

## Introduction and MPCA Overview

The MPCA's mission is *working with Minnesotans to protect, conserve and improve our environment and enhance our quality of life*. To support this mission, the work of the agency is organized to fulfill the following vision statements.

- Clean and clear air
- Clean and sustainable surface water and groundwater systems
- Land that supports desired uses
- Excellence in operations
- Minnesotans take responsibility to protect our environment

Five key principles summarize the MPCA's strategic direction for implementing its mission.

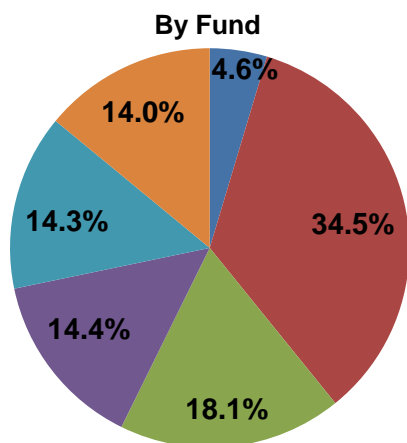
- Focus on priorities and manage for environmental results.
- Actively partner to leverage knowledge, ideas and resources.
- Rely on data for decision-making.
- Integrate environmental, economic and social sciences when developing environmental policy.
- Strive for excellence and innovation in service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

The MPCA budget is organized into five categories, including air, water, land, environmental assistance/cross-media and administrative support. The air, water and land categories fund work focused specifically on those environmental media areas. The environmental assistance and cross-media category funds activities that combine the work of two or more media areas and includes functions such as environmental review or technical assistance to small businesses. The fifth category, administrative support, funds services that ensure efficient program delivery.

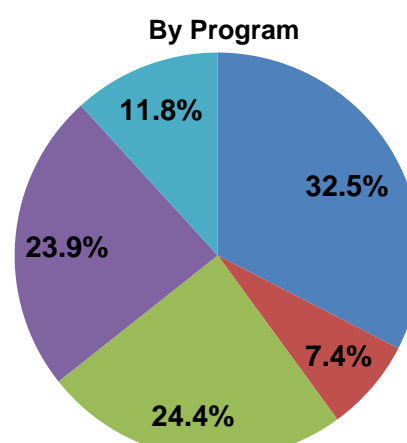
## Governor's Budget Recommendations for MPCA

In his FY2012-2013 biennial budget recommendations, the Governor proposed \$369.5 million in funding for the MPCA. The recommended budget includes appropriations from the state's General Fund, Environmental Fund, Remediation Fund, Clean Water Fund and federal funds. The recommendation includes a reduction in appropriations from the General Fund across the biennium.

### FY2012-2013 Recommended Budget: \$369.5M



■ General Fund: \$17.1M  
 ■ Environmental Fund: \$127.7M  
 ■ Remediation Fund: \$66.9M  
 ■ Federal Funds: \$53.3M  
 ■ Clean Water Fund: \$52.7M  
 ■ Other Funds: \$51.8M



■ Water: \$120.2M  
 ■ Air: \$27.4M  
 ■ Land: \$90.1M  
 ■ EACM: \$88.3M  
 ■ Admin: \$43.5M

## Budgetary Change Items for FY2012-2013

### Air

#### Air Emission Fees

The Governor recommends an increase of \$166,000 in FY 2012 and \$335,000 in FY 2013 in the appropriation to the Air Program from the Environmental Fund. The appropriation makes available fees collected under existing law, no new fees are proposed. The appropriation increase will enable the MPCA to maintain the level of service provided by the Air Program to industrial and municipal emission sources.

### Water

#### General Fund Reductions

The Governor recommends a reduction in the Water Appropriations from the General Fund. The proposed reductions of \$504,000 in FY 2012 and FY 2013 occur in the Clean Water Partnership grants (\$215,000 each year) and the Community Assistance activities (\$289,000 each year). This will result in one or two fewer Clean Water Partnership grants, while the support to counties from the Community Assistance funds will continue as these costs will be transferred to the Environmental Fund.

#### Clean Water Funding

The Governor recommends appropriations of \$28.040 million in FY 2012 and \$24.625 million in FY 2013 from the Clean Water Fund to meet the requirements of M.S. 114D, the state Clean Water Legacy Act (CWLA), and the federal Clean Water Act (CWA). Funding will be used to assess the quality of lakes, rivers and streams; develop Total Maximum Daily Load (TMDL) reports (watershed restoration and protection strategies) to identify measures and extent for restoring and protecting water quality; complete research on alternatives and allow for regulatory work needed to implement the watershed strategies; assess groundwater for the protection of drinking water; and, leverage available federal money to make a significant start on St. Louis River restoration, which includes Lake Superior, a drinking water supply source for the City of Duluth.

#### Wild Rice Toxicity

The Governor recommends a one-time appropriation of \$1.5 million from the General Fund to complete wild rice plant toxicity studies to inform a potential revision to the existing Minnesota sulfate standard and identify other standards that may need to be developed or adjusted to address wild rice plant toxicity. The existing standard was established in 1973 and has come under increased questioning as to whether the current science would support the existing 10 milligram per liter sulfate standard. Stakeholders on both sides of the issue have asked that the MPCA review and clarify the appropriateness of the standard.

#### Wastewater Operators Training

The Governor recommends an increase of \$27,000 in FY 2012 and \$27,000 in FY 2013 in the appropriation to the Water Program from the State Government Special Revenue Fund (Fund 170). The appropriation makes available fees collected under existing law, no new fees are proposed. The increased appropriation will cover the MPCA's costs to administer an examination and certify the qualifications of wastewater treatment facility operators.

### Land

#### Landfill Financial Assurance

The Governor recommends that the MPCA be authorized to recover from permit applicants all necessary and reasonable costs incurred by the Commissioner in hiring third parties to evaluate innovative financial assurance proposals made by permit applicants for new solid waste landfills. This charge would only be applied when the permittee proposes a mechanism not contained in Minn. R. 7035. The revenues will be deposited to the Miscellaneous Special Revenue Fund to fund the costs of the financial review.

## **Metropolitan Solid Waste Landfill Fee**

The Governor recommends amending M.S. 115A to extend the existing Metropolitan Solid Waste Landfill Fee for mixed municipal solid waste generated in the metropolitan area and accepted at land disposal facilities outside the metropolitan area. The proposal would close the loop regarding waste generated in the Metropolitan area by clarifying that regardless where the waste is managed, the fee is intended to be collected. The proceeds would be deposited to the Metropolitan Landfill Abatement Account (MLAA) and the Metropolitan Landfill Contingency Action Trust Fund (MLCAT), in accordance with the disposition of proceeds described in M.S. § 473.843 Subd. 2. This change would provide for landfill abatement (waste reduction, recycling, composting, and processing) in the metropolitan area and provide funds to manage the post-closure expenses for landfills located in the metropolitan area, where the waste was generated.

## **Petrofund Extension**

The Governor recommends changing the repealer date (i.e. “sunset date”) in M.S. §115C.13 from June 30, 2012 to June 30, 2017. This legislation would result in a five-year extension of the Petroleum Tank Release Cleanup Fund (Petrofund) program at the Department of Commerce, and provide funding for Minnesota Pollution Control Agency and the Department of Employment and Economic Development Petrofund programs. Because all current and proposed expenditures are fully covered by the Petrofund fee, there would be no effect on the General Fund. The MPCA requests an appropriation to support the program staff required to administer clean up funds for leaking underground storage tanks and reduce their environmental impact.

## **VIC Appropriation Reduction**

The Governor recommends an appropriation reduction to the Land Program of \$590,000 in each of FY 2012 and FY 2013 from the Remediation Fund. The reduction decreases the direct appropriation to the Voluntary Investigation and Cleanup (VIC) program implemented through the Agency’s Remediation Division. The MPCA has already reduced staff in this program making the additional administrative funds unnecessary. The funds would instead be used to clean up superfund and closed landfill sites.

## **Environmental Assistance and Cross Media**

### **EQB Transfer to MPCA**

The Governor recommends moving the technical and administrative support of the Environmental Quality Board (EQB) to the MPCA from the Department of Administration. The EQB would continue to be a separate board. The recommended annual appropriation of \$151,000 from the General Fund in FY 2012 and FY 2013 increases the annual appropriation to the MPCA’s Environmental Assistance and Cross-Media program. The Governor also recommends that the MPCA increase its Environmental Fund appropriation to its Environmental Assistance and Cross-Media program by \$75,000 each year to ensure the necessary operating funds are available to support EQB activities.

### **E-Waste Direct Appropriation**

The Governor recommends the MPCA’s e-waste activity be funded through a direct appropriation from the Environmental Fund of \$315,000 in FY 2012 and \$315,000 in FY 2013. The appropriation makes available fees collected under existing law, no new fees are proposed.

### **General Fund Reductions**

The Governor recommends a reduction of \$350,000 in FY 2012 and \$350,000 in FY 2013 to the MPCA’s General Fund Environmental Assistance and Cross media Appropriation. The Governor intends that the MPCA retain these services by funding them from the Environmental Fund. The work retained by this shift includes monitoring staff for surface water and groundwater and staff who set water standards.