



# MPCA biennial budget

FY 2014-2015

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 structured to fulfill the following strategic vision statements.

- Minnesota's clean and clear **air** supports healthy communities and a strong economy.
- Minnesota's clean **water** supports aquatic ecosystems, healthy communities and a strong economy.
- Minnesota's **land** supports healthy ecosystems and sustainable land uses.
- Minnesotans and the MPCA take actions to protect our land, water and air.
- The MPCA demonstrates excellence in operations.

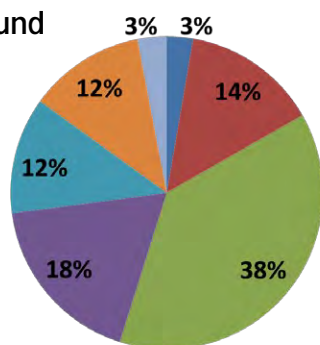
The MPCA budget is organized into five categories, including air, water, land, environmental assistance/cross-media and administrative support. The air, water and land categories fund work focused specifically on those environmental media areas. The environmental assistance/cross-media category funds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

## Governor's budget recommendations for MPCA

In his FY 2014-2015 biennial budget recommendations, the Governor proposed \$379.4 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.

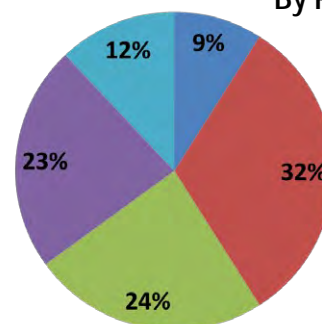
### FY 2014-2015 Recommended Budget: \$379.4M

By Fund



■ General Fund: \$10.2M  
■ Clean Water Fund: \$52.7M  
■ Environmental Fund: \$143.6M  
■ Remediation Fund: \$69.7M  
■ Federal Funds: \$44.3M  
■ Special Revenue: \$47.7M  
■ Other Funds: \$11.2M

By Program



■ Air Quality: \$34M  
■ Water Quality: \$121.7M  
■ Land and Waste: \$92.5M  
■ EACM: \$85.4M  
■ Admin: \$45.8M

# Budgetary change items and updates for FY 2014 and FY 2015

## Air Quality

### Air emission fees

The Governor recommends an increase of \$165,000 in FY 2014 and \$335,000 in FY 2015 in appropriations to the Air Program from the Environmental Fund. These increases equal the annual increase indexed in statute to cover the inflationary costs of administering the program from permittees' annual emission fees.

### Air program appropriations

The Governor recommends an increase of \$1.5 million in both FY 2014 and FY 2015 in appropriations to the Air Program from the Environmental Fund. The funding will allow the Agency to react to pressures on the program, such as replacing its aging database system and developing a smart permitting system with online tools to improve service to citizens and businesses. Increased funding also enables the Agency to improve its permitting and compliance efforts even as demand for permitting increases in a growing economy. It will allow the MPCA to spend previously increased fees and achieve full-cost recovery of the air permit application process.

### Improving air quality

The Governor recommends an increase of \$900,000 in both FY 2014 and FY 2015 in appropriations to the Air Program from the Environmental Fund. This investment will allow the MPCA to advance its mission to improve outdoor air quality by providing assistance for actions that reduce emissions from a variety of widespread pollutant sources, including small businesses and on-road and off-road mobile sources.

## Water Quality

### Clean Water Fund

The Governor recommends \$26.3 million in both FY 2014 and FY 2015 in appropriations to the Water Program from the Clean Water Fund. This will allow the MPCA to continue systematic progress on statewide water assessments and watershed restoration and protection strategies. Funding also includes development of a portal to make information on multi-agency water management projects accessible and, in general, increases MPCA's ability to address key requirements of the federal Clean Water Act.

### Water program appropriations

The Governor recommends an increase of \$1.5 million in both FY 2014 and FY 2015 in appropriations to the Water Program from the Environmental Fund. The funding will allow the Agency to react to pressures on the program, such as replacing its aging database system, and developing a smart permitting system with online tools to improve service to citizens and businesses. Increased funding also enables the Agency to improve its permitting and compliance efforts even as demand for permitting increases in a growing economy. It will allow the MPCA to spend previously increased fees and achieve full-cost recovery of the water permit application process.

## **Wastewater lab quality assurance/quality control (transfer from MDH)**

The Governor recommends \$105,000 in both FY 2014 and FY 2015 in appropriations to the Water Program from the Environmental Fund. This program is being transferred from the Minnesota Department of Health and will streamline certification requirements and reduce costs for wastewater labs. The funding will cover the costs associated with developing a program to register and audit non-commercial labs that test wastewater effluent.

## **Land and Waste**

### **Product stewardship**

The Governor recommends establishing a product stewardship program for manufacturers of paint, carpet and primary batteries to properly dispose of these products. The private/public partnerships will address the challenges raised by these products entering the solid waste stream and aim to reduce costs incurred by local governments and individuals for recycling and disposal of these products. Funding would be provided through an agreement with the product manufacturers to pay agency costs associated with coordinating the program.

### **Closed landfill investment fund (repayment update)**

The Governor recommends a \$12.1 million repayment from the General Fund to the Closed Landfill Investment Fund (CLIF) in fiscal year 2015. The CLIF is for the long term care and any future construction or repair of the 109 state-maintained closed landfills. In 2010, \$48 million was transferred from the CLIF to address a budget shortfall in the General Fund. The repayment is outlined in the law authorizing the initial transfer in 2010.

## **Environmental Assistance and Cross Media**

### **Environmental Quality Board**

The Governor recommends the following appropriations to the Environmental Assistance/Cross Media Program to provide stable funding for the Environmental Quality Board: \$312,000 in both FY 2014 and FY 2015 from the General Fund and \$188,000 in both FY 2014 and FY 2015 from the Environmental Fund. The funding is important to advance Minnesota's environmental outcomes. The state relies on multiple agencies, in concert with citizens, to look at current and future issues that threaten public health and the state's environment and economy. This investment will give the public more opportunities to participate in the environmental decision-making of the state.

### **Environmental health risk**

The Governor recommends \$600,000 in both FY 2014 and FY 2015 in appropriations from the Environmental Fund. Of this amount \$499,000 will be transferred annually to the Minnesota Department of Health. This will fund a joint project with MDH that targets at-risk populations. The collaboration will focus on understanding asthma incidences and their relationship to air quality, mercury levels found in children and the options that exist to reduce exposures to pollutants of concern.

### **Sanitary district formation (transfer to OAH)**

The Governor recommends \$75,000 in FY 2014 and \$50,000 in FY 2015 in appropriations to the Office of Administrative Hearings from the Environmental Fund. OAH's experience administering the state's uniform system for city boundary adjustments will standardize and simplify the process for sanitary districts. This funding will be transferred to OAH from the MPCA and cover the costs associated with establishing sanitary districts.