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2014-15 Revised Budget - Pollution Control

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Mission:

Working with Minnesotans to protect, conserve and improve our environment and enhance our quality of life.

Statewide Outcomes:

Pollution Control supports the following statewide outcome(s).

A clean, healthy environment with sustainable uses of natural resources.

Context:

The Minnesota Pollution Control Agency (MPCA) is an environmental agency. To understand the condition of Minnesota's environment and determine what prevention and control measures are needed, the MPCA regularly samples air, water and soil at hundreds of sites across the state. The MPCA works to prevent, limit and remediate pollution caused by businesses, organizations and individuals to protect human health and the environment. The MPCA upholds environmental standards, develops environmental regulations, and provides outreach, education and technical assistance and regulations when necessary to help entities and individuals protect the environment. The Agency also takes enforcement action, when necessary, to ensure compliance with state and federal environmental regulations.

The MPCA works with many partners – citizens, communities, businesses, governments, environmental groups – to prevent pollution and conserve resources. These partnerships allow the agency to:

- Foster greater commitment and personal responsibility for our environment;
- Protect, restore, and preserve the quality of Minnesota's waters;
- Measure emissions and Minnesota's air quality against increasingly strict federal air quality standards;
- Manage petroleum products, solid and hazardous waste, and clean up contaminated sites;
- Develop solutions to Minnesota's environmental and economic challenges; and
- Support sustainable economic growth and jobs through efficient regulatory services

Read more at About the Minnesota Pollution Control Agency (<http://www.pca.state.mn.us/wfhy3d1>) and How the MPCA Controls Pollution (<http://www.pca.state.mn.us/index.php/about-mpca/mpca-overview/agency-strategy/how-the-mpca-controls-pollution.html>).

The MPCA Citizens' Board makes decisions on varied and complex pollution problems that affect the state. The MPCA commissioner, under delegated authority by the Board, directs the day-to-day work of the agency.

The MPCA monitors environmental conditions of the air, land, surface and ground water at more than 1,000 sites across the state to systematically collect indicators on the health of the environment. The MPCA issues air, water and land permits to over 15,000 Minnesota businesses, citizens and governmental units. Agency staff inspects and issues licenses for more than 40,000 sites for hazardous waste generators, feedlots and storage tanks. Each year the Agency handles about 600 compliance and enforcement actions; directs clean-up work at 250 contaminated sites and oversees work at more than 1,000 additional sites; trains and certifies 2,500 wastewater operators, landfill inspectors, tank operators and household hazardous waste facility staff.

The MPCA's Strategic Plan (<http://www.pca.state.mn.us/tchy3da>) charts the agency's direction for the next several years. It contains a balance of goals and objectives reflecting the agency's core work – monitoring, prevention, permitting, inspections, compliance, enforcement, assistance – as well as aligning results with the agency mission.

Within the last two years the MPCA has crafted its first ever business plan, meant to fill the gap between the agency's strategic plan and individual work plans. In the 2011-2013 business plan the MPCA has identified three focus areas – agency level priorities – to be addressed in the short term. These focus areas cross programs and are issues the agency believes need immediate attention to facilitate progress toward our strategic goals. Two focus areas are directed at environmental issues, and one at an operational issue.

1. Implement the watershed approach internally to advance meeting the goals of the Clean Water Act;
2. Build strategies to address continuing federal air regulatory changes and improve ambient air quality; and
3. Improve the agency's integrated business systems while advancing e-commerce for the MPCA's main lines of business.

The MPCA's authorized budget for fiscal years 2012 and 2013 is funded from the sources listed below.

- General Fund (3% of total)
- Environmental Fund (37% of total)
- Remediation Fund (18% of total)
- Federal Funds (15% of total)
- Clean Water Fund (13% of total)
- Other / Special Revenue Fund (14% of total)

A significant portion of the MPCA's authorized budget is spent as grants and contracts with the entities previously noted as Agency partners. Examples include the SCORE grants to county governments to support local recycling programs; feedlot grants and household hazardous waste grants to help county governments fund and implement these programs; contracts to businesses, universities and local governments to conduct water quality studies and develop protection strategies; surface-water monitoring grants to local governments to collect key information about the health of Minnesota's water resources; and federal grant funding passed to local governments for water quality improvement projects.

See more about the Agency's fiscal resources at Financial Transparency at the MPCA.

(<http://www.pca.state.mn.us/aj0r3d5>)

Strategies:

To accomplish its mission the MPCA uses the following strategies:

- Focus on priorities and manage for environmental results;
- Actively partner to leverage knowledge, ideas and resources;
- Rely on data for decision-making;
- Integrate environmental, economic and social sciences when developing environmental policy; and
- Strive for excellence and innovation in service delivery.

The MPCA's business plan provides the framework for agency management to align the work, budget, workforce and outcomes, and to adapt to change along the way. The business plan identifies the agency's critical focus areas for the next two to three years, and builds a budget plan that supports not only the focus areas but other important program work. An agency workforce plan, a component of the business plan, helps managers recruit and develop the human resources needed to accomplish its work.

The business plan also directs each program manager to develop an annual program plan. The program plan, appended to the business plan, describes the total body of work to be accomplished, which in many cases is not specifically related to one of the three focus areas. The plan also describes the strategies, goals and measures to address focus area work as well as all other approved work and assignments. Each plan must discuss the expected outcomes, where a program will continue implementing successful strategies, and where a program will reduce or eliminate certain work efforts.

The MPCA's work – in its entirety – directly supports the statewide outcome of a healthy environment and sustainable uses of our natural resources.

Measuring Success:

The MPCA has identified numerous environmental and operational measures that gauge the success of meeting the goals and objectives outlined in its strategic plan. The following set of dashboards (<http://www.pca.state.mn.us/gp0r10bb>) illustrates the range of data the MPCA has gathered to measure progress of its efforts over the longer time horizons associated with environmental monitoring, protection and restoration. These dashboards will show measures from permit timeliness to the quality of our lakes and air. Environmental results may take years to be reflected in monitoring systems, so it is important that the agency also monitor indicators such as waste generated, permits issued, and impacts from prevention and technical assistance. Because land, air and water quality have been impacted by societal activities, understanding efforts made to clean up these resources is essential and thus, measures about land being converted from contaminated, unusable property to clean and developed parcels are important in reflecting on program successes.

Pollution Control**Current, Base and Governor's Recommended Expenditures - Rev**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$9,867	\$303,758	\$50,588	\$364,214
Current Law Expenditures (FY 2014-15)	\$9,895	\$253,954	\$46,078	\$309,927
Governor's Recommended Expenditures (FY2014-15)	\$10,218	\$324,663	\$46,078	\$380,959
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$323	\$70,709	\$0	\$71,032
% Change from FY 2014-15 Current Law to Governor's Rec	3%	28%	0%	23%

**Pollution Control
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$15,698		\$15,698
REVENUE		\$56,280	\$46,078	\$102,358
TRANSFERS IN	\$0	\$17,369		\$17,369
APPROPRIATION	\$10,219	\$255,457	\$0	\$265,676
SOURCES OF FUNDS	\$10,219	\$344,804	\$46,078	\$401,101
BALANCE FORWARD OUT		\$16,516		\$16,516
TRANSFERS OUT		\$3,623		\$3,623
EXPENDITURES	\$10,218	\$324,663	\$46,078	\$380,959
PAYROLL EXPENSE	\$5,027	\$114,574	\$25,018	\$144,619
OPERATING EXPENSES	\$4,391	\$164,193	\$15,219	\$183,803
OTHER FINANCIAL TRANSACTIONS		\$8,419	\$0	\$8,419
GRANTS, AIDS AND SUBSIDIES	\$800	\$37,179	\$5,809	\$43,788
CAPITAL OUTLAY-REAL PROPERTY		\$298	\$31	\$329
USES OF FUNDS	\$10,218	\$344,802	\$46,078	\$401,098

Pollution Control

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Clean Water Legacy - Multiple Activities - Corrected

The Governor recommends funding that enables the agency to make systematic progress in assessing lakes, rivers and streams, and act to protect and restore watersheds. Funding ensures continued assessment, monitoring and protection of the state's waters, and addresses nonpoint sources of pollution. Funding includes the development of a portal to make information on multi-agency water management projects accessible, and an agency watershed database for improved project management. This request supports work with local partners, continues restoration efforts of impaired watersheds, and sets strategies to protect unimpaired watersheds.

Performance Measures:

The programs continues the agency's progress on the assessment of all the state's watersheds in a ten year cycle, and complete total maximum daily load (TMDL) studies, which measure the maximum amount of a pollutant a water body can receive and still meet water quality standards.

Other Funds	Expenditure	29,494	29,494	58,988	0	0	0
	Net Change	29,494	29,494	58,988	0	0	0

Air Emission Fees

The Governor recommends an increase in agency spending equal to the annual increase in emission fees, which are indexed in statute to cover the increased inflationary costs of administering the air program.

Performance Measures:

This program continues the state's compliance with federal air quality standards.

Other Funds	Expenditure	165	335	500	335	335	670
	Net Change	165	335	500	335	335	670

Air Program Appropriation Increase

The Governor recommends the agency spend the previously increased fees to achieve full-cost recovery of the air permit application process.

Performance Measures:

This program continues the state's compliance with federal air quality standards and will fully fund all operating costs associated with air permit applications.

Other Funds	Expenditure	1,500	1,500	3,000	1,500	1,500	3,000
	Net Change	1,500	1,500	3,000	1,500	1,500	3,000

Pollution Control

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Water Program Appropriation Increase

The Governor recommends the agency spend the previously increased fees to achieve full-cost recovery of the water permit application process.

Performance Measures:

This program continues the state's compliance with federal water quality standards and will fully fund all operating costs associated with water permit applications.

Other Funds	Expenditure	1,500	1,500	3,000	1,500	1,500	3,000
	Net Change	1,500	1,500	3,000	1,500	1,500	3,000

Improving Air Quality

The Governor recommends the agency advance its mission to improve ambient air quality to maintain compliance with higher environmental protection agency (EPA) air quality standards. This investment will target efforts to provide assistance to small businesses for emission reductions and to reduce emissions from on-road and off-road mobile sources.

Performance Measures:

This investment enables the state to maintain compliance with tighter federal air quality standards and set reduction goals for specific pollutants.

Other Funds	Expenditure	900	900	1,800	900	900	1,800
	Net Change	900	900	1,800	900	900	1,800

Environmental Health Risk - Corrected

The Governor recommends a collaboration between the pollution control agency (MPCA) and the department of health (MDH) to investigate asthma incidence rates in the metro area and mercury levels detected in children.

Performance Measures:

The agencies will use investigative tools to better understand asthma incidences and their relationship to air quality, and mercury levels found in children. The ultimate goal is to reduce environmental exposure and engage in preventative steps.

Other Funds	Expenditure	101	101	202	101	101	202
Other Funds	Transfers Out	499	499	998	499	499	998
	Net Change	600	600	1,200	600	600	1,200

Pollution Control

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Environmental Quality Board - Corrected

The Governor recommends increasing funding for the environmental quality board (EQB) to support the state's coordinated work on issues to protect, conserve and enhance the environment.

Performance Measures:

This investment will better engage citizens in setting environmental policy for the state as well as increase capacity for the EQB to address environmental issues.

General Fund	Expenditure	312	312	624	312	312	624
Other Funds	Expenditure	188	188	375	188	188	375
	Net Change	500	500	999	500	500	999

Sanitary District Formation - Corrected

The Governor recommends transferring from the pollution control agency (MPCA) to the office of administrative hearings (OAH) the authority and funding to establish sanitary districts.

Performance Measures:

Transferring this authority to OAH will standardize and simplify the process for local governments as OAH is responsible for administering the state's uniform system for city boundary adjustments.

Other Funds	Revenue	50	50	100	50	50	100
Other Funds	Transfers Out	75	50	125	50	50	100
	Net Change	25	0	25	0	0	0

Wastewater Lab Quality Assurance-Quality Control

The Governor recommends transferring from the department of health (MDH) to the pollution control agency (MPCA) the authority to register wastewater labs and establishing an annual registration fee to cover expenses.

Performance Measures:

This initiative will streamline certification requirements and reduce costs for wastewater labs.

Other Funds	Expenditure	105	105	210	105	105	210
Other Funds	Revenue	105	105	210	105	105	210
	Net Change	0	0	0	0	0	0

Pollution Control

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Product Stewardship - Corrected

The Governor recommends the establishment of product stewardship plans by manufacturers of paint, carpet, and primary batteries to properly handle the disposal of their products and reimburse the pollution control agency (MPCA) for its costs to oversee the programs.

Performance Measures:

This approach addresses the challenges of these products entering the solid waste stream and aims to reduce the cost to local governments and individuals to recycle or dispose of products.

Other Funds	Expenditure	165	165	330	165	165	330
Other Funds	Revenue	165	165	330	165	165	330
	Net Change	0	0	0	0	0	0

Silica Sand Mining Technical Assistance Team - New

The Governor recommends an investment of \$3.4 million, of which \$1.9 million is to support an interagency team including the Environmental Quality Board, the Pollution Control Agency, the Department of Natural Resources, the Department of Transportation, the Department of Health, and the Department of Revenue. Members of this team will provide technical assistance to local units of government related to silica sand mining. Expenditures for this purpose will be supported by new fees imposed on extraction and processing activity to be deposited in a special revenue account. Of the revenue generated by the new fees, 25% will be paid to the counties in which extraction and washing of silica sand takes place.

Performance Measures:

This interagency team makes the process easier for local units of government address silica sand mining issues.

Other Funds	Expenditure	851	1,451	2,303	1,491	1,531	3,023
Other Funds	Revenue	1,700	4,100	5,800	4,200	4,400	8,600
Other Funds	Transfers Out	654	445	1,099	445	445	890
	Net Change	(195)	(2,204)	(2,398)	(2,264)	(2,424)	(4,687)

Net All Change Items	General Fund	312	312	624	312	312	624
	Other Funds	34,177	32,313	66,490	2,759	2,599	5,358
	Net Change	34,489	32,625	67,114	3,071	2,911	5,982

Pollution Control
All Funds FTE by Program - Rev

	Current	Forecast Base	Governor's Revised
Program	FY 2013	FY 2015	FY 2015
Program: Water	322.1	211.4	319.0
Program: Air	115.3	113.8	113.8
Program: Land	188.7	182.8	182.8
Program: Environmental Asst Crossmedia	205.6	192.6	204.8
Program: Administrative Support	126.7	67.8	67.8
Pollution Control	958.3	768.3	888.2

Pollution Control
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	14	56,335		56,349
	INVESTMENT INCOME		217		217
	ALL OTHER	0	7,479		7,479
	Subtotal	14	64,031		64,045
Dedicated	TAXES		6,247		6,247
	FEDERAL GRANTS		746	46,078	46,824
	DEPARTMENTAL EARNINGS		2,355		2,355
	INVESTMENT INCOME		111		111
	ALL OTHER		46,821		46,821
	Subtotal		56,280	46,078	102,358
Total		14	120,311	46,078	166,403

Pollution Control Water Program

<http://www.pca.state.mn.us/index.php/water/index.htmlh>

Statewide Outcome(s):

Water program supports the following statewide outcome(s).

A clean, healthy environment with sustainable uses of natural resources

Context:

The MPCA Water Program protects and improves Minnesota's rivers, lakes, wetlands, and groundwater so they support human health, rich and diverse populations of aquatic life, and ample recreational opportunities. The program evaluates the condition of the state's water resources and uses that information to develop strategies to restore impaired waters and to protect waters that are not impaired. The program's activities provide benefits to all citizens, although it works most closely with entities it regulates and with whom it partners in cooperative efforts to restore and protect the state's water resources. The MPCA has been delegated authority by the U.S. Environmental Protection Agency to enforce federal environmental laws in Minnesota and acts as its representative in that capacity.

Funding for MPCA's Water Program comes from the following funds: Clean Water (42 percent), Environmental (34 percent), Federal (then percent), Clean Water Revolving (seven percent), and General (seven percent). See MPCA Spending by Program <http://www.pca.state.mn.us/index.php/about-mpca/mpca-overview/agency-strategy/financial-transparency/mpca-authorized-spending-by-program.html>.

Strategies:

The MPCA Water Program develops water quality standards, monitors surface water and groundwater quality, restricts discharges of pollutants into the state's waters through the issuance of various permits, develops restoration and protection plans for the state's major watersheds, and provides grants to partners well-positioned to improve water quality. Collectively, these activities constitute a comprehensive approach through which the MPCA Water Program ensures that the state's water resources are clean, healthy, and sustainable.

To meet its responsibility to develop plans to restore impaired waters and protect waters from becoming impaired, the MPCA implements, "The Watershed Approach", a holistic strategy through which the state's 81 major watersheds are monitored and water quality studies are developed on a repeating, ten-year schedule. The Watershed Approach provides for better coordination between federal and state government and local partners, including watershed districts, consultants, non-profit groups, and citizens, by using the element of common interest – the health of the watershed – as its focal point. More information on The Watershed Approach may be found in the report submitted to the U.S. Environmental Protection Agency entitled, Minnesota's Water Quality Strategy <http://www.pca.state.mn.us/index.php/view-document.html?gid=10228>.

Results:

The MPCA's Water Program can be confident its strategies are working if the quality of the state's waters improves. In many cases, such improvement will take time to achieve and measure, so interim measures of program success are an important component of reporting on results.

Clearly, the Water Program's historical emphasis on the regulation of point sources of water pollution has been a very successful strategy. In the Water Program, 93 percent of the permits are current, and 99 percent of the construction (priority) permits are issued within 150 days. The clearest evidence of the results is that the Mississippi River is no longer the open sewer it was in the decades prior to the creation of the MPCA in 1967.

Notwithstanding this success, less obvious pollution of the state's waters remains a major problem, and evaluating the Water Program's progress in continuing to improve the quality of the state's waters is proving to be difficult. A fundamental problem is that a statewide, watershed-based network of baseline monitoring against which to evaluate progress has only recently been established. To date, only 52 percent of that baseline monitoring has been completed and 42 percent of the results evaluated. It will take an additional eight years to

complete this baseline statewide water quality evaluation, and another decade thereafter before the Program can truly begin to determine statewide water quality trends. This assumes adequate funding will continue to be provided to the Program through the Clean Water Fund.

Point sources of water pollution, such as wastewater discharges, feedlots, stormwater, fall clearly under the regulatory authority of the MPCA. History has shown that these facility types are substantially under control, although responding to emerging issues is becoming an important part of managing these sources. However, nonpoint pollution sources remain largely outside the MPCA's regulatory authority, so these less obvious sources of pollutants are addressed on a voluntary basis. Population growth and the infrastructure needed to feed, house, and transport the state's increasing population are the major contributors to the nonpoint pollution that continuously and relentlessly applies increasing pressure on the state's water resources.

Nevertheless, progress has been steady in addressing state water quality impairments, with 15 water bodies formerly defined as impaired having been restored to date. In order to improve water quality, long-term regulatory and financial efforts featuring enhanced intergovernmental cooperation and stakeholder involvement targeting nonpoint sources of pollution on the watershed scale will be required if the Program's past history of success is to continue.

Performance Measures	Previous	Current	Trend
% Compliance Among Water Permit Holders	88%	99.4%	Stable
% of Major Watersheds Assessed	43%	52%	Improving
% of Major Watersheds Assessed Having Restoration/Protection Strategies	36%	42%	Improving

Performance Measures Notes:

1. Measure 1 is associated with Water Quality Permitting and Compliance from years 2010 to 2012 and are part of the MPCA Dashboard: Environment and performance measures <http://www.pca.state.mn.us/gp0r10bb>.
2. Measure 2 reflects the Monitoring and Assessment activities performed by the MPCA and its partners (contractors and local government staff). The MPCA is responsible for the development of comprehensive assessments of the state's 81 major watersheds on a ten-year cycle. The assessments will identify impaired waters and those waters needing protection to prevent future impairments. The Assessment Report is the major deliverable for this measure.
3. Measure 3 reflects the development Restoration and Protection Strategies for the assessed watersheds. Based on information provided by the Assessment Report, the MPCA identifies sources of contamination and develops strategies to reduce contamination from those sources, such as TMDLs for impaired waters. These restoration and protection strategies are provided in a comprehensive Watershed Report, which is the major deliverable for this measure. The development of these strategies is often lead by local government units active in the watershed as they will ultimately be leading water quality improvement and protection projects. Maps showing progress in assessing, developing strategies for, and restoring state's waters may be found at <http://www.pca.state.mn.us/index.php/water/water-types-and-programs/minnesotas-impaired-waters-and-tmdls/minnesotas-impaired-waters-and-total-maximum-daily-loads-tmdls.html>.

Program: Water**Current, Base and Governor's Recommended Expenditures - Rev**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$7,474	\$96,812	\$12,184	\$116,470
Current Law Expenditures (FY 2014-15)	\$7,473	\$49,135	\$10,404	\$67,012
Governor's Recommended Expenditures (FY2014-15)	\$7,473	\$111,333	\$10,404	\$129,210
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$62,198	\$0	\$62,198
% Change from FY 2014-15 Current Law to Governor's Rec	0%	127%	0%	93%

Program: Water
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$5,047		\$5,047
REVENUE		\$7,299	\$10,404	\$17,703
TRANSFERS IN		\$2,636		\$2,636
APPROPRIATION	\$7,474	\$100,698	\$0	\$108,172
SOURCES OF FUNDS	\$7,474	\$115,680	\$10,404	\$133,558
BALANCE FORWARD OUT		\$4,347		\$4,347
EXPENDITURES	\$7,473	\$111,333	\$10,404	\$129,210
PAYROLL EXPENSE	\$2,546	\$46,253	\$1,917	\$50,716
OPERATING EXPENSES	\$4,127	\$57,274	\$3,018	\$64,419
OTHER FINANCIAL TRANSACTIONS		\$7,700	\$0	\$7,700
GRANTS, AIDS AND SUBSIDIES	\$800	\$106	\$5,469	\$6,375
USES OF FUNDS	\$7,473	\$115,680	\$10,404	\$133,557

Pollution Control

Air Program

<http://www.pca.state.mn.us/index.php/air/index.html>

Statewide Outcome(s):

Air Program supports the following statewide outcome(s).

A clean, healthy environment with sustainable uses of natural resources.

Context:

Clean and clear air is essential for Minnesota's environmental, social, and economic well-being. Pollution from transportation, energy production, manufacturing, and other activities affects the state's air quality. Federal and state law contains clean and clear air standards to which Minnesota must comply.

The federal Clean Air Act (CAA) is the foundation of Minnesota's air quality regulatory program. The CAA provides a variety of standards from the levels of pollution in the air to performance standards for the operation of industries, utilities, and transportation systems. The MPCA updates its Air Program in response to changes in the CAA at the national level. Program changes include the assessment of air emission fees, new permit and compliance requirements, meeting new air quality standards and activities to control emissions of hazardous air pollutants.

Citizens generate significant amounts of air pollution as a result of their daily activities. Mobile sources--automobiles, trucks, buses, recreational and lawn equipment—account for almost half of most air pollutants. The MPCA seeks preventative solutions to address these unregulated sources of pollution. The MPCA also applies for federal grants to partner with organizations and communities to address air pollution generated by mobile sources.

Authorized appropriations for the MPCA's Air Program in FY 2012-13 is a mix of funding: 88% Environmental Fund, 11% federal and 1% other sources. See MPCA Spending by Program (<http://www.pca.state.mn.us/jsri3d6>).

Strategies:

The MPCA's strategic goals for the air program are:

- Air quality meets federal standards established to protect the environment and human health.
- Air quality meets human health benchmarks for toxics air pollutants.
- Minnesota reduces its contribution to regional, national and global air pollution.
- MPCA minimizes its environmental footprint and assists other public entities to do the same.

The MPCA uses two levels of permits in its efforts to meet air quality standards. Smaller emitters may need "minor source" or registration permits from the state, while larger industries may need "major source" federal air permits, as defined by the federal program designed to standardize air quality permits and the permitting process for sources of emissions nationally. The MPCA issues joint federal and state permits to larger facilities, which must have their permits renewed on a five-year cycle. New facilities or those making significant changes in equipment or operations that would result in changed levels of emissions also need new permits. Currently the MPCA gives priority to issuing construction permits.

Many permits are more complex as a result of new rules and regulations. In the Air program only 45% of the permits are current and 25% of the construction (priority) permits are issued within 150 days. The MPCA streamlined the air permitting process over the past five years using continuous improvement methodologies. Further, the public is more engaged over the sources of pollution and expresses concern over the impact of proposed projects in their community. Local land use decisions, such as concentrating industry in one area, can affect local air quality through cumulative impacts.

The MPCA seeks partners in areas with air quality problems to work on community-wide solutions that improve air quality and allow industrial development. The MPCA works with companies, non-profit and environmental partners to reduce mercury emissions from a variety of sources, including new or expanding sources. In addition,

amendments to the CAA created programs to focus on small sources and vehicles that contribute significantly to air problems, such as wood burners and diesel fleets.

The MPCA reports daily air quality readings for the Twin Cities, Duluth, Rochester, Marshall, Brainerd, Detroit Lakes, Ely and St. Cloud and issues an alert when air quality is expected to exceed health benchmarks. Citizens with sensitive health, such as asthma, pay close attention to the daily index. Daily readings are available on the MPCA website under the Air Quality Index (<http://www.pca.state.mn.us/r0pg4bd>).

Results:

Past efforts by the MPCA and its partners have resulted in emission reductions for many key pollutants and, by most measures, air quality is improving. The MPCA has recorded significant reductions in emissions from industrial sources. More assessment is needed on diffuse sources of pollution, particularly for area and mobile sources. Improving information on how air pollutants impact human health has led to tighter federal air quality standards for several pollutants. The result is that Minnesota air quality is occasionally classified as unhealthy due to elevated ozone (smog) and fine particulate matter. The air quality in the Twin Cities closely mirrors the federal daily standards for fine particulates and ozone. Read more in the MPCA's 2011 Air Quality Report (<http://www.pca.state.mn.us/yhizb6a>).

Performance Measures	Previous	Current	Trend
Level of fine particles in the air	103%	97%	Stable
Level of ozone in the air	100%	87%	Stable
Unhealthy air quality days	10	14	Stable
Pounds of mercury emitted	3,329 lbs.	2,241 lbs.	Improving
Reduction in air pollutants from point sources	343,339 tons	190,371 tons	Improving

Performance Measures Notes:

1. Fine level particles (PM 2.5) were 2001 and 2011 standards.
2. Ozone levels were 2001 and 2011 standards.
3. The MPCA has recorded 10 unhealthy Air Quality Index days in 2006 and 14 days in 2011,
4. Mercury emissions from Minnesota sources measured 3,329 pounds in 2005 and 2,241 pounds in 2010. Projected mercury emissions are 789 pounds in 2025.
5. Reduction in air pollutants (NOx, SO2 and VOCs) compares the tons of emissions in 2002 to tons in 2010. The numbers reflect a 45% reduction in emissions.

Program: Air**Current, Base and Governor's Recommended Expenditures - Rev**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$25,347	\$2,792	\$28,139
Current Law Expenditures (FY 2014-15)		\$25,571	\$3,143	\$28,714
Governor's Recommended Expenditures (FY2014-15)		\$30,871	\$3,143	\$34,014
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$5,300	\$0	\$5,300
% Change from FY 2014-15 Current Law to Governor's Rec		21%	0%	18%

Program: Air**Sources and Uses**

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$459		\$459
REVENUE		\$642	\$3,143	\$3,784
APPROPRIATION		\$30,232	\$0	\$30,232
SOURCES OF FUNDS		\$31,333	\$3,143	\$34,476
BALANCE FORWARD OUT		\$462		\$462
EXPENDITURES		\$30,871	\$3,143	\$34,014
PAYROLL EXPENSE		\$19,563	\$655	\$20,218
OPERATING EXPENSES		\$11,006	\$2,456	\$13,462
OTHER FINANCIAL TRANSACTIONS		\$303		\$303
CAPITAL OUTLAY-REAL PROPERTY			\$31	\$31
USES OF FUNDS		\$31,333	\$3,143	\$34,476

Pollution Control Land Program

<http://www.pca.state.mn.us/index.php/waste/waste-and-cleanup/cleanup-programs-and-topics/index.html>

Statewide Outcome(s):

Land Program supports the following statewide outcome(s).

A clean, healthy environment with sustainable uses of natural resources.

Context:

The MPCA's protects the environment, public health, and quality of life for its citizens through the proper management of solid and hazardous wastes and petroleum products. The agency encourages waste utilization through reduction, recycling, and reuse; and by effectively and efficiently managing risks at contaminated sites through site cleanup and restoring contaminated land to productive use. The MPCA's integrated system of activities ensures that solid and hazardous wastes and petroleum products are managed properly throughout the life-cycle of their creation, treatment, use, storage, management, transport, recovery, and disposal.

Working directly with a large and diverse array of public and private entities including counties, cities, businesses and consultants, the MPCA manages solid and hazardous wastes from a systemic approach. Additionally, the MPCA characterizes certain types of waste as a potential resource and helps businesses and local units of government understand how this approach benefits both their net earnings and management of the environment.

Authorized appropriations in FY 2012-2013 for the Land Program are from the following sources: 74 percent Remediation Fund, 15 percent Environmental Fund, nine percent federal and two percent other sources. See MPCA Spending by Program <http://www.pca.state.mn.us/index.php/about-mpca/mpca-overview/agency-strategy/financial-transparency/mpca-authorized-spending-by-program.html>.

Strategies:

The MPCA's vision is guided by our strategic plan, and includes three primary goals. To ensure solid waste is managed in a manner that conserves materials, resources and energy, the MPCA distributes grant funds and provides technical assistance to counties that operate recycling and waste reduction programs and manage programs for problem materials and household hazardous wastes.

The agency partners with counties, businesses, and industry to reduce waste generation, improve the cost effectiveness of recycling, composting and recovery systems, oversee disposal of debris from natural and manmade disasters, and build stronger regional waste management systems.

To minimize or reduce the release of contaminants to or from the land, the MPCA issues licenses to hazardous waste handlers and monitors management of hazardous waste via a computerized system developed in cooperation with the seven-county metropolitan counties. Regulatory and training programs provide the methods to prevent the release of petroleum, solid waste, and hazardous waste into Minnesota's soil, groundwater and surface water. The agency issues permits and inspects solid waste, hazardous waste, and large above ground storage tank facilities, and ensures compliance as necessary. Eighty percent (80%) of the permits are current and all of the construction (priority) permits are issued within 150 days. The MPCA assists industry and local fire and police to develop response action plans focused on preventing spills, supporting local fire and police when spills threaten public safety, overseeing cleanups done by spillers, and performing direct cleanup activities when necessary.

The MPCA restores land to productive use by managing risk from contaminated sites through use of a number of proven strategies. The agency oversees investigations and corrective actions conducted at contaminated sites by responsible parties; perform corrective and clean-up activities on behalf of the state using contractors when the responsible party does not exist or is unable or unwilling to do the work - recovering costs from the responsible party when possible, reasonable, and appropriate. The MPCA works with local units of government on the preparation of land use plans when communities seek information to ensure responsible development occurs near contaminated sites, including closed landfills. The agency identifies emerging opportunities for developing productive uses of closed landfill sites, including renewable energy production. Also, the MPCA assists

developers in returning contaminated sites to productive use through its brownfields program, and maintains/manages post-closure care at closed landfill sites.

Finally, the agency assists in preventing or reducing the degradation and depletion of groundwater, reduces Minnesota's contribution to regional air pollution and utilizes and demonstrates green remediation.

Results:

Performance Measures	Previous	Current	Trend
% Restored - Superfund and Closed Landfill Sites	49%	76%	Improving
Recycling - % of Municipal Solid Waste (Statewide)	42%	45%	Stable
# Households Burning Solid Waste	246,000	225,000	Improving
Hazardous Waste Generation	220 million lbs	75 million lbs	Improving

Performance Measures Notes:

1. The MPCA works to make land available for redevelopment by investigating and cleaning up contaminated sites. The number of sites and total land area of contaminated sites continues to diminish as sites are restored. The data for this measure represents 2000 and 2010 information.
2. While 70 percent of solid waste is recyclable, statewide recycling rates have remained fairly static over the years. The program is developing strategies to increase recycling in multiple sectors as shown that the recycling rate is stable from 2000 to 2010.
3. Household burning of solid wastes are harmful to human health and contaminates Minnesota air, water, and soil. Burning waste is against the law in Minnesota. While the number of households that burn their garbage is decreasing (2007 to 2010 figures), the program is working to end this practice.
4. The number of entities that generate hazardous waste and the total amount of hazardous waste generated continue to decrease. The amount of waste decreasing reflects a decade of tracking, 2000 to 2010.

Program: Land**Current, Base and Governor's Recommended Expenditures - Rev**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$77,156	\$8,732	\$85,889
Current Law Expenditures (FY 2014-15)		\$83,651	\$8,311	\$91,962
Governor's Recommended Expenditures (FY2014-15)		\$83,651	\$8,311	\$91,962
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%	0%	0%

Program: Land
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$7,340		\$7,340
REVENUE		\$3,844	\$8,312	\$12,156
TRANSFERS IN		\$14,000		\$14,000
APPROPRIATION	\$0	\$67,924	\$0	\$67,924
SOURCES OF FUNDS	\$0	\$93,108	\$8,312	\$101,420
BALANCE FORWARD OUT		\$8,952		\$8,952
TRANSFERS OUT		\$504		\$504
EXPENDITURES		\$83,651	\$8,311	\$91,962
PAYROLL EXPENSE		\$23,904	\$5,292	\$29,196
OPERATING EXPENSES		\$58,848	\$3,019	\$61,867
GRANTS, AIDS AND SUBSIDIES		\$601		\$601
CAPITAL OUTLAY-REAL PROPERTY		\$298		\$298
USES OF FUNDS		\$93,107	\$8,311	\$101,418

Pollution Control Environmental Assistance and Cross-Media Program

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

Statewide Outcome(s):

Environmental Assistance and Cross-Media program supports the following statewide outcome(s).

A clean, healthy environment with sustainable uses of natural resources.

Context:

The MPCA's Environmental Assistance and Cross-media (EACM) Program measures and analyzes pollutants' effects on the environment and public health to provide information for agency and other decision makers; and provides assistance, resources and opportunities for businesses and individuals to comply with the regulatory system and implement pollution prevention activities. The primary customers of the EACM Program are citizens interested in specific projects or the general condition of Minnesota's environment, businesses, and local governments. Additionally, the state benefits from waste and pollution prevention, and toxicity reduction activities.

Governor Mark Dayton issued Executive Order 11-32 (<http://mn.gov/governor/images/EO-11-32.pdf>) to address recommendations for improving permitting and environmental review. The Order moved support for the Environmental Quality Board (EQB) to the MPCA from the Department of Administration. The MPCA's now provides administrative support for the EQB and funding for EQB activities will be reflected in the MPCA's approved operating budget. The EQB takes a leadership role in coordinating the state's environmental review system and serves to assist in the development of long-range strategies to enhance Minnesota's environment. In 2012 the EQB will hold an Environmental Congress to seek input on a number of environmental issues facing Minnesota. For a more complete description of the EQB, refer to the Department of Administration narrative. More information is available at Minnesota Environmental Quality Board (<http://www.eqb.state.mn.us/program.html?id=18107>).

In addition to the strategic goals supported in the specific programs of water, land and air, EACM's strategic goals are:

- Minnesotans act on their environmental knowledge to support healthy ecosystems.
- Minnesotans buy green products and services.
- Minnesota businesses produce green products and provide green services by reducing or eliminating the use of environmentally harmful substances.
- MPCA leads the way to minimize its environmental footprint and assist other public entities to do the same.

Authorized appropriations in FY 2012-2013 are from the following sources: 62 percent Environmental Fund, 34 percent federal, two percent General Fund, and two percent other sources.

Strategies:

Assessing Minnesota's environmental conditions allows the agency to use environmental data to set priorities and develop solutions. Program staff assesses the impacts of pollutants on all media (water, air, and land) rather than one media in isolation. Program staff collect data on environmental conditions and present the data in a form useful to the MPCA Citizens' Board and MPCA management, policymakers, and the public. This data enables the MPCA to make the informed decisions necessary to protect natural resources, regulate pollution sources and effectively clean up contaminated sites. Additionally, program staff provide direct technical assistance to other MPCA programs and assist in setting environmental priorities and achieving environmental outcomes.

Agency staff focus their efforts on trends and emerging environmental issues. Solutions involve the development of partnerships with businesses, communities, local units of government, citizens and other public and private interests. These partnerships include in-depth technical expertise and financial incentives for the implementation of activities, system ideas, approaches and technologies to conserve resources, prevent pollution and protect the environment. The partnerships also include voluntary assessment of Minnesota's air and water resources. With these approaches and resultant data, the program promotes environmentally-sound business development, community development, waste-as-a-resource, clean energy and provides educational and technical support to

MPCA staff and its direct customers. Key partnerships include: businesses, local governments, schools, community organizations, and individuals through financial and technical assistance.

The MPCA:

- Provides cross-media environmental assessment and review information to citizens and decision makers at all levels of government, ensuring access to environmental data in areas that include air quality modeling reviews, ecological risk assessments and fish kill investigations.
- Creates environmentally beneficial partnerships with businesses, local governments, schools, community organizations, and individuals through financial and technical assistance.
- Trains regulated parties on state and federal requirements, enabling them to comply with existing regulations and improve operations, and become active participants in protecting and improving the environment.
- Provides results of environmental review activities to public permitting agencies in support of better governmental decision-making.

Results:

The MPCA has made significant progress in environmental protection since the 1960s and continues to maintain ongoing regulatory activities. Minnesotans now need to address the next generation of environmental challenges – the cumulative effects of everyday human activities that present significant environmental problems. Addressing these issues requires new approaches to solving and preventing problems. Staff provide data and information to support environmental permitting and cleanup decisions and develop intervention, reduction, and prevention strategies as issues arise. A cross-media approach, particularly in monitoring key indicators, is critical to a comprehensive approach to minimizing the impacts of human activities.

The MPCA maintains a dashboard on its website to reflect the many areas of its programs: MPCA: Environment and Performance Measures (<http://www.pca.state.mn.us/gp0r10bb>).

Performance Measures	Previous	Current	Trend
Reduce waste generated by businesses (in pounds)	6.2 Million	5.68 Million	Stable

Performance Measures Notes:

1. The volume of waste reduced compares 2010 to 2011 as reported by the Minnesota Technical Assistance Program (MnTAP). The MPCA partners with the University of Minnesota in the operation of MnTAP, a technical assistance program. Since 2000, MnTAP staff and interns worked with Minnesota business to reduce over 122 million pounds of waste, conserve over 266 million gallons of water and enable state businesses to save over \$24 million in operating costs.

Performance measures in this program are under development due to the interaction with the other environmental programs and the measures represented under those efforts.

Program: Environmental Asst Crossmedia**Current, Base and Governor's Recommended Expenditures - Rev**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,648	\$58,544	\$26,879	\$87,071
Current Law Expenditures (FY 2014-15)	\$1,680	\$57,074	\$24,220	\$82,974
Governor's Recommended Expenditures (FY2014-15)	\$2,003	\$60,284	\$24,220	\$86,507
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$323	\$3,211	\$0	\$3,534
% Change from FY 2014-15 Current Law to Governor's Rec	19%	6%	0%	4%

Program: Environmental Asst Crossmedia**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$2,833		\$2,833
REVENUE		\$7,151	\$24,220	\$31,371
TRANSFERS IN	\$0	\$704		\$704
APPROPRIATION	\$2,003	\$55,403	\$0	\$57,406
SOURCES OF FUNDS	\$2,003	\$66,091	\$24,220	\$92,314
BALANCE FORWARD OUT		\$2,737		\$2,737
TRANSFERS OUT		\$3,069		\$3,069
EXPENDITURES	\$2,003	\$60,284	\$24,220	\$86,507
PAYROLL EXPENSE	\$1,739	\$13,498	\$17,154	\$32,391
OPERATING EXPENSES	\$264	\$10,014	\$6,726	\$17,004
OTHER FINANCIAL TRANSACTIONS		\$300		\$300
GRANTS, AIDS AND SUBSIDIES		\$36,473	\$340	\$36,813
USES OF FUNDS	\$2,003	\$66,091	\$24,220	\$92,314

Pollution Control Administrative Support Program

<http://www.pca.state.mn.us/index.php/about-mpca/index.html>

Statewide Outcome(s):

Administrative Support program supports the following statewide outcome(s).

A clean, healthy environment with sustainable uses of natural resources.

Context:

Administrative Support provides management, financial and business support services for the MPCA's environmental program delivery from its St. Paul and seven regional offices. Administrative Support includes the Commissioner's Office, legislative relations, accounting and financial management, human resources, communication, building management, fleet services, and business systems. The MPCA Citizens' Board expenses are also funded through this budget program.

The Administrative Support structure for the MPCA has changed over time from a decentralized system housed separately in divisions to one of thoughtful centralization of key functions. Examples of centralized services include contracts, information services, records and document management, fleet management and supply purchasing. From an efficiency perspective combining these functions has provided improved efficiencies in managing key services to the environmental programs.

Activities funded under this program directly support accomplishment of the Excellence in Operations goals stated in the MPCA's Strategic Plan. See: MPCA Strategic Plan - Minnesota Pollution Control Agency (<http://www.pca.state.mn.us/index.php/about-mpca/mpca-overview/agency-strategy/mpca-strategic-plan.html>).

The Excellence goals include:

- Providing a safe and healthy workplace for all employees, volunteers and visitors.
- Managing agency operations to support the agency's environmental work and core operations in effective and efficient manner.
- Achieving excellence through application of appropriate tools and best practices.
- Providing a reliable information management system that supports the agency and its partners in effective and efficient environmental work.

Authorized appropriations for Administrative Support in FY 2012-2013 totaled 12 percent of the MPCA's authorized biennial budget. Funding sources: 96.30 percent Special Revenue, 0.02 percent General, and 3.68 percent other sources. See: MPCA Administrative Support Spending <http://www.pca.state.mn.us/index.php/about-mpca/mpca-overview/agency-strategy/financial-transparency/mpca-authorized-spending-by-program.html?menuid=&redirect=1>.

Strategies:

Administrative Support directly serves the MPCA environmental programs and the general public by providing the underlying information and management systems necessary for effective and efficient program operations. The services primarily support internal agency staff; although, the impact is felt by external parties.

The MPCA's environmental programs require a broad range of services to be effective. By using continuous improvement techniques and smart planning, the MPCA has improved permit timeliness, improved data and information availability to the general public, improved contract and grant management, and general reduction of costs in managing buildings and fleet. For instance, engaging in regular process improvement efforts the number of contracts has increased over the past four years due to new funding sources to support new programs, at the state and federal levels, and yet, MPCA contract staff complement has remained stable. This staff in FY 2011 issued more than 1000 contracts for over \$100 million while supporting MPCA staff and contractors/grantees in meeting state and federal laws.

Access to MPCA Citizens' Board meetings and the ability to participate in public hearings or advisory teams, has been enhanced through the use of online tools such as webcasting meetings or using interactive tools like video

meetings. The MPCA has partnered with counties, state agencies, and building owners to accomplish money saving initiatives such as shared space and reduction in energy use. The MPCA looks to continue these types of initiatives in the forms of shared vehicles between governmental units, online services for public comments, and improved linkage to the public and regulated parties through an online permitting system.

Of particular importance to the MPCA is upgrading its legacy data systems, because many were designed over 17 years ago and are not easily maintained to current technology standards. The replacement of these systems offers new efficiency and data improvement opportunities by allowing online permitting, tracking permit progress, and developing an interactive portal to allow citizens and regulated parties to engage MPCA staff in a smarter and more efficient process. Additionally, the MPCA expects to provide its staff the ability to use mobile devices and eliminate data duplication and paper translations when working with individuals during monitoring, site investigations, inspections or permit review. Not only will this improve transaction times, it allows MPCA staff to focus on the interested parties concerns and solve problems.

The MPCA expects its system upgrades will also allow for a mobile and diverse workforce, which will not be tied to a specific building but are focused on the provided service. The recruitment and retention of staff requires that the MPCA stay current with its technology options.

Results:

Performance Measures	Previous	Current	Trend
OSHA incident rate	1.76	0.54	Improving
Use of online payments	5%	15%	Improving
Utilization rate of fleet	16	19	Stable

Performance Measures Notes:

Performance achievements are recognized in cost savings; for example, by saved workers compensation, increased productivity, reduced supply costs, and reduced lease rentals or fleet costs. Efficiency is often measured by return on investment – either improving production at lower costs or by reducing expenditures across all agency programs.

1. The OSHA incident rate is a measure of safety at a workplace. It represents the number of injuries serious enough to report to OSHA per 100 people working. The OSHA incident rate is tracked in the MPCA's Human Resources office. The Performance Measures are reflective of 2010 and 2011 actual data.
2. The online portal for use by regulated parties to pay certain fees was expanded in 2012. Previous to 2012, only certain application fees (construction and industrial stormwater permits, and pesticide permits) were paid online. Now all annual permit fees and all online permits may be paid online. For annual fees, which include fees related to permits and pollution prevention fees, were added in 2012, represent nearly about \$25 million in collections, and are the most fees collected by the MPCA. These fees represent about 80% of all revenues collected by the MPCA. The goal is to have all fee payers using the MPCA's online payment option by 2015.
3. The MPCA is working to improve its fleet utilization rate. The MPCA has a fleet of 138 vehicles and tracks mileage and usage rates. A usage rate equals the number of days of the available business days that all vehicles were in service. The efficient use of its fleet will allow maximum use at least cost. Calendar year 2010 represents the first year with data to track utilization. The current year is Calendar year 2011. In addition to improved usage, since 2009, the MPCA has decreased its fleet by 14 vehicles without service interruption; resulting in a savings of \$20,000 per month.

The MPCA has been actively moving to a paperless operation in order to support a flexible work environment and make public documents available to the public online. The appropriate measure for this effort is under development to ensure it reflects the move from a dispersed stored, hard copy system to an integrated electronic system.

Program: Administrative Support**Current, Base and Governor's Recommended Expenditures - Rev**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$746	\$45,899		\$46,645
Current Law Expenditures (FY 2014-15)	\$742	\$38,523		\$39,265
Governor's Recommended Expenditures (FY2014-15)	\$742	\$38,523		\$39,265
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Program: Administrative Support**Sources and Uses**

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$18		\$18
REVENUE		\$37,344		\$37,344
TRANSFERS IN		\$29		\$29
APPROPRIATION	\$742	\$1,200		\$1,942
SOURCES OF FUNDS	\$742	\$38,591		\$39,333
BALANCE FORWARD OUT		\$18		\$18
TRANSFERS OUT		\$50		\$50
EXPENDITURES	\$742	\$38,523		\$39,265
PAYROLL EXPENSE	\$742	\$11,356		\$12,098
OPERATING EXPENSES		\$27,051		\$27,051
OTHER FINANCIAL TRANSACTIONS		\$116		\$116
USES OF FUNDS	\$742	\$38,591		\$39,333

Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
American Reinvestment and Recovery Act Water Quality Management Planning (CFDA 66.464)		Water quality planning activities at the state and local level.	114	-	-	-	No	No	Environment
Water Quality Management Planning (CFDA 66.464)		Measures for the prevention and control of surface and ground water pollution, includes monitoring coordination, water assessments and data management.	309	277	262	262	No	No	Environment
Nonpoint Source Implementation Grants - 319 (CFDA 66.460)		Multi-year grants fund local watershed studies and implementation projects to reduce or eliminate sources of water quality pollution from diffuse sources.	3,607	3,421	2,566	2,041	Yes	No	Environment
Water Pollution Control Program Support (CFDA 66.419)		Grants supporting surface water monitoring activities in streams, wetlands and lakes.	219	485	474	344	No	No	Environment
Great Lakes Program (CFDA 66.469) 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.	569	873	873	873	No	No	Environment
Great Lakes Program (Revised) (CFDA 66.469) St. Louis Area of Concern Remediation to Restoration Support Projects	New Grant	Supports Remedial Action Plan implementation activities in the St. Louis Area of Concern.	-	556	1,578	265	No	No	Environment
Great Lakes Program Competitive Grants (CFDA 66.469) Amity Creek Restoration Flute Reed River St. Louis Area of Concern Multi-state Reduction of Polycyclic Aromatic Hydrocarbons		Watershed restoration and assessment activities such as sediment source, toxins and nutrient loading reduction and promotion of long-term environmental sustainability in the Lake Superior Basin.	456	961	783	72	No	No	Environment
Gulf of Mexico Program Competitive Grant (CFDA 66.475) MN State-Level Nutrient Reduction Strategy Phase II		To develop and implement multi-state strategy for reducing excessive nutrient discharges in the Mississippi River Basin.	-	338	11	-	No	No	Environment
Program - WATER Total			5,274	6,911	6,547	3,857			
Air Pollution Control Research (CFDA 66.034) Particulate Monitoring (PM) 2.5 Monitoring		Supports air quality fine particle monitoring.	334	404	404	404	No	No	Environment
Air Pollution Control Research (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.	8	192	-	-	No	No	Environment
Air Pollution Control Research Competitive Grant (CFDA 66.034) Polycyclic Aromatic Hydrocarbons in Urban Air		Study of concentrations and health risks of polycyclic aromatic hydrocarbons in selected communities.	0	102	193	260	Yes	No	Environment
Biowatch Program (CFDA 97.091)		Twin Cities metropolitan area air monitoring network activities.	816	936	940	940	No	No	Environment
Program - AIR Total			1,158	1,634	1,537	1,604			
Superfund State Programs (CFDA 66.802) 5-year Review CORE grant Site Assessment St. Regis & Reilly Tar		Multiple grants for the administration of the Superfund hazardous waste cleanup program and investigation and remediation activities at specific Superfund hazardous waste sites.	361	408	526	526	Yes	No	Environment
Underground Storage Tanks Program (CFDA 66.804)		Permitting and compliance activities for regulated underground storage tanks, including detection and identification of releases.	1,122	1,340	1,107	1,107	Yes	No	Environment
Leaking Underground Storage Tank Trust Fund (CFDA 66.805)		Administrative activities to clean up properties contaminated with petroleum from underground storage tanks.	2,110	1,415	1,458	1,458	Yes	No	Environment
Reimbursement of Technical Services (CFDA 12.113) Dept. of Defense Memorandum of Agreement (DSMOA)		Environmental cleanup and site restoration on various federal Department of Defense installations.	207	323	450	450	No	No	Environment
Brownfields Response Program (CFDA 66.817)		Development and enhancement of the Voluntary Investigation and Cleanup and Petroleum Brownfields Programs.	832	615	615	615	No	No	Environment

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
Program - LAND Total			4,632	4,101	4,156	4,156			
Performance Partnership Grants (CFDA 66.605)		Multi-year funding for multiple ongoing environmental program areas, including air quality, water quality and hazardous waste.	13,904	11,947	11,900	11,900	Yes	Yes	Environment
MN Clean Diesel Program (CFDA 66.040)		Decreases diesel fuel emissions through grants and loans for emission reduction technologies	238	752	210	210	Yes	No	Environment
Sustainable Materials Management Competitive Grant (CFDA 66.808)		Reducing negative environmental impacts through changes to state and local procurement procedures.	3	36	-	-	No	No	Environment
Program - Environmental Asst. Cross-Media Total			14,145	12,735	12,110	12,110			
Federal Funds - Agency Total			25,209	25,381	24,350	21,727			

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 FY2012-2013 biennium, the MPCA received \$50 million in the form of grants or cooperative agreements. Federal revenues account for approximately 13% of the MPCA's budget in the FY2012 -2013 biennium and are projected at 12% in the FY2014-2015 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). New funding under the Great Lakes Program began in FY2011. The MPCA has also received competitive funding for several new projects. The amount of competitive funding is not a significant percentage of the federal total. 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.

While in state FY2011 and 2012, some federal funds were rescinded after awards were made, future reduction amounts cannot be accurately predicted at this time. The EPA's federal FY2013 budget has not been finalized and the differences between recommendations of the President, House and Senate vary widely. In addition, the effects of sequestration on individual federal programs are not known. If sequestration does occur, the federal Office of Management and Budget (OMB) estimates its impact as an 8.2% overall reduction for federal programs. However, it is not known whether that reduction will be applied equally over all programs or if OMB and/or federal agencies will apply the funding cuts on a program-by-program basis.