



Minnesota Pollution Control Agency

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May 18, 2011

The Honorable Dean Urdahl
Minnesota House of Representatives
571 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, Minnesota 55155

The Honorable Bill Ingebrigtsen
Minnesota Senate
303 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, Minnesota 55155

Dear Chairs Urdahl and Ingebrigtsen:

During the committee process MPCA staff has shared our concerns with each of the Legacy Funding Bills and we thank you for the changes made to address some of them. Now with the bill being finalized we would like to put in writing our remaining concerns.

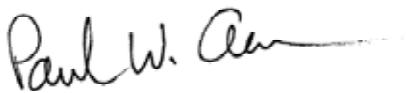
Our concerns and suggestions for the bill are as follows:

- Appropriation for Cowles Center for Dance and the Performing Arts on R50-51, Senate section 10
 - Our concern is the dangerous precedent this appropriation will set. It funds a project that is already completed, which is not allowed under any of the Clean Water Fund programs. The costs being reimbursed include loss of time due to construction delays, which has nothing to do with actual clean water efforts and is not allowed under the current programs.
 - Our suggestion is to simply delete the funding for the completed project and assist the Cowles Center for Dance and the Performing Arts with activities not yet completed.
- Clean Water Council Alterations on R56-60, Senate section 19 and House section 18
 - The Clean Water Council (CWC) was created in 2006 as part of the Clean Water Legacy Act (CWLA). The CWC was put in place to help guide the state's clean water efforts and meet federal requirements, which occurred before the constitutional amendment and dedicated funds were even approved and established in 2008. When the constitutional amendment was approved it filled in as the funding source (replacing one-time legislatively appropriated dollars and failed long-term proposals). The driver for the water portion of the constitutional amendment was to establish a long term funding source for the state's existing clean water efforts under the CWLA.
 - Clean water funding and CWC is different than funding through LSOHC or LCCMR, since clean water efforts are built on existing programs, plans, and systems versus being specifically project centered. There was an intentional approach with the CWLA and constitutional amendment for funding to be directed to programs. As a result, programs were either established or dramatically expanded to achieve the outcomes of the CWLA, such as enhanced monitoring and assessment, targeted revolving loans, and other types of programs.
 - We are concerned that shifting to a LSOHC/LCCMR model will compromise the ability of state agencies to implement long term efforts to achieve the clean water work required by the CWLA and constitutional amendment. At this time we do not believe significant structural and organizational changes to the CWC are needed.

- Availability of Clean Water Fund Appropriations on R69, House section 23
 - Our concern is the House language would unnecessarily prohibit the use of an indirect rate to capture the cost of essential expenses, such as internet services or human resources support, needed to sustain our approved clean water activities and staff. Under the current language there is some doubt we could use an indirect rate in this manner.
 - Our suggestion for the House language is on line 37.24 delete "must not" and insert "may" and on line 37.26 delete "not". It would clearly allow for the use of Clean Water Funds on administrative costs only directly related to the appropriation and through the use of an indirect system.
 - These expenses accrued due to activities linked to Clean Water Funds need to be covered with a system that is not over burdensome nor results in increased costs solely to meet reporting requirements. In addition, agencies cannot be expected to cover these expenses with other funds thus resulting in a defacto cut to other programs.
- Duplicative Reporting and Requirements on R96-98, House section 1 and R103, House section 8
 - Our concerns with section 1 is the additional information that we will need to seek from groups receiving Clean Water Funds, which will result in additional paperwork when some already believe the process is too burdensome. In addition, the competitive grant paragraph is redundant with current conflict of interest regulations and requires much more reporting and record keeping (e.g. bio information for employees on grantmaking advisory groups).
 - Our concern with section 8 is the information given to the LCC will be accomplished through a data transfer process to meet the needs of MS 3.303 subd. 10. It will not be in a normal report format for public consumption, which could be simply handed off to the Legislative Reference Library. The LCC is pulling the data together and displaying it on its website. It would be better to save those documents to send to the Library, compared to the agencies spending resources on creating new and separate reports.
 - Overall the more documentation and unique reporting required by the bill will only move agencies' resources away from actually completing clean water work to reporting on the work completed.

We have worked closely with the MN Department of Health throughout the legislative process relating to the Legacy funds. They have asked us to include a statement of support for the concerns raised in this letter. If you have any questions on these issues, please do not hesitate to contact our Legislative Director Kirk Koudelka or myself. Thank you in advance for your attention to these issues.

Sincerely,



Paul W. Aasen
Commissioner