



MPCA biennial budget

FY 2016-2017

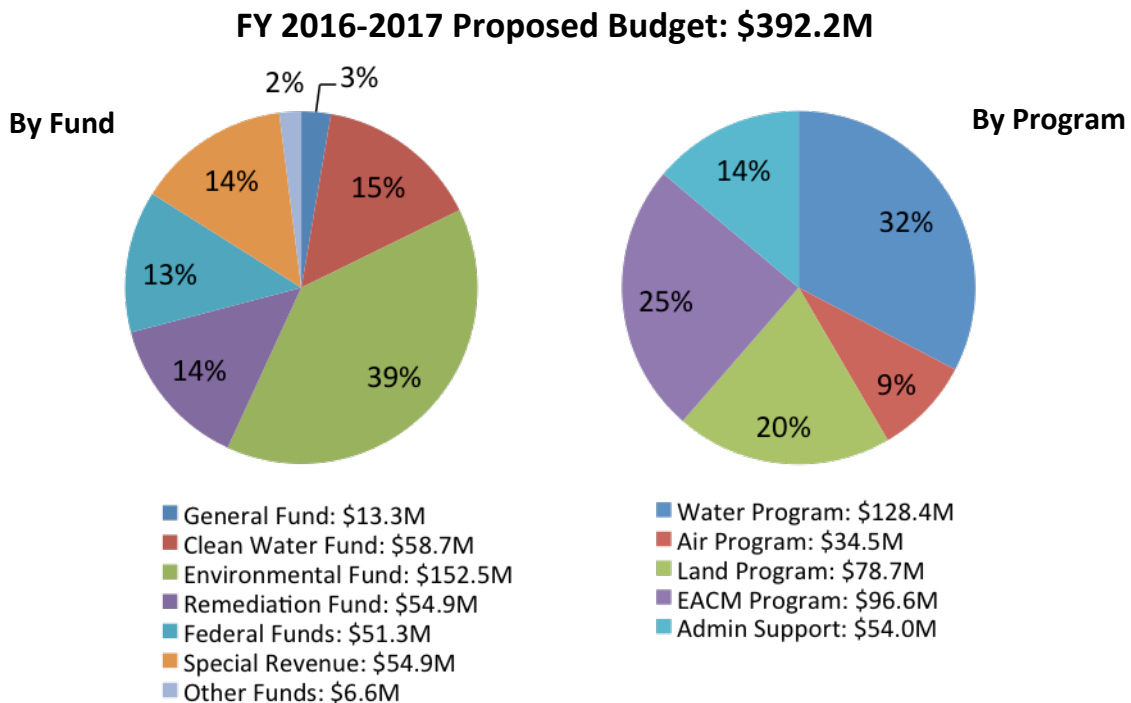
The MPCA’s mission is *to protect and improve the environment and enhance human health*. To support this mission, the work of the agency is structured to fulfill the following strategic vision statements.

- 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.

Proposed budget for the MPCA

The Governor’s proposed budget for the next two fiscal years funds the MPCA at \$392.2 million. The proposed budget includes appropriations from the state’s General Fund, Environmental Fund, Remediation Fund, Clean Water Fund and federal funds.



New budget initiatives by program for FY 2016 and FY 2017

Air

Air program spending increase

An increase over the biennium of \$603,000 in appropriations from the Environmental Fund. These increases equal the annual increase indexed in federal law to cover the inflationary costs of administering the program from permittees' annual emission fees. The funding will enable the Agency to maintain service levels provided by the Air Program to regulated parties given the increased costs of program and support expenses.

Water

Clean Water Fund

Appropriations of \$29.325 million in each of FY 2016 and FY 2017 from the Clean Water Fund. This will allow the MPCA to continue systematic progress on assessment, monitoring, and protection of the state's surface and groundwater, and will address point and nonpoint sources of pollution. Funding also continues work on a data system to improve assessment and project management efforts, and to meet reporting requirements adopted by the Legislature in 2013. The request supports work with local partners, continues restoration efforts of impaired watersheds, sets strategies to protect unimpaired watersheds, and continues leveraging available federal money to restore the St. Louis River Basin in Lake Superior, a source of drinking water for the City of Duluth.

Land

Superfund and petroleum site cleanup

Appropriations of \$350,000 in each of FY 2016 and FY 2017 from the Remediation Fund, and appropriations of \$600,000 in each of FY 2016 and FY 2017 from the Petroleum Fund. The appropriation from the Remediation Fund will continue the increased funding level enacted last year by the Legislature to manage and oversee investigation and mitigation efforts at known Superfund sites. The annual increase from the Petroleum Fund is to address persistent toxic vapor issues at petroleum clean up sites (\$350,000) and for the Underground Storage Tank inspection and compliance program to discover, clean up and prevent future releases of petroleum from underground tanks (\$250,000).

Environmental Assistance and Cross Media

Environmental data services and program improvements

Appropriations of \$900,000 in each of FY2016 and FY2017 from the Environmental Fund. We have developed and will soon start using a new data and information management system to replace DELTA, the foundational system used to support our core permitting and regulatory work. In FY2016-17 and continuing, funding is needed to further develop our business processes that support the new system. We need to integrate these new processes with more of our other critical applications and databases. We also need to adequately support, maintain and improve our analysis of existing environmental data to provide critical information requested by the public and our regulated parties (e.g. online services).

Restructuring program fees

We are requesting authority to restructure the fees generated in our Water and Land Programs to mirror the fee funding structure of our Air Program. Currently, the cost of providing services to individuals and entities in our Water and Land Programs is much greater than the fee revenue collected by those programs. That imbalance is inconsistent and inequitable compared to our Air Program. We want to redesign our fee structure, which will be then be presented and approved through the existing

rulemaking process. The Legislature will retain its ability to establish in legislation a target amount of fee revenue to be collected.

Safer consumer products (TFKA)

A new appropriation of \$543,000 in FY2016 and \$826,000 in FY2017 from the General Fund for a joint initiative with the Minnesota Department of Health and the Minnesota Department of Commerce. This proposal will amend the Minnesota Toxic Free Kids Act (TFKA) to add reporting, fee payment, and other requirements for manufacturers or distributors of children’s products that contain Priority Chemicals. The initiative will make available to consumers more information about what Priority Chemicals are in children’s products, information the public is increasingly demanding. The request will also fund assistance and compliance efforts to reduce certain chemicals in products. The appropriation is one-time, and will be replaced by authority to spend receipts deposited to a new account starting in FY2018.

Revisor’s Office administrative rules system

An appropriation of \$380,000 in FY 2016 and \$855,000 in FY 2017 from the General Fund for the Revisor’s Office to design, development, and operate a new online system to serve as the official rulemaking system across state government. The request reflects the need for higher funding in FY 2016-17 for system design and development, with a transition in future years to maintenance-level funding.

EQB environmental review efficiency package

The EQB is proposing an increase in appropriations of \$250,000 in each of FY 2016 and FY 2017, and a one-time investment of \$500,000 in FY2016 from the General Fund. The environmental review initiative will create a more efficient and updated environmental review program. The development of an online, searchable database will make Environmental Review documents readily accessible to external audiences, enabling easier access to information for project proposers, regulators, and the general public. Funding for staff to update the Environmental Review program rules will provide clarity for project proposers, regulators and the general public, and updated categories to reflect changes over time. These changes will enable more transparency, greater efficiency, and a better platform to collect and analyze data.

Multi-Program budget initiative

Operating adjustment

The proposed budget includes additional funding in the Air, Water, Land, and Environmental Assistance Cross Media Programs for compensation-related costs associated with the delivery of agency services. This amount represents an increase of 1.8% for compensation costs in FY2016 and an additional 1.8% in FY 2017. Increased funding is from the following funds:

	FY2016	FY2017
General Fund	\$32,000	\$64,000
Environmental Fund	\$848,000	\$1,713,000
Remediation Fund	\$105,000	\$211,000
Petroleum Fund	\$63,000	\$127,000

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