



Minnesota Pollution Control Agency

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April 29, 2011

The Honorable Denny McNamara, Chair
Environment, Energy, and Natural Resources
Policy and Finance Committee
Minnesota House of Representatives
375 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, Minnesota 55155

The Honorable Bill Ingebrigtsen, Chair
Environment and Natural Resources Committee
Minnesota Senate
303 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, Minnesota 55155

Dear Chair McNamara and Chair Ingebrigtsen:

Thank you for the opportunity to share the MPCA's concerns with the provisions in the House and Senate environment finance bills as you work out the difference between them.

The proposed significant reductions to General Fund allocations, loss of revenues to the Environmental Fund and cap on dollars going to the Remediation Fund will have serious consequences to our activities. My previous letters outlined a few key areas that would be impacted, which include our clean water activities, the quality and timeliness of our environmental review and permitting efforts, and value added successful local and state collaborations (e.g., SSTs, feedlots, and environmental health tracking and bio-monitoring). In this letter I want to highlight our specific concerns with the House and Senate proposals.

1. House elimination of (\$4.334 million) and Senate reduction in (\$650,000) Clean Water Partnership grants; a reduction in an estimated 30 or 5 grants respectively to local units of government
2. House elimination of (\$750,000) and Senate reduction in (\$112,000) SSTs funding; a reduction in base grants and guidance/technical assistance for counties
3. Senate reduction in (\$414,000) water operations funding; a reduction in ambient surface water monitoring activities
4. House reduction in (\$588,000) and Senate reduction in (\$288,000) county feedlot grants; a reduction (on average of \$4,419 or \$2,173) in assistance to counties locally administering the state's program
5. House reduction in (\$742,000) and Senate elimination of (\$870,000) the environmental health tracking and biomonitoring program; a reduction in research on PFCs, mercury and other harmful pollutants on human health
6. House elimination of (\$1.378 million) and Senate reduction in (\$732,000) environmental assistance and multimedia programs; a delay in wastewater facility permits for industries and municipalities (estimated 30-45 or 15-25 day delay, resulting in 20/30% or 10/15% of permits no longer meeting the 150 day goal of HF1) and a reduction in pollution prevention efforts
7. House elimination of (\$2.432 million) and Senate reduction in (\$1.216 million) in administrative support operations; a reduction in funding for all programs to cover shared staff and expense needs
8. House and Senate elimination of LCCMR funding for Minnesota Schools Conserving Energy and Water program; loss of an assistance program for students and schools to reduce water and energy expenses and voluntary reduction of air pollutants (e.g. mercury, NOx, SOx)
9. Senate reduction in revenues (\$1.538 million) generated from penalties going to the Environmental Fund; a reduction in staff supporting activities ranging from business assistance to permitting

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10. Senate cap on transfer of dollars from the Environmental Fund to the Remediation Fund resulting in a \$5.652 million reduction for remediation efforts; a reduction in cleaning up properties that can be redeveloped, create jobs and added to the tax base
11. House increase of the wild rice water quality standard for sulfates to 50 mg/l and Senate suspension of the sulfate standard until a new rulemaking is completed; the EPA has not indicated a willingness to accept a legislatively prescribed standard or suspension, rather additional knowledge is needed to defend any possible change to the standard
12. Senate modification of the feedlot permitting system, including how animal units are calculated for it; the changes create a more confusing system, expose farmers to greater complaints, allow the possible sidestepping of environmental reviews and inadequately funds the proposal as outlined in the fiscal note
13. Senate removal of mandatory environmental reviews for new ethanol facilities over 5 million gallons; new facilities have proven to be very complex and controversial and warrant the extra scrutiny of an environmental review
14. Senate two year water rulemaking moratorium; prevents agencies from reacting to emerging water issues to protect our waters and provide regulatory relief and inadequately funds the proposal as outlined in the fiscal note

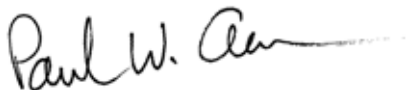
It is also important to remember the funding and staff cuts contained in these two bills do not occur in isolation. The MPCA is also facing very steep workforce reductions and other changes in the state government finance bills and funding cuts from the federal government.

Summary of Estimated FTE Reductions:		
	House	Senate
Environment & Natural Resources Finance Bill	32	29
State Government Finance Bill's "15 by 15" Workforce Reduction Provision	137	164
Federal Funding Loss	22	22
Total:	191	215

If all the items listed in the table above came to fruition, the MPCA would lose over 20% of its staff. The result would be devastating and severely limit the MPCA's ability to achieve our shared goals of protecting our natural resources and public health; ensuring timely permitting and environmental review; and fair-minded regulatory practices.

Thank you for the opportunity to express the MPCA's concerns with the provisions in the House and Senate environment and natural resources finance bills. As you work on reconciling the differences in your two positions, MPCA staff will be available to provide any information or fiscal data you may need in your task.

Sincerely,



Paul W. Aasen
Commissioner