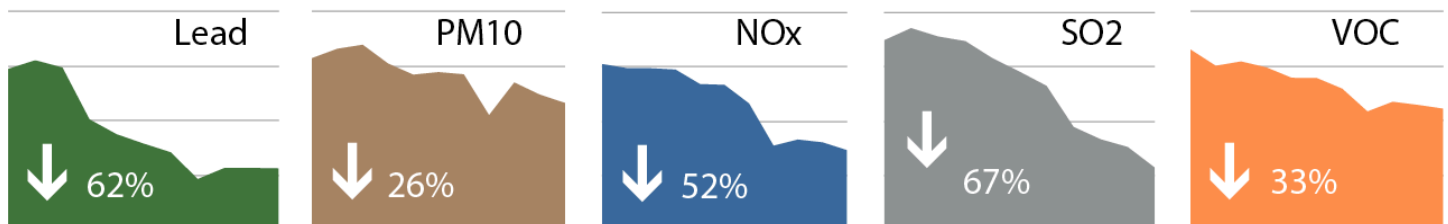
Percentage of permit holders complying with requirements



Results performance measure: Improvements in point source air pollution

Today much of the air pollution in Minnesota comes from cars, trucks, construction vehicles, and fuel combustion for things like home heating—where there are few regulations. In contrast, the amount of air pollution coming from factories and electric utilities—sources that are subject to regulation and hold MPCA permits—has decreased significantly over the last 20 years, largely due to government and industry efforts to reduce smokestack emissions.

Point source emissions 2002–2012



Lead means elemental lead. PM10 is fine particle pollutions 10 microns or smaller. NOx is nitrogen oxides. SO2 is sulfur dioxide. VOC stands for volatile organic compounds.

Minnesota Statutes, Chapters, [115](https://www.revisor.mn.gov/statutes/?id=115) (<https://www.revisor.mn.gov/statutes/?id=115>), [115A](https://www.revisor.mn.gov/statutes/?id=115A) (<https://www.revisor.mn.gov/statutes/?id=115A>), and [116](https://www.revisor.mn.gov/statutes/?id=116) (<https://www.revisor.mn.gov/statutes/?id=116>) provide the agency with its main authorities to provide regulatory, monitoring and assistance services.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
2000 - Restricted Misc Special Rev	133	194	171	229	181	181	181	181
2800 - Environmental	10,829	13,727	14,315	16,128	15,201	15,201	15,640	16,087
3000 - Federal	1,158	1,303	1,384	1,250	1,195	1,249	1,195	1,249
Total	12,120	15,224	15,871	17,607	16,577	16,631	17,016	17,517
Biennial Change				6,134		(271)		1,054
Biennial % Change				22		(1)		3
Governor's Change from Base								1,325
Governor's % Change from Base								4

Expenditures by Budget Activity

Budget Activity: Air	12,120	15,224	15,871	17,607	16,577	16,631	17,016	17,517
Total	12,120	15,224	15,871	17,607	16,577	16,631	17,016	17,517

Expenditures by Category

Compensation	7,808	8,721	10,570	10,494	10,668	10,726	10,907	11,209
Operating Expenses	4,295	6,325	5,155	7,004	5,786	5,772	5,986	6,175
Other Financial Transactions	2	4	17	3	3	3	3	3
Grants, Aids and Subsidies	0	29	100	100	100	100	100	100
Capital Outlay-Real Property	15	144	29	6	20	30	20	30
Total	12,120	15,224	15,871	17,607	16,577	16,631	17,016	17,517
Total Agency Expenditures	12,120	15,224	15,871	17,607	16,577	16,631	17,016	17,517
Internal Billing Expenditures	2,664	4,216	3,052	3,677	3,567	3,570	3,567	3,570
Expenditures Less Internal Billing	9,456	11,008	12,536	12,833	12,319	12,370	12,757	13,253

<u>Full-Time Equivalents</u>	102.1	106.8	121.5	134.3	134.3	134.5	134.3	134.5
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2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	175	206	179	176				
Receipts	164	167	169	53	181	181	181	181
Expenditures	133	194	171	229	181	181	181	181
Balance Forward Out	206	179	176					
<i>Biennial Change in Expenditures</i>				73		(39)		(39)
<i>Biennial % Change in Expenditures</i>				22		(10)		(10)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	1.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2

2800 - Environmental

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	179	1,826	412	1,269	367	392	367	392
Direct Appropriation	12,297	12,466	15,031	15,201	15,201	15,201	15,640	16,087
Receipts	201	19	18	25	25	25	25	25
Cancellations		229						
Expenditures	10,829	13,727	14,315	16,128	15,201	15,201	15,640	16,087
Balance Forward Out	1,805	355	1,269	367	392	417	392	417
<i>Biennial Change in Expenditures</i>				5,887		(42)		1,283
<i>Biennial % Change in Expenditures</i>				24		0		4
<i>Gov's Exp Change from Base</i>								1,325
<i>Gov's Exp % Change from Base</i>								4
FTEs	97.9	102.3	117.1	129.5	129.5	129.5	129.5	129.5

3000 - Federal

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		0	0					
Receipts	1,158	1,303	1,383	1,250	1,195	1,249	1,195	1,249
Expenditures	1,158	1,303	1,384	1,250	1,195	1,249	1,195	1,249
<i>Biennial Change in Expenditures</i>				173		(190)		(190)
<i>Biennial % Change in Expenditures</i>				7		(7)		(7)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	3.2	3.4	3.2	3.6	3.6	3.8	3.6	3.8

3000 - Federal

Program: Land<http://www.pca.state.mn.us/index.php/waste/index.html>**AT A GLANCE**

- 43% of the state's solid waste is recycled.
- 35% of the state's solid waste is landfilled.
- ~ 60,000 acres of contaminated land have been cleaned up and returned to productive use since 2003.
- 507 solid-waste facilities are permitted and tracked.
- ~6,500 hazardous waste generators are licensed; another ~6,500 are small enough that they do not need licensing.

PURPOSE & CONTEXT

Our land program protects the environment and public health by managing solid and hazardous waste and petroleum products. We encourage waste minimization and mitigation through waste reduction, recycling, and reuse. We manage risks at contaminated sites through site cleanup and restoring contaminated land to productive use.

We work with a large and diverse group of public and private entities, including developers, communities (counties and cities), consultants, state and federal partners, and citizens.

SERVICES PROVIDED

The MPCA works with public and private partners to protect Minnesota's environment, public health, and quality of life through the proper management of solid and hazardous wastes and petroleum products. Preventing contamination of land and groundwater is a priority, and is preferred over cleanup. Cleaning up contaminated land and groundwater, while costly and time consuming, is another important part of this program.

The services we provide fall into three categories: assessment, management and restoration/improvement.

Assessment

- With local government, develop solid-waste policy reports that document solid-waste management progress.
- License hazardous-waste handlers and monitor the movement of hazardous waste.
- Track the number of households with backyard burn barrels.
- Track waste generation and final deposition of the waste.

Management

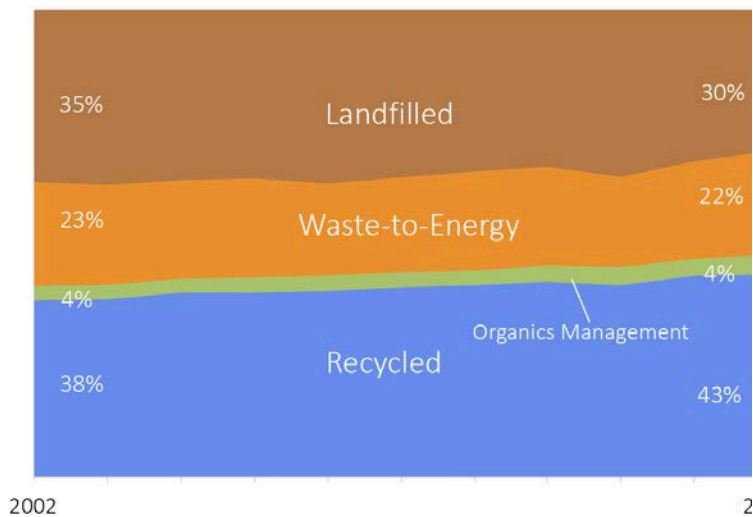
- Partner with counties, businesses, and industry to reduce waste generation and improve recycling rates.
- Distribute funds to counties to operate recycling, waste reduction, and household hazardous waste programs.
- Oversee disposal of debris from natural and man-made disasters.
- Issue permits and inspect compliance at solid and hazardous-waste facilities.
- Provide training to prevent the release of harmful materials into Minnesota's soil, groundwater, and surface water.
- Provide information and hands-on help to communities through GreenStep Cities and Minnesota GreenCorps programs.

Restoration/Improvement

- Oversee land clean-up at contaminated sites. Recover costs from responsible parties.
- Conduct cleanups and operate and maintain cleanup systems at closed landfill sites.
- Help developers return contaminated sites to productive use.
- Work with industry and local fire and police to develop plans to prevent and respond to spills. In the event of a spill, we assist local responders and oversee cleanup.

RESULTS

Results performance measure: Reducing the amount of solid waste going to landfills



Results performance measure: Amount of polluted land being returned to productive use

Putting abandoned, idled, or underused industrial and commercial properties back into productive use can be complicated by actual or suspected environmental contamination. The MPCA helps make this land available for redevelopment by investigating and cleaning up these sites.

Petroleum remediation sites cleaned up

	2003	2013
Identified sites	14,749	18,513
Cleaned up sites	12,523	17,680

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

	2003	2013
Cleaned up acres	18,655	74,598

Superfund sites and closed landfills

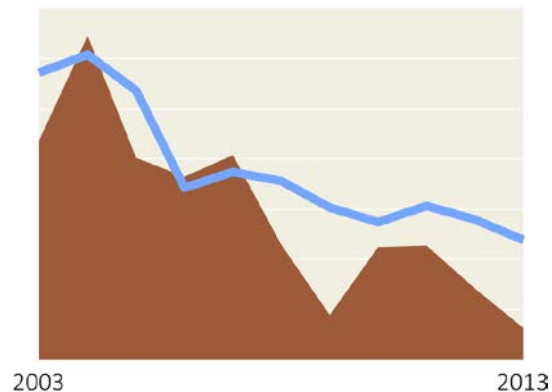
	2003	2013
Identified sites	639	745
Cleaned up sites	436	596

The MPCA prioritizes waste reduction, recycling, composting, and resource recovery over landfilling. More than one-third of our waste is still sent to landfills.

A 2013 study done by MPCA revealed that about 70% of this landfilled portion could be recycled or composted, saving resources and conserving landfill capacity.

Results performance measure: Amount of hazardous waste generated

In Minnesota, commercial entities that produce any amount of hazardous waste are regulated as hazardous-waste "generators" with requirements that depend upon the amount of waste they produce. Since 2003, the number of generators has dropped by more than half, and there's been a corresponding drop in amount of waste.



Blue line: In 2013, there were about 1,000 businesses/organizations generating enough hazardous waste to require a report. That's down from 2,600 nine years ago.

Brown: Hazardous waste has dropped by about 90% since 2004, to about 35 million pounds.

Minnesota Statutes, Chapters, [114D](https://www.revisor.mn.gov/statutes/?id=114d) (<https://www.revisor.mn.gov/statutes/?id=114d>), [115](https://www.revisor.mn.gov/statutes/?id=115) (<https://www.revisor.mn.gov/statutes/?id=115>), [115A](https://www.revisor.mn.gov/statutes/?id=115A) (<https://www.revisor.mn.gov/statutes/?id=115A>), and [116](https://www.revisor.mn.gov/statutes/?id=116) (<https://www.revisor.mn.gov/statutes/?id=116>) provide the agency with its main authorities to provide regulatory, monitoring and assistance services.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
2000 - Restricted Misc Special Rev	445	432	353	585	410	410	410	410
2001 - Other Misc Special Rev	0		65	108	104	104	104	104
2403 - Gift	161	0	0	0	0	0	0	0
2800 - Environmental	6,078	7,639	6,883	6,950	6,916	6,916	7,031	7,150
2801 - Remediation Fund	29,655	31,343	34,830	34,570	26,192	26,192	27,310	27,480
3000 - Federal	4,631	3,307	3,958	4,490	4,356	4,356	4,356	4,356
Total	40,970	42,722	46,089	46,702	37,978	37,978	39,211	39,500
Biennial Change				9,099		(16,835)		(14,080)
Biennial % Change				11		(18)		(15)
Governor's Change from Base								2,755
Governor's % Change from Base								4

Expenditures by Budget Activity

Budget Activity: Land	40,970	42,722	46,089	46,702	37,978	37,978	39,211	39,500
Total	40,970	42,722	46,089	46,702	37,978	37,978	39,211	39,500

Expenditures by Category

Compensation	13,574	14,799	15,596	15,804	15,191	15,206	16,274	16,578
Operating Expenses	26,956	26,795	30,146	30,898	22,787	22,772	22,937	22,922
Other Financial Transactions	3	0	2					
Grants, Aids and Subsidies	176	303	302					
Capital Outlay-Real Property	262	824	43					
Total	40,970	42,722	46,089	46,702	37,978	37,978	39,211	39,500
Total Agency Expenditures	40,970	42,722	46,089	46,702	37,978	37,978	39,211	39,500
Internal Billing Expenditures	4,492	5,708	4,133	4,984	4,721	4,720	4,721	4,720
Expenditures Less Internal Billing	36,479	37,014	41,956	41,718	33,257	33,258	34,490	34,780

<u>Full-Time Equivalents</u>	174.7	181.1	181.2	191.9	183.7	183.7	191.7	191.7
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Program: Land

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Direct Appropriation	268	268	0	0	0	0	0	0
Net Transfers	(268)	(268)						

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	94	72	102	185				
Receipts	425	457	436	399	410	410	410	410
Expenditures	445	432	353	585	410	410	410	410
Balance Forward Out	74	96	185					
<i>Biennial Change in Expenditures</i>				60		(117)		(117)
<i>Biennial % Change in Expenditures</i>				7		(13)		(13)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	4.4	3.6	3.5	5.8	5.6	5.6	5.6	5.6

2001 - Other Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	70	69	69	7	2	2	2	2
Receipts			2	0	0	0	0	0
Net Transfers				104	104	104	104	104
Expenditures	0		65	108	104	104	104	104
Balance Forward Out	69	69	7	2	2	2	2	2
<i>Biennial Change in Expenditures</i>				173		35		35
<i>Biennial % Change in Expenditures</i>				61,440		20		20
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs				0.8	1.0	1.0	1.0	1.0

2403 - Gift

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	161	0	0	0		0		0
Receipts	0							

Program: Land

Program Financing by Fund

(Dollars in Thousands)

2403 - Gift

Net Transfers			0				
Expenditures	161	0	0	0	0	0	0
Balance Forward Out			0		0	0	0
<i>Biennial Change in Expenditures</i>				(161)		0	0
<i>Biennial % Change in Expenditures</i>				(100)		0	0
<i>Gov's Exp Change from Base</i>							0
<i>Gov's Exp % Change from Base</i>							0

2800 - Environmental

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		838		33				
Direct Appropriation	6,916	6,916	6,916	6,916	6,916	6,916	7,031	7,150
Receipts		0		0	0	0	0	0
Cancellations		115						
Expenditures	6,078	7,639	6,883	6,950	6,916	6,916	7,031	7,150
Balance Forward Out	838		33					
<i>Biennial Change in Expenditures</i>				116		(1)		348
<i>Biennial % Change in Expenditures</i>				1		0		3
<i>Gov's Exp Change from Base</i>								349
<i>Gov's Exp % Change from Base</i>								3
FTEs	56.8	57.2	58.8	61.1	61.1	61.1	61.1	61.1

2801 - Remediation Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	6,324	8,944	8,192	8,909	8,913	9,718	8,913	9,718
Direct Appropriation	10,496	10,496	10,496	11,146	10,496	10,496	11,614	11,784
Open Appropriation	13,238	13,218	18,377	16,330	9,300	9,300	9,300	9,300
Receipts	1,436	1,375	1,445	1,350	1,453	1,453	1,453	1,453
Net Transfers	6,312	5,113	5,229	4,889	5,748	5,748	6,348	6,348
Cancellations		237					600	600
Expenditures	29,655	31,343	34,830	34,570	26,192	26,192	27,310	27,480
Balance Forward Out	8,152	7,566	8,909	8,913	9,718	10,523	9,718	10,523
<i>Biennial Change in Expenditures</i>				8,402		(17,016)		(14,610)
<i>Biennial % Change in Expenditures</i>				14		(25)		(21)
<i>Gov's Exp Change from Base</i>								2,406
<i>Gov's Exp % Change from Base</i>								5

Program: Land

Program Financing by Fund

(Dollars in Thousands)

2801 - Remediation Fund

FTEs	77.4	91.1	87.0	90.5	85.3	85.3	93.3	93.3
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3000 - Federal

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	0	0	0	0				
Receipts	4,632	3,709	3,958	4,490	4,356	4,356	4,356	4,356
Net Transfers				0				
Expenditures	4,631	3,307	3,958	4,490	4,356	4,356	4,356	4,356
Balance Forward Out		402	0					
<i>Biennial Change in Expenditures</i>				510		264		264
<i>Biennial % Change in Expenditures</i>				6		3		3
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	36.2	29.1	31.9	33.7	30.7	30.7	30.7	30.7

6000 - Miscellaneous Agency

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	2	2	2	2	2	2	2	2
Receipts				0	0	0	0	0
Balance Forward Out	2	2	2	2	2	2	2	2

Program: Environmental Assistance and Cross Media

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

AT A GLANCE

- Develop and implement policies that address issues involving air, water and waste; such as e-waste management, toxics in products, and energy alternatives.
- Review environmental impact of proposed projects.
- Offer technical assistance, training, and certification to the regulated community.
- Assess environmental impact of the MPCA's regulatory and cleanup project decisions through monitoring oversight, setting limits that control wastewater plant discharges to streams and lakes, air quality modeling review, risk assessment, fishkill investigations.
- Promote the use of technology and fuels that reduce air pollution and greenhouse gas emissions.
- Provide nearly \$1 million in grants and loans each biennium to promote environmentally innovative projects.
- Enable Minnesota companies through the Minnesota Technical Assistance Program (MnTAP) to save operating costs, prevent waste through reduction or reuse, and conserve water. Every \$1 granted to MnTAP results in about \$3 of annual savings for Minnesota businesses.
- Assisted nearly 10,000 small and large manufacturing and service businesses since 20025 across the state with MnTAP.

PURPOSE & CONTEXT

The Environmental Assistance and Cross-media Program provides support for regulatory and assistance programs that cross multiple media with a given activity, such as feedlots, environmental review, and assistance efforts, such as solid waste and wastewater training, and community and business assistance. We accept the multi-media based grant received from the U.S. Environmental Protection Agency, which supports monitoring, regulatory, and assistance efforts.

We provide technical assistance and financial resources to help local governments, businesses, and individuals comply with the regulatory system and implement pollution prevention activities. We work with businesses, local governments, communities, and citizens by providing financial assistance to counties for waste management efforts, grants and loans to reduce diesel emissions, and funding for multi-media programs like environmental review.

SERVICES PROVIDED

We focus efforts to understand trends and emerging environmental issues. Solutions involve developing partnerships with businesses, communities, local units of government, citizens, and other public and private interests. These partnerships include technical expertise and financial

incentives to implement activities, approaches, and technologies to conserve resources, prevent pollution, and protect the environment. The partnerships also include voluntary assessment of our air and water. With these approaches and resultant data, we promote environmentally sound business development, community development, waste-as-a-resource, clean energy, and provide educational and technical support to our customers.

Monitor/Assess:

Analyze data on the condition of the environment, describing trends and stressors. This activity makes valuable data available within our agency, and to policymakers and citizens.

Monitor air quality —148 air quality monitors and support equipment at 56 statewide locations — for a variety of parameters, including ozone, carbon monoxide, sulfur dioxide, oxides of nitrogen, lead, particulates, hydrogen sulfide, volatile organic compounds, metals, visibility, and others.

- Complete environmental reviews that when completed guide project approvals at the local and state level regarding potential environmental protection incorporated into the project and that should be considered in the approval process.
- Collect data from Minnesota businesses regarding the amount of toxic chemicals used. This data measures progress in manufacturing sectors to eliminate the use of toxics.

Management:

- Use data to set standards and remediation criteria to protect our water, air, and land.
- Conduct risk evaluations and provide technical support to regulatory activities.
- Provide data analysis, and develop reduction and pollution prevention strategies.
- Develop administrative and technical rules.

- Partner with other agencies and organizations to host the EcoExperience at the Minnesota State Fair. The EcoExperience building allows nearly 300,000 visitors each year to experience environmentally friendly products and technologies, including the latest in clean energy, transportation alternatives, stormwater best practices through rain gardens, green buildings, and composting.
- Redesigned the MPCA's website to incorporate the Living Green web content, which offers the public, businesses, and government on ways to make a positive difference both in their lives, businesses, and communities to live better, healthier lives with less impact on the environment.
- Assist Minnesota businesses using a multi-faceted approach to pollution prevention, including providing financial assistance for businesses and institutions seeking ways to reduce waste as well as offering technical assistance directly through our Small Business Assistance Program and through our technical assistance partnerships.
- Maintain current resources on the agency's website for learning more about pollution prevention, reuse, recycling, responsible waste management, and sustainable practices. The NextStep website (<http://www.nextstep.state.mn.us>) offers resources for finding and sharing information on sustainability.
- Implement state policies directed at managing and treating waste as a resource. Treating waste as a resource reduces pollution, reduces greenhouse gases, saves money, and creates jobs.
- In collaboration with the Department of Commerce and others, promote development of clean energy, energy efficiency, and reduction in greenhouse gas emissions. Minnesota's Green Power Campaign encourages Minnesotans to buy wind power from their local utilities.
- Investigate wind and solar power opportunities at closed landfills, and install gas-to-energy systems at closed state-owned landfills to mitigate the impacts of gas generated at those sites.

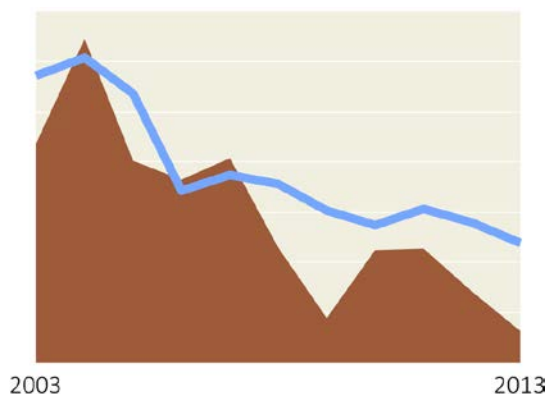
Protection/Restoration:

- Work with businesses to develop alternative products free of toxic chemicals.
- Facilitate and oversee grant, contract, and loan awards to reduce air emissions, implement innovative waste reduction activities, and develop alternative management options.

RESULTS

Results performance measure: Amount of hazardous waste generated

In Minnesota, commercial entities that produce any amount of hazardous waste are regulated as hazardous-waste "generators" with requirements that depend upon the amount of waste they produce. Since 2003, the number of generators has dropped by more than half, and there's been a corresponding drop in amount of waste.

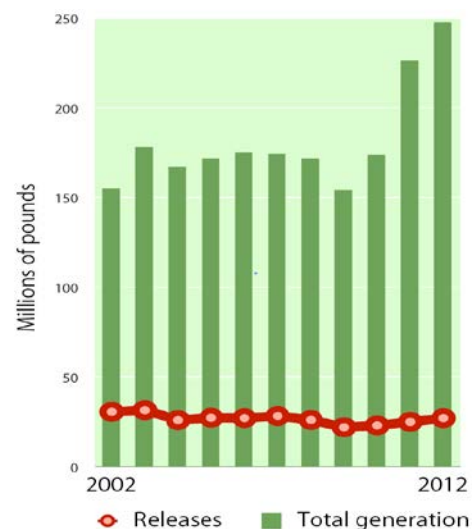


Blue line: In 2013, there were about 1,000 businesses/organizations generating enough hazardous waste to require a report. That's down from 2,600 nine years ago.

Brown: Hazardous waste has dropped by about 90% since 2004, to about 35 million pounds

Results performance measure: Generation and release of toxic chemicals

Industrial facilities that use one or more of the chemicals in the Toxic Release Inventory are required to report their use. About 410 facilities report in Minnesota, with most chemicals used for manufacturing-related purposes



The apparent increase in total generation was a change in the reporting approach.

Releases of TRI chemicals into the environment have dropped 11% since 2002.

Minnesota Statutes, Chapters, [114D](https://www.revisor.mn.gov/statutes/?id=114D) (<https://www.revisor.mn.gov/statutes/?id=114D>), [115](https://www.revisor.mn.gov/statutes/?id=115) (<https://www.revisor.mn.gov/statutes/?id=115>), [115A](https://www.revisor.mn.gov/statutes/?id=115A) (<https://www.revisor.mn.gov/statutes/?id=115A>), and [116](https://www.revisor.mn.gov/statutes/?id=116) (<https://www.revisor.mn.gov/statutes/?id=116>) provide the agency with its main authorities to provide regulatory, monitoring and assistance services.

Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	798	878	812	1,116	1,137	1,026	2,234	1,898
2000 - Restricted Misc Special Rev	843	940	1,089	1,573	1,114	1,114	1,114	1,114
2001 - Other Misc Special Rev	276	359	465	911	609	609	609	609
2800 - Environmental	25,733	29,184	26,974	32,292	30,639	30,639	31,669	31,798
3000 - Federal	14,144	11,881	12,024	12,246	11,951	11,951	11,951	11,951
Total	41,795	43,241	41,364	48,138	45,450	45,339	47,577	47,370
Biennial Change				4,466		1,288		5,446
Biennial % Change				5		1		6
Governor's Change from Base								4,158
Governor's % Change from Base								5

Expenditures by Budget Activity

Budget Activity: Ea And Cross-media	41,795	43,241	41,364	48,138	45,450	45,339	47,577	47,370
Total	41,795	43,241	41,364	48,138	45,450	45,339	47,577	47,370

Expenditures by Category

Compensation	17,294	16,461	16,219	16,991	16,560	16,477	17,437	17,568
Operating Expenses	6,770	8,539	7,508	8,620	7,692	7,664	8,942	8,604
Other Financial Transactions	70	0	5	3	3	3	3	3
Grants, Aids and Subsidies	17,662	18,241	17,631	22,524	21,196	21,196	21,196	21,196
Capital Outlay-Real Property	0		0	0				
Total	41,795	43,241	41,364	48,138	45,450	45,339	47,577	47,370
Total Agency Expenditures	41,795	43,241	41,364	48,138	45,450	45,339	47,577	47,370
Internal Billing Expenditures	5,313	6,491	5,230	5,409	5,401	5,401	5,401	5,401
Expenditures Less Internal Billing	36,482	36,750	35,982	42,303	39,783	39,672	41,906	41,699

<u>Full-Time Equivalents</u>	194.3	187.8	179.9	200.7	198.2	197.6	205.5	205.6
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Program: Environmental Asst
Crossmedia

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		42		420	111		111	
Direct Appropriation	840	840	1,027	1,026	1,026	1,026	2,711	2,981
Net Transfers	0	0	205	(220)			(588)	(1,083)
Cancellations		4						
Expenditures	798	878	812	1,116	1,137	1,026	2,234	1,898
Balance Forward Out	42		420	111				
<i>Biennial Change in Expenditures</i>				251		236		2,205
<i>Biennial % Change in Expenditures</i>				15		12		114
<i>Gov's Exp Change from Base</i>								1,969
<i>Gov's Exp % Change from Base</i>								91
FTEs	9.3	10.2	6.3	8.8	9.1	8.5	12.4	12.5

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	138	330	471	357	64	67	64	67
Direct Appropriation	0	0	0	0	0	0	0	0
Receipts	1,036	1,043	975	1,280	1,116	1,116	1,116	1,116
Expenditures	843	940	1,089	1,573	1,114	1,114	1,114	1,114
Balance Forward Out	330	434	357	64	67	70	67	70
<i>Biennial Change in Expenditures</i>				878		(434)		(434)
<i>Biennial % Change in Expenditures</i>				49		(16)		(16)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	3.4	3.6	4.1	7.0	4.5	4.5	4.5	4.5

2001 - Other Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		25	0					
Receipts	295	333	466	311	309	309	309	309
Net Transfers				600	300	300	300	300
Expenditures	276	359	465	911	609	609	609	609
Balance Forward Out	19							
<i>Biennial Change in Expenditures</i>				742		(158)		(158)
<i>Biennial % Change in Expenditures</i>				117		(11)		(11)

Program: Environmental Asst
Crossmedia

Program Financing by Fund

(Dollars in Thousands)

2001 - Other Misc Special Rev

Gov's Exp Change from Base							0
Gov's Exp % Change from Base							0
FTEs	0.5	1.3	0.6	4.6	4.6	4.6	4.6

2800 - Environmental

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	2,951	4,778	2,739	3,405	2,631	2,572	2,631	2,572
Direct Appropriation	25,135	25,135	25,248	29,223	28,223	28,223	29,247	29,371
Receipts	2,476	2,503	2,421	8,632	10,106	11,663	10,106	11,663
Net Transfers	(62)	(104)	(138)	(112)	(112)	(112)	(112)	(112)
Cancellations		390						
Expenditures	25,733	29,184	26,974	32,292	30,639	30,639	31,669	31,798
Balance Forward Out	4,768	2,739	3,405	2,631	2,572	2,513	2,572	2,513
Biennial Change in Expenditures				4,350		2,012		4,201
Biennial % Change in Expenditures				8		3		7
Gov's Exp Change from Base								2,189
Gov's Exp % Change from Base								4
FTEs	69.1	69.9	71.9	72.1	71.9	71.9	75.9	75.9

3000 - Federal

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Receipts	14,145	11,881	12,025	12,246	11,951	11,951	11,951	11,951
Expenditures	14,144	11,881	12,024	12,246	11,951	11,951	11,951	11,951
Biennial Change in Expenditures				(1,755)		(368)		(368)
Biennial % Change in Expenditures				(7)		(2)		(2)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	112.0	102.8	97.1	108.2	108.2	108.2	108.2	108.2

Program: Administrative Support<http://www.pca.state.mn.us>**AT A GLANCE**

- 158,200 times visitors accessed environmental information available through the web-based “What’s in My Neighborhood” in FY 2014
- 31 completed continuous improvement projects in FY 2014
- 2,590 information or data practices requests processed in FY 2014
- MPCA offices in St Paul, Brainerd, Duluth, Detroit Lakes, Mankato, Marshall, Rochester, Willmar

PURPOSE & CONTEXT

Administrative Support includes: the Commissioner’s Office; legislative relations; legal services; budget, accounting and financial management; internal controls and risk assessment; human resources; communications; organizational improvement; data systems management and online services; data analysis; document and records management; continuity planning; and support for the MPCA Citizens’ Board.

- We set agency strategic objectives and collaborate with MPCA environmental programs and partners to achieve excellence.

- We directly serve our environmental programs by managing resources, providing business services, and assuring compliance with laws, standards, and policies.
- We serve Minnesota residents, environmental groups, local governments, businesses, and regulated parties by providing access to environmental information through our website, publications, community involvement processes, and events.
- The MPCA Citizens’ Board makes important decisions with broad environmental impacts.

SERVICES PROVIDED

We provide leadership and strategic direction to protect and improve the environment and enhance human health.

- The Commissioner’s Office provides leadership and strategic direction for the MPCA to achieve our mission.
- We work in collaboration with MPCA partners, including local governments, state and federal agencies, and environmental groups to accomplish our work.
- We provide strategic communications planning, including media and community relations, risk and crisis communications, use of multi-media tools, outreach events and public participation, and publications management.

We assure public access to environmental information and decision-making processes.

- The MPCA Citizens’ Board assures public participation in key environmental decisions and complex pollution problems.
- We enable public access to key decision-making by providing direct access to public meetings through video conferencing and web broadcasts of the MPCA Citizens’ Board meetings, rule hearings, and training events.
- Our website (<http://www.pca.state.mn.us>) provides useful information about Minnesota’s environment, regulatory news and updates, rules, public notices, details about environmental quality, and information on how individual can help protect the environment, including location-specific environmental information and data via the “What’s in My Neighborhood” feature.

We manage operations and business services to effectively and efficiently support the agency’s environmental work.

- We promote cost-effective and environmentally sound business practices, such as purchasing alternative technology vehicles, buying recycled office supplies and environmentally preferred products, supporting agency-wide recycling efforts, and using videoconferencing technology to reduce travel.
- We use continuous improvement tools and methods to improve processes and to achieve environmental outcomes more effectively.
- We provide a safe and healthy workplace for all employees, volunteers, and visitors.
- We respond to thousands of data practices and information requests each year to allow for timely redevelopment or construction.
- We attract and retain a top-notch workforce by using the assets and qualities of our workplace and the merits of our mission.

We maintain effective, secure, and efficient data and document management systems and tools.

- We are upgrading and improving the efficiency of our aging data systems. We will offer more online services, reduce paper transactions, and eliminate data duplication. We are committed to improving the quality of our data and making it easier to share with citizens and regulated parties.
- We are developing mobile technology for use in monitoring, site investigations, inspections, and permit reviews. This will give MPCA staff more time to help our customers and solve their problems, by enabling staff to submit data from the field.
- We offer regulated parties the option to pay certain fees and permits online.
- We maintain environmental data and make it accessible to agency staff, regulated parties, and the public.
- We protect non-public data entrusted to our care.

RESULTS

1. Increased use of continuous improvement tools to improve processes and to achieve environmental outcomes more effectively.

<i>Quantity</i>	<i>2013</i>	<i>2014</i>
The cumulative number of work processes identified, analyzed, documented, and improved.	613	696

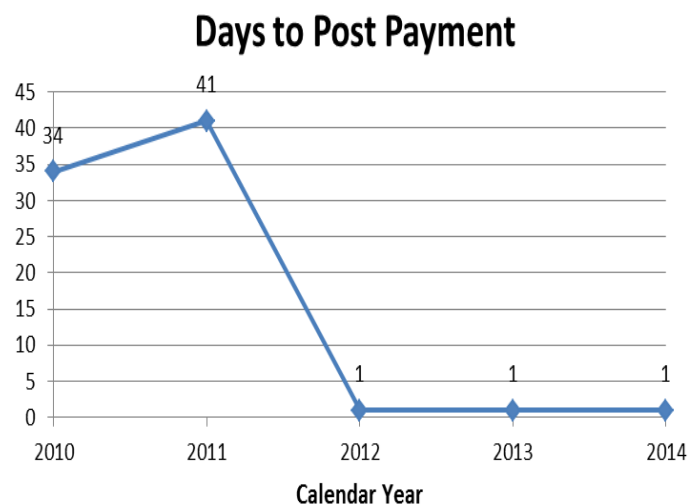
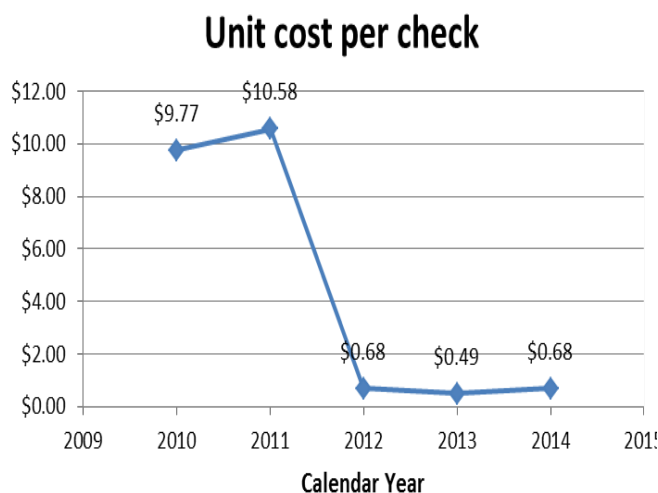
2. Used cost-effective and environmentally sound business practices.

<i>Quantity</i>	<i>2011</i>	<i>2013</i>
The number of gallons of petroleum used in MPCA vehicles as reported to the Climate Registry.	79,795	67,205

3. Improved our receipting and accounts receivable process by reducing the number of days spent to post payment and by lowering the unit cost per check.

The cost to process each check was lowered from \$10.58 in 2011 to \$0.68 in 2014.

The number of days to post payment was reduced from 41 days in 2011 to 1 day in 2012.



Expenditures By Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	375	371						
1200 - State Government Special Rev	1	3	1	1	1	1	1	1
2001 - Other Misc Special Rev	19,262	20,127	22,370	32,781	26,806	26,656	26,806	26,656
2302 - Clean Water Fund	39	59	68	38				
2800 - Environmental	218	287	148	200	200	200	200	200
2801 - Remediation Fund	88	118	60	65	65	65	65	65
Total	19,983	20,965	22,647	33,085	27,073	26,922	27,073	26,922
Biennial Change				14,784		(1,737)		(1,737)
Biennial % Change				36		(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Budget Activity

Budget Activity: Administrative Support - MPCA	19,983	20,965	22,647	33,085	27,073	26,922	27,073	26,922
Total	19,983	20,965	22,647	33,085	27,073	26,922	27,073	26,922

Expenditures by Category

Compensation	10,392	11,224	12,051	16,113	8,110	7,933	8,110	7,933
Operating Expenses	9,120	9,179	9,877	16,857	18,847	18,874	18,847	18,874
Other Financial Transactions	463	546	693	115	115	115	115	115
Grants, Aids and Subsidies	6	2	16					
Capital Outlay-Real Property	1	15	11					
Total	19,983	20,965	22,647	33,085	27,073	26,922	27,073	26,922
Total Agency Expenditures	19,983	20,965	22,647	33,085	27,073	26,922	27,073	26,922
Expenditures Less Internal Billing	19,983	20,965	22,647	33,085	27,073	26,922	27,073	26,922

<u>Full-Time Equivalents</u>	110.7	116.2	125.8	168.2	96.5	94.5	96.5	94.5
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Program: Administrative Support

Program Financing by Fund

(Dollars in Thousands)

1000 - General

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		0						
Direct Appropriation	375	371						
Cancellations		0						
Expenditures	375	371						
Balance Forward Out	0							
<i>Biennial Change in Expenditures</i>				(746)				
<i>Biennial % Change in Expenditures</i>				(100)				
FTEs	2.9	3.0	0.1	0	0	0	0	0

1200 - State Government Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Open Appropriation	1	3	1	1	1	1	1	1
Expenditures	1	3	1	1	1	1	1	1
<i>Biennial Change in Expenditures</i>				(2)		0		0
<i>Biennial % Change in Expenditures</i>				(39)		12		12
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2000 - Restricted Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	81							
Receipts	(81)	0	0	0	0	0	0	0

2001 - Other Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	579	1,596	8,873	6,831				
Receipts	20,270	27,424	20,364	25,990	26,848	26,698	26,848	26,698
Internal Billing Receipts	20,225	27,340	20,317	24,977	25,382	25,382	25,382	25,382
Net Transfers	(30)	(25)	(36)	(41)	(41)	(41)	(41)	(41)
Expenditures	19,262	20,127	22,370	32,781	26,806	26,656	26,806	26,656
Balance Forward Out	1,557	8,868	6,831					
<i>Biennial Change in Expenditures</i>				15,762		(1,688)		(1,688)

Program: Administrative Support

Program Financing by Fund

(Dollars in Thousands)

2001 - Other Misc Special Rev

Biennial % Change in Expenditures			40		(3)	(3)
Gov's Exp Change from Base						0
Gov's Exp % Change from Base						0
FTEs	107.8	113.2	125.8	168.2	96.5	94.5

2302 - Clean Water Fund

	Actual FY12	FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	FY17	Governor's Recommendation FY16	FY17
Open Appropriation	39	59	68	38	0	0	0	0
Expenditures	39	59	68	38				
Biennial Change in Expenditures				8		(105)		(105)
Biennial % Change in Expenditures				8		(100)		(100)

2800 - Environmental

	Actual FY12	FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	FY17	Governor's Recommendation FY16	FY17
Open Appropriation	213	276	141	195	195	195	195	195
Net Transfers	5	11	6	5	5	5	5	5
Expenditures	218	287	148	200	200	200	200	200
Biennial Change in Expenditures				(157)		52		52
Biennial % Change in Expenditures				(31)		15		15
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2801 - Remediation Fund

	Actual FY12	FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	FY17	Governor's Recommendation FY16	FY17
Open Appropriation	88	118	60	65	65	65	65	65
Expenditures	88	118	60	65	65	65	65	65
Biennial Change in Expenditures				(81)		5		5
Biennial % Change in Expenditures				(39)		4		4
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

FY16-17 Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	2014 Actuals	2015 Budget	2016 Base	2017 Base	State Match or MOE Required?	FTEs
Environmental Protection Agency CFDA 66.454	Water Quality Management Planning: Measures for the prevention and control of surface and ground water pollution, includes monitoring coordination, water assessments and data management.		259	260	273	273	No	3.4
Environmental Protection Agency CFDA 66.475	State Level Nutrient Reduction Strategy: Establishes a state-wide nitrogen and phosphorus pollution reduction strategy.		136	44	-	-	Match	0.0
Environmental Protection Agency CFDA 66.460	Nonpoint Source Implementation Grants - 319: Multi-year grants fund local watershed studies and implementation projects to reduce or eliminate sources of water quality pollution from diffuse sources.		2,680	7,114	5,181	4,581	Match	0.0
Environmental Protection Agency CFDA 66.419	Water Pollution Control Program Support: Grants supporting surface water monitoring activities in streams, wetlands and lakes.		22	199	536	320	No	0.1
Environmental Protection Agency CFDA 66.469	Great Lakes Program: Lake Area Management and Remedial Action Plan Capacity Grant - To restore capacity and protect water quality in the Lake Superior Basin through coordinative efforts to reduce impairments and toxic chemicals.		1,033	1,108	1,108	1,108	No	8.3
Environmental Protection Agency CFDA 66.469	Great Lakes Program: St. Louis Area of Concern Remediation to Restoration Support Projects - Supports Remedial Action Plan implementation activities in the St. Louis Area of Concern.		744	1,390	1,430	1,430	Match	0.0
Environmental Protection Agency CFDA 66.469	Great Lakes Program: Watershed restoration and assessment activities such as sediment source, toxins and nutrient loading reduction and promotion of long-term		536	8	-	-	Match	0.3

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	2014 Actuals	2015 Budget	2016 Base	2017 Base	State Match or MOE Required?	FTEs
	environmental sustainability in the Lake Superior Basin.							
	WATER - Program Total		5,410	10,123	8,528	7,712		12.1
Environmental Protection Agency CFDA 66.034	Particulate Monitoring (PM) 2.5 Monitoring: Supports air quality fine particle monitoring.		484	431	431	431	No	3.0
Environmental Protection Agency CFDA 66.034	Section 103 Near Roadway Monitoring Site Establishment: Establishes a nitrogen dioxide monitoring site near a roadway receiving a high volume of traffic.		31	150	150	150	No	0.3
Environmental Protection Agency CFDA 66.034	Community-Scale Air Toxics Ambient Monitoring: Polycyclic Aromatic Hydrocarbons in Urban Air Monitoring - Study of concentrations and health risks of polycyclic aromatic hydrocarbons in selected communities.		34	440	440	440	Match	0.1
Department of Homeland Security CFDA 97.091	Biowatch Program: Twin Cities metropolitan area air monitoring network activities.		834	229	-	-	No	0.2
Environmental Protection Agency CFDA 66.509	Air Pollution Monitoring for Communities: Engaging youth in the new world of air monitoring with sensors	New	-	-	174	228	No	0.4
	AIR - Program Total		1,383	1,250	1,195	1,249		4.0
Environmental Protection Agency CFDA 66.802	Superfund State Programs: Multiple grants for the administration of the Superfund hazardous waste cleanup program and investigation and remediation activities at specific Superfund hazardous waste sites.		384	1,367	1,367	1,367	Match	6.2
Environmental Protection Agency CFDA 66.805	Underground Storage Tanks Program: Permitting and compliance activities for regulated underground storage tanks, including detection and identification of releases.		969	728	671	671	Match	7.4
Environmental Protection Agency CFDA 66.805	Leaking Underground Storage Tank Trust Fund: Administrative activities to clean up properties contaminated with petroleum from underground storage tanks.		1,860	1,399	1,322	1,322	Match	12.7

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	2014 Actuals	2015 Budget	2016 Base	2017 Base	State Match or MOE Required?	FTEs
Department of Defense CFDA 12.113	Dept. of Defense Memorandum of Agreement (DSMOA): Environmental cleanup and site restoration on various federal Department of Defense installations.		190	393	393	393	No	3.0
Environmental Protection Agency CFDA 66.817	Brownfields Response Program: Development and enhancement of the Voluntary Investigation and Cleanup and Petroleum Brownfields Programs.		555	603	603	603	No	4.6
	LAND - Program Total		3,958	4,490	4,356	4,356		33.9
Environmental Protection Agency CFDA 66.040	MN Clean Diesel Program: Decreases diesel fuel emissions through grants and loans for emission reduction technologies.		172	227	88	88	Match	0.2
Environmental Protection Agency CFDA 66.808	Sustainable Materials Management: Reducing negative environmental impacts through changes to state and local procurement procedures.		8	-	-	-	No	0.0
Environmental Protection Agency CFDA 66.605	Performance Partnership Grants: Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.		11,845	12,019	11,863	11,863	MOE	108.0
	Environmental Assistance / Cross Media - Program Total		12,025	12,246	11,951	11,951		108.2
	Federal Fund – Agency Total		22,776	28,109	26,030	25,268		158.2

Narrative:

Federal funding provides the Minnesota Pollution Control Agency (MPCA) with financial resources to carry out activities that are essential to our mission to protect and improve the environment and enhance our quality of life. The majority of federal funding received by the MPCA is directly from the U.S. Environmental Protection Agency (EPA). In the FY2014-2015 biennium, the MPCA received \$51 million in the form of grants or cooperative agreements. Federal revenues account for approximately 13% of the MPCA's budget in the FY2014-2015 biennium and are projected at 14% in the FY2016-2017 biennium.

Most federal funds are noncompetitive and received for program activities where the MPCA is delegated by EPA to perform work at the state level. Individual awards are received under program media areas including Air, Water, Land and Environmental Assistance/Cross-Media (EACM). Additional federal funding resources, which are in alignment with goals and objectives in the Strategic Plan, will continue to be pursued.

The MPCA's largest federal award is the Performance Partnership Grant (PPG). The PPG is located in the EACM program, but functionally combines under one "umbrella" award continuing environmental programs and some competitive grants that if received individually would appear in all four budget programs. Receiving awards by this method reduces federal administrative and reporting burdens and provides flexibility in managing resources to meet goals and objectives across the entire agency.