Policy and budget proposal 2023

MINNESOTA POLLUTION CONTROL AGENCY

Protect healthy air, sustainable lands, and clean water for Minnesota

Fully funding MPCA operations is vital to protecting Minnesota's health and environment.

Challenge

Just like a private company, the cost of doing business for a state agency gets more expensive every year. Operating costs like salaries, rent, fuel and utilities, IT, and legal services continue to grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year without enacted increases. Agencies face challenging decisions to manage these costs within existing budgets and funds while maintaining the services Minnesotans expect.

The MPCA is also being asked by permit holders and communities to do more with less: to issue permits more quickly, provide more technical assistance to businesses and local governments, and to help navigate permitting processes and funding opportunities that will grow as money from the federal Infrastructure Investment and Jobs Act and Inflation Reduction Act become available.



Technology efficiencies implemented to produce savings in FY2021 and FY2022 will continue into FY2023 and FY2024. Cost savings from developing program efficiencies and moving to nearly paperless work during the pandemic is anticipated to be maintained indefinitely. However, these efficiencies will not meet the need to maintain the current level of service provided by the agency.

Proposal

Governor Walz recommends additional funding, distributed across several fund sources, of \$9.423 million in FY2024 and \$12.988 million in each subsequent year to support the MPCA's agency operations. This proposal will increase agency operating budgets to maintain current services. This increase is below the assumed level of inflation, acknowledging continued efficiencies achieved by the MPCA. For the MPCA, this funding will cover employee compensation growth.

Why it's important

The MPCA's work is vital to ensuring that every Minnesotan has healthy air, sustainable lands, and clean water. Failing to properly fund the MPCA risks affecting current levels of service provided by the agency in the following ways:

- Increased backlog in developing and reissuing land permits.
- Delayed project reviews and site assessments for construction or redevelopment.
- Reduced capacity for processing contracts and requests for proposals.
- Slowdown in problem investigation, monitoring, and standards.
- Reduced ability to respond to resident complaints and address violations.
- Reduced number of records requests addressed and fulfilled.

For more information

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Provide stable funding for water quality programs

Enacting a general fund appropriation will support permit holders and vital water protection work.

Challenge

MPCA's water permitting and compliance programs which cover wastewater facilities, stormwater systems, feedlot management, and septic system services — do not have adequate funds to maintain their important work at appropriate levels. The permit and annual fees paid by water permit holders cover only about 15% of program costs. Previous appropriations from the general fund for this work have been depleted to almost zero.

As funding resources have decreased, the cost to administer the programs has increased. As new water pollution problems such as PFAS emerge, the work has become more difficult and complex. Permit holders are asking for more technical assistance, and more options for reducing contaminants and meeting permit requirements. The MPCA has shifted staff among



The City of Buffalo's wastewater treatment facility.

programs to meet urgent needs, but this leaves some programs scrambling to meet the agency's federally mandated requirements.

Proposal

Governor Walz is seeking a \$1.36 million appropriation from the General Fund beginning in FY2024, and in the base budget going forward, for the MPCA's water permit and compliance programs. The appropriation would provide stable funding for the program in lieu of raising water permit fees through a rulemaking effort. The proposal would not increase staffing but would prevent staff reductions to balance rising costs.

Why it's important

Healthy lakes and rivers are key to Minnesota's identity as a state. Residents consistently rank the protection and restoration of water quality as a top concern. Clean water is also important for our economy and public health. The MPCA's water

15%

Portion of water permitting and compliance program costs funded by fees

permitting and compliance work is critical to ensuring our waters are drinkable, swimmable, and fishable. Without stable funding, program services will continue to erode, improved program efficiencies will be lost, and water quality will be compromised.

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Budget proposal 2023

Ensure greater air compliance and monitoring

Funding will continue permitting, monitoring, and enforcement for the MPCA's air program.

Challenge

The federal Clean Air Act requires states to charge air emission fees to cover the cost of issuing permits to facilities that emit air pollutants. The act also requires states to increase these fees to keep up with inflation and ensure adequate resources to meet requirements of the law. Minnesota statute directs the MPCA to implement these fee increases, however they are not enough to cover rising costs associated with permitting, regulatory, and air quality monitoring activities.

The MPCA requests an increase in spending authority equal to the incremental increase in air permit fees so the agency may continue to provide the same level of services. Salaries,



benefits, and program support costs for the air program are all projected to increase in FY2024-2025. If legislative appropriations remain at FY2022-2023 levels, even with fee increases for inflation, the MPCA would be forced to reduce services related to permitting and compliance for air quality regulations.

Proposal

Governor Walz recommends \$499,000 in FY2024 and \$998,000 in each subsequent year from the Environmental Fund to the MPCA air program. Air emission fees are deposited to the state's Environmental Fund. This proposal would increase the agency's authorized appropriation to the air program from the Environmental Fund equal to the increase in emission fees that will be generated in FY2022 and FY2023 under cost provisions in statute.

As established in statute, calculation of the increase includes identifying the total cost of the air program (\$16,903,000), identifying the consumer price index increase for the last biennium (2.95%), and distributing the calculated increase across agency air program appropriations.

Permitting

Tracking emissions while balancing economic, environment, health needs.



Monitoring Assuring emissions don't exceed limits.

Enforcement Holding permitted facilities accountable

to limits.

Why it's important

This requested funding increase ensures the MPCA continues to comply with the Clean Air Act and keeps services at current levels. The funding will allow the program to maintain current staffing, a consistent pace of processing permit applications, regular site inspections and enforcement routines, prompt responses to requests for technical assistance, and timely review of complex operational plans and applications, particularly from companies in mining, energy, and manufacturing sectors.

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Better address contamination from hazardous waste materials

Boosting support for the MPCA's hazardous waste program will prevent pollution from improper waste handling and disposal.

Challenge

The MPCA's hazardous waste program assists and regulates organizations in Greater Minnesota (outside the seven-county metro area) that handle materials potentially posing risks to the environment or human health.

Currently, the hazardous waste program does not have adequate staffing. As a result, the hazardous waste program is taking longer to respond to complaints and conduct necessary facility inspections. The staffing shortage has also increased the time it takes to respond to Minnesota Duty office reports, provide natural disaster assistance, and assist regulated facilities with questions or concerns.



Staff from the MPCA's solid waste program have been serving both solid waste and hazardous waste program needs. As a result, both programs are struggling with delayed updating of rules and have a backlog of needed rule revisions.

Proposal

Governor Walz is recommending a \$420,000 appropriation from the Environmental Fund in FY2024 and each subsequent year to support three additional FTEs in the MPCA's hazardous waste and solid waste programs. The added staff will provide timely inspections of organizations that generate hazardous waste, support the permitting process, help implement new waste rules, improve the management of data and information submitted by regulated facilities, and lead responses to pollutants such as per- and polyfluoroalkyl substances, commonly known as PFAS or "forever chemicals," and 1,4-dioxane.

Why it's important

Hazardous waste is a potentially significant source of pollution. If hazardous waste materials are not handled, stored, and disposed of properly, they can contaminate air, water, and soils. The MPCA's hazardous waste staff help prevent pollution by inspecting waste handling facilities, responding to complaints by residents and local government, and working proactively with regulated parties. Adequate staffing is critical to ensuring the agency can defend against these sources of potential pollution and help waste facilities maintain compliance with state and federal regulations.

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Clean up Minnesota's contaminated sites

Supporting the MPCA's remediation programs will protect Minnesotans from the effects of soil and groundwater contamination.

Challenge

The MPCA's remediation programs — including the Superfund, Petroleum Remediation, and Closed Landfill programs — address contamination at sites around the state where petroleum and hazardous substances have been spilled or have leached out of release sites. The agency works with partners to investigate contaminated sites, evaluate health risks and threats to natural resources, identify responsible parties, clean up contamination, and operate treatment and containment systems. The goal is to protect the environment and human health while returning contaminated lands to productive use.



Dewatering of PCB contaminated sediment as part of the Munger Landing cleanup project in the St. Louis River Area of Concern.

Staffing levels in the agency's remediation

programs are insufficient to effectively manage this complex work and provide timely services. Some programs have only been able to respond to sites with immediate and known health risks, such as contaminated drinking water and soil vapors that threaten indoor air quality. For example, the agency's Superfund program has a backlog of 300 sites needing assessment for human health and environmental risks; at current staffing levels and intake rates, the backlog could grow to 1,000 sites by 2030. The increased work has outpaced the agency's staffing levels, which haven't changed in 15 years.

Proposal

Governor Walz is requesting a \$1.26 million appropriation from the Remediation Fund and \$140,000 from the Petroleum Tank Release Cleanup Fund for FY2024 and each subsequent year to support the MPCA's remediation programs. The funds would provide 10 new FTEs and help the agency address the growing number of contaminated sites, engage with residents living near polluted properties, evaluate risks in a timely fashion, and re-assess thousands of previously closed sites for emerging environmental issues.

Why it's important

The number of active contamination sites in Minnesota continues to increase. Hazardous substances released into the soil can get into groundwater that is used for drinking water. Some chemicals in groundwater and soils form vapors that can get into nearby buildings, potentially making the air inside unhealthy to breathe. Risks posed by

compounds such as per- and polyfluoroalkyl substances, commonly known as PFAS or "forever chemicals," and 1,4-dioxane also must be addressed. MPCA remediation programs need additional resources to meet the challenges of this complex risk landscape and ensure that Minnesotans are informed and protected.

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Prevent pollution from solid waste facilities

Increasing staff resources in the MPCA solid waste program will help prevent potential contamination from landfills and other waste facilities.

Challenge

The MPCA oversees much of the waste, recycling, and disposal activities in Minnesota. MPCA permits are required for construction, modification, and operation of solid waste management facilities such as landfills, recycling and composting operations, waste to energy facilities, and transfer stations. Agency staff not only issue permits and assist regulated parties with compliance, they provide planning and technical assistance to Minnesota counties.

Currently, the program's workload exceeds staff capacity. There is a growing permitting, closure, and inspection backlog. Staff are working through 100 delayed facility inspections and 90 expired



solid waste permits, and they expect an additional 120 expiring permits by 2030. An estimated 160 landfills also need review to ensure closure and post-closure activities will prevent risks to human health and the environment.

The insufficient staffing levels have also prevented the MPCA from investigating unlined landfills. Minnesota has many landfills that don't have the engineered lining needed to protect nearby soils and water from contamination. A 2019 report showed that nearly 40 unlined landfills in the state that accept construction and demolition waste have inadequate or no monitoring in place to detect contamination that can leach out of the waste.

Proposal

Governor Walz is requesting a \$1.12 million annual appropriation from the Environmental Fund to support eight additional FTEs in the MPCA's solid waste program. The new staff will tackle the backlogs in inspection, permitting, and landfill closure work, and help provide solid waste planning and technical assistance to Minnesota counties.

Why it's important

Solid waste facilities, particularly unlined landfills, are potential sources of air, water, and land pollution if not managed properly. Timely permitting and more frequent facility inspections would help prevent environmental violations that could pose risks to human health and natural resources. Additional staff would also help the program respond more quickly to the needs of county solid waste managers and permit holders and investigate the risks posed by unlined landfills.

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Support water quality protection programs

Adding staff for septic system and industrial stormwater programs will help prevent water pollution at its source.

Challenge

Some MPCA water quality programs do not have adequate staff to maintain basic functions such as federal inspection commitments, enforcement actions, and technical assistance for permit holders, local governments, and service providers. Two such programs — industrial stormwater and subsurface sewage treatment systems (SSTS, also called septic systems) — need additional staff to ensure that water quality in Minnesota is protected.

MPCA's industrial stormwater program regulates facilities in certain industries that store materials, waste, or equipment outdoors. The facilities must take steps to monitor and manage stormwater on



their properties where it may come in contact with pollutants. Currently the program, which has more than 4,000 permittees, has two and a half FTEs and has been unable to meet its federal inspection commitments for the past three years.

While Minnesota cities and counties administer septic system regulations, the MPCA subsurface sewage treatment systems program provides technical assistance to those local governments, trains and certifies system designers, installers, and maintenance professionals, develops ordinances, administers grant programs, and more. The number of septic systems installed per year in Minnesota rose by 20% between 2017 and 2021. Additional staffing is needed to meet this increased demand.

Proposal

Governor Walz is recommending a \$700,000 appropriation from the Environmental Fund for FY2024 and each subsequent year to support four additional FTEs in the industrial stormwater program and one FTE in the subsurface sewage treatment system program. The added stormwater staff would help the program conduct inspections, respond to complaints, issue permits, assist permittees with climate resilience and technical issue, assist local government programs and advance initiatives to replace or upgrade septic systems for households with low incomes.

In other 2023 proposals, the Governor is also requesting the following funding to support county septic system administrators and low-income homeowners:

- \$7.1 million from the Clean Water Fund for FY2024 FY2025.
- \$221,000 from the Environmental Fund for FY2024 and each subsequent year.

Why it's important

The MPCA's water regulatory programs are a critical part of protecting water quality in Minnesota. State rules and agency action help prevent pollution, whether it's rain and snow melt contaminated with oil and anti-freeze running off a salvage yard or untreated sewage from a malfunctioning septic system contaminating groundwater. Adequate staffing will help ensure the MPCA is doing timely inspections, supporting the efforts of local governments and service providers, assisting permit holders, and preventing harm to water quality at thousands of sites around the state.

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Better prepare for environmental emergencies

Directing more resources to the MPCA's emergency response team will help prevent and prepare for spills, accidents, and disasters.

Challenge

The MPCA's emergency response program is on call 24 hours a day to respond to environmental emergencies such as natural disasters, train derailments, storage tank failures, pipeline breaks, and tanker truck accidents. MPCA responders collaborate with local, county, state, and federal governments in more than 3,000 incident reports they field each year. The agency's emergency responders also plan and prepare for spills and environmental emergencies. It participates in training exercises with partners, provides oil spill response training to fire and public works departments, and reviews companies' spill prevention and response plans.



Current staff shortages are curtailing this critical work. The MPCA is required to help railroads that carry oil or hazardous substances to prepare for spills and accidents, and it must help local emergency prepare for these types of emergencies. However, the funding initially provided for these activities has ended.

When investigating spills and environmental emergencies, program staff may find violations of reporting, cleanup, or preparedness requirements. But the program has stopped pursuing enforcement actions due to a lack of resources, and some entities are not being held accountable when violating state law.

Proposal

Governor Walz is requesting a \$420,000 appropriation from the Environmental Fund in FY2024 and each subsequent year to support the work of the MPCA's emergency response program. The funds will be used for one existing and two additional FTEs to address spill preparedness requirements with railroads, improve internal and external planning and preparedness, provide technical support for other MPCA programs, and take enforcement actions where necessary.

Why it's important

The MPCA's emergency response team is an important part of protecting human health and the environment in Minnesota. The staff's expertise and continuous availability are critical to minimizing the impact of spills and other

environmental emergencies. Because preventing pollution is always more cost effective that cleaning it up, funding the agency's work with companies and other partners to prevent and prepare for environmental emergencies is a practical use of state resources.

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Improve storage tank oversight

Authorizing new fees for major storage tank facilities will enable regular inspections and more timely permitting.

Challenge

The MPCA regulates spill protection for aboveground storage tanks (ASTs) at approximately 6,677 sites in Minnesota. Seventy-seven of these sites are major facilities with total tank storage capacity of one million gallons or more. The MPCA has only two and a half FTEs for permitting and oversight of aboveground tank facilities. At current staffing levels, major facilities are inspected once in a 20-year cycle, and the program is managing a backlog of expired permits and delayed construction permits. Above ground storage tank facilities currently pay no permit fees.

Proposal

Governor Walz is proposing authority for permit application and modification fees, and annual fees, for the Aboveground Storage Tank Program. The fees would fund the existing staff and an additional three FTEs. The new staffing would allow for annual inspections at major facilities and support complaint response for Minnesota's 6,600 non-major AST sites. Additional staff would also allow the agency to conduct needed training and outreach for AST operators. Inspections and training help ensure that tank owners are meeting requirements for preventing or containing spills, protecting against tank corrosion, safely transferring substances, and more.

Why it's important

The 77 major aboveground storage tank facilities in Minnesota represent 85% of the state's total liquid aboveground capacity (more than a billion gallons) and, in the event of a spill or release, pose a major risk to human health and the environment. The tanks are used in a range of industries and hold gasoline, crude oil, jet fuel, asphalt, and other hazardous materials. Ensuring tanks are structurally sound and managed properly will prevent the potentially catastrophic consequences of tank failures and leaks.

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Inspection cycle with current staff (major facilities)



Enhance coordination and communication for complex permitting projects

Funding will empower communities to be more involved in agency decision-making.

Challenge

Complex permitting and environmental review projects often require additional time and resources to ensure that numerous agency actions, including environmental review, permits and certifications, are coordinated to ensure public feedback. The agency has heard from legislators, local elected officials, tribal nations, and the public that they would like to see more communication, coordination, and engagement with stakeholders on these projects. Regulated parties and project proposers also have concerns about timelines associated with permitting and environmental review.



To improve coordination, communication, transparency, and engagement, the MPCA has implemented on a very small scale a centralized project management process for complicated, high-profile projects. The MPCA does not currently have sufficient staffing to consistently provide this enhanced coordination, communication, and engagement process. This work requires additional staff with expertise in project and relationship management to coordinate among agency programs and facilitate conversations with senior leaders, stakeholders, and communities potentially impacted by permitting actions.

Proposal

Governor Walz proposes \$700,000 in FY2024 and each subsequent year from the Environmental Fund for five new FTEs to oversee MPCA's enhanced permitting, environmental review, and public engagement process for significant projects. The positions will oversee effective communication and coordination between project proposers, MPCA programs, other state agencies, local governments, key stakeholder constituencies, and residents.

This funding will ensure efficiency, transparency, and engagement in the environmental review and permitting process, providing residents ample opportunity to ask questions and share feedback on project proposals.

Why it's important

The MPCA values vigorous public engagement built on a transparent process. With proper staffing, the agency can balance communities' desire for meaningful engagement opportunities with the business community's need for efficient and timely regulatory processes. This will result in better outcomes for our environment and healthier communities across Minnesota.

Minnesotans who may be disproportionately impacted by pollution, including communities of color, Indigenous communities, and low-income communities, will have better access to information regarding a proposed project and opportunities to provide valuable feedback before an agency decision is made.

For more information

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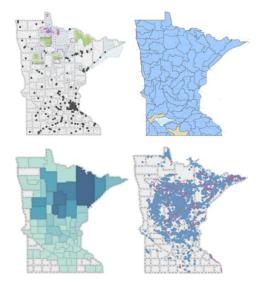
Improve services and environmental protection through better data management

Increasing resources for data management is crucial to the MPCA's decision-making process.

Challenge

Understanding the spread of groundwater contamination, the cumulative effects of air pollution, and shifts in Minnesota's lakes because of climate change are just some examples of how data are applied to the MPCA's work. Ensuring quality data is critical to the agency's decision-making process and maintaining public trust in state environmental reporting. As approaches to environmental data management continue to evolve, the MPCA has not been able to maintain the staffing or systems to support the increased flow and complexity of data.

This reality has resulted in data backlogs at the MPCA, meaning data cannot be reviewed and promptly made available to staff, stakeholders, or the public. These delays significantly impact our ability to evaluate environmental threats and reduce or eliminate the impact of pollution on human health and the environment.



Proposal

Governor Walz recommends \$1.96M in FY2024 and each subsequent year from the Environmental Fund to establish fourteen new environmental data management and data quality positions within the MPCA. These positions will support improved data management and the increasing quantity and complexity of environmental data.

These positions will maintain public trust in state environmental reporting and decision-making. Additional staffing will ensure the agency can be nimble in responding to new environmental data needs and that the data our agency uses are high-quality and consistent.

Why it's important

The current number of agency staff and systems available for data management are unable to meet processes consistent with U.S. Environmental Protection Agency requirements. Failure to increase the agency's data management resources will risk the quality of our environmental data, potentially impacting public health, our ability to issue permits and enforce regulations, and the environmental analysis of our land, air, and water. This proposal is made in response to both direct requests from stakeholders and observations from MPCA programs on data needs. This investment in environmental data management will allow the agency to strategically manage environmental data collected by the agency, partners, and permit holders now and into the future.

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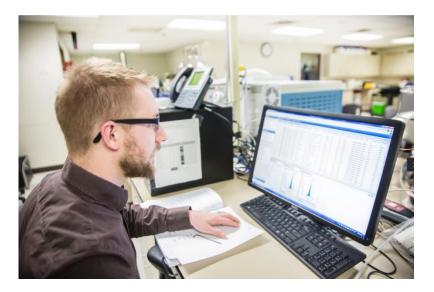


End paper-based data management

Crucial investments will bring data collection and analysis systems into the 21st century.

Challenge

The MPCA is a data-rich agency. Data are required for scientific analysis of our water, air, and land. Whether we seek to understand the quantity and impact of pollution, the results of permit issuance, or meet clean-up standards, data are required. The agency continues to fall behind in the use of technology to support our data collection, analysis, and visualization needs. In some cases, data submission is still being done on paper, which delays sharing information with regulated parties and the public, creates inefficiencies, risks the loss of information, and produces inaccuracies in our work.



The agency is no longer able to meet service expectations for the 21st century. Businesses, residents, and staff expect to access data quickly and to submit data and documents electronically — not by outdated, paper-based methods. The MPCA has not received adequate funding to update our systems for longer than a decade and cannot afford to continue to lag in this area.

Proposal

The Governor recommends \$35 million from the General Fund for FY2024-2025 to support modernized data management and collection systems at the MPCA. The agency will use the funds to update data collection systems and partner with Minnesota's IT Services Agency to develop improved online services and replace outdated applications.

The requested appropriation will bring the way our agency provides services to regulated parties, partners, and residents of Minnesota into alignment with current business and technology standards. It will create new, updated, and advanced technological solutions for work routinely done by the agency.

Why it's important

The agency recently built an online services hub for industrial stormwater permittees, replacing a paper-based system. Permittees now complete applications online and receive a permit coverage document within 24 hours — a process that used to span a week. This allows agency staff to provide more efficient, quicker services and gives permittees a better understanding of agency expectations. These updates are needed across all permit programs.

This proposal will be deemed successful when critical applications are using current technology and routine application development time is reduced by at least 50%. Customer satisfaction (internal and external) will also be measured. Additionally, applications will reflect current solutions for security, accessibility, and usability.

For more information

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Manage new funding opportunities

An influx in federal dollars will require additional finance staff to manage the funds.

Challenge

The MPCA's budget has become more complex because of our role in managing new federal funding opportunities and state settlements with companies like Volkswagen and 3M. The agency's fiscal staff has limited capacity to ensure sound data management and process documentation are in place for financial planning and analysis on these topics.

This influx of funding will create new opportunities as well as a substantial additional workload for an already lean fiscal team. The ongoing and increased demand for accurate and real-time financial reporting remains a business priority to ensure the appropriate and efficient use of government resources. Thus, it is important that financial planning, budgeting, and reporting operations are effectively resourced to manage this increasing in data processing and reporting.

Proposal

The Governor recommends \$720,000 in FY2024 and each subsequent year from the Environmental Fund to support financial planning and analysis, with emphasis on risk and compliance management across the MPCA's program and financial system. This proposal will increase the level of staffing in the agency's financial assistance and budgeting department to research, request, receive, and manage the opportunities provided by the anticipated influx of federal funding opportunities. This includes adding a fiscal coordinator, two auditors, a grant support position, and six student workers.

Why it's important

Sound fiscal management is critical to the success and integrity of the agency. Expanded internal audit capabilities will ensure financial process and documentation are developed and maintained. This additional support will be needed to financial management requirements from the state. This proposal will ensure that the budgeting, risk management, grants administration, and reporting needs of the agency are met.

For more information

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Budget proposal 2023

MINNESOTA POLLUTION CONTROL AGENCY

Implement Minnesota's PFAS Blueprint

Preventing and cleaning up PFAS contamination requires staff and financial resources.

Challenge

Per- and polyfluoroalkyl substances (PFAS) are a family of more than 5,000 chemicals that are now pervasive in the environment. Called "forever chemicals," they don't break down and can accumulate in water, soils, and humans and other living organisms. Many PFAS, even at low levels, can cause health problems.

To address the potential harm from PFAS, state agencies laid out a plan — the Minnesota PFAS Blueprint — to prevent, manage, and clean up PFAS contamination. The plan outlines strategies for removing sources of PFAS; monitoring PFAS contamination in air, water, land, and fish; protecting drinking water; determining health risks; and more. In addition, the U.S. EPA is taking steps to further regulate PFAS under federal laws.



The pervasiveness of PFAS means that many MPCA programs — such as pollution prevention, solid waste disposal, wastewater and stormwater permitting, air emissions reporting and regulation, and contaminated site cleanup — have additional PFAS-related work and challenges. New federal PFAS regulations will also affect Minnesota permit holders. The agency needs additional staff with the technical expertise and planning capabilities to implement PFAS reduction initiatives in all these areas and provide technical support to regulated facilities.

Proposal

Governor Walz is seeking a \$2.07 million annual appropriation from the Environmental Fund to add 13 FTEs across MPCA divisions and programs, to help implement the Minnesota PFAS Blueprint. The additional staff would begin with the first major initiative of the PFAS Blueprint, the PFAS Monitoring Plan, which calls for:

- Gathering Minnesota-specific information.
- Identifying areas of concern that need quick action.
- Collecting data to prioritize reducing sources of PFAS and prevent pollution.

The new staff will also assist regulated businesses and facilities as new federal PFAS regulations lead to new requirements.

Why it's important

The overwhelming consensus of scientists and environmental professionals is that significant actions are needed to prevent adverse impacts from PFAS. Minnesota state agencies have collaborated on the Minnesota PFAS Blueprint because of the risks posed by PFAS to human health and the environment. Implementing the Blueprint will be challenging. Significant resources are needed to effectively address the threats from PFAS and protect Minnesota residents and our treasured natural resources.

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Assist business and local government with reducing PFAS use

Providing grants to reduce the use of PFAS will prevent pollution and reduce future cleanup costs.

Challenge

Per- and polyfluoroalkyl substances (PFAS) are a family of more than 5,000 chemicals that are now pervasive in the environment. Called "forever chemicals," they don't break down and are found in drinking water, fish, soils, lakes and rivers, and even human blood. Many PFAS can cause health problems at low levels.

To address the potential harm from PFAS, state agencies laid out a plan — the Minnesota PFAS Blueprint — to prevent, manage, and clean up PFAS contamination. The plan outlines strategies for removing sources of PFAS; monitoring PFAS contamination in air, water, land, and fish; protecting drinking water; determining health risks; and more.



Metal plating is one type of business that uses PFAS.

Removing sources of PFAS contamination is a daunting task. PFAS continue to be manufactured and used in industrial and commercial products, which means they are still being released into the environment. The most effective way to reduce PFAS contamination will be to lessen or eliminate their use.

Proposal

Governor Walz recommends \$4.21 million for FY2024 and \$210,000 in FY2025 and FY2026 from the General Fund for PFAS reduction grants. The funds would support 1.5 temporary FTE and provide financial assistance to business and local government for reducing or eliminating the use or release of PFAS. Grantees would be able to use the award to identify product or process changes, design treatment

strategies, monitor the effectiveness of changes, and related activities.

Why it's important

The overwhelming consensus of scientists and environmental professionals is that significant actions are needed to prevent adverse impacts from PFAS. Minnesota state agencies created the Minnesota PFAS Blueprint because of the risks posed by PFAS to human health and the environment. Pollution prevention is always more cost-effective than cleanup.

1200

Estimated number of Minnesota businesses that may be using PFAS.

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Deploy drinking water treatment to combat PFAS

Funding treatment systems for drinking water will reduce Minnesotans' exposure to "forever chemicals."

Challenge

Per- and polyfluoroalkyl substances (PFAS) are a family of more than 5,000 chemicals that are now pervasive in the environment. Called "forever chemicals," they don't break down and have accumulated in water, soils, humans, and other living organisms. Many PFAS can cause health problems, even at low levels.

Within the next year, the U.S. EPA is expected to finalize new drinking water standards for two PFAS: PFOA and PFOS. Once the EPA's new standards are finalized, some public water systems in Minnesota will exceed the standards. The systems may need to make operational



changes, install treatment technology, or find alternative sources of drinking water to comply with federal rules. The MPCA will need to investigate the sources of PFAS contamination, identify any responsible parties, and study potential impacts on private wells. Current funding levels are not sufficient to support the needed work.

Proposal

Governor Walz is recommending a \$25 million appropriation from the General Fund in FY2024 to support the planning, design, and bidding of public drinking water treatment systems to combat PFAS contamination. The MPCA will also use the funds for testing and installing treatment on private wells and investigating sources of PFAS contamination to drinking water wells.

Why it's important

The overwhelming consensus of scientists and environmental professionals is that significant actions are needed to prevent adverse impacts from PFAS. State agencies collaborated to develop the Minnesota PFAS Blueprint to address the many risks posed by the chemicals, including drinking water contamination. Contaminated drinking water is a significant way that people can be exposed to PFAS and should be prioritized for mitigation and treatment.

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Empower local governments to be more resilient and sustainable

Minnesota's GreenStep Cities program is a success story that is ready to grow.

Challenge

Minnesota GreenStep Cities helps cities across Minnesota achieve their sustainability and quality-of-life goals. This continuous improvement program, which is free to cities, encourages participating communities to become more environmentally friendly by implementing 29 best practices that focus on improving buildings, land use, transportation, environmental management, and resilient economic and community development.

The GreenStep Cities program started in 2010 with one MPCA staff member managing the participation of 15 cities. Today, the program has grown to include 143 cities and four tribal nations but continues to operate with only one staff member. While the program includes additional staffing support through



public/private partnerships, this ad-hoc approach does not provide the consistency needed for continuous improvements. Given the increasing frequency of extreme weather events and other impacts of climate change being felt across Minnesota, communities are more motivated than ever to become more resilient and sustainable, and this requires additional technical assistance and support.

Proposal

Governor Walz recommends an appropriation of \$190,000 from the General Fund in FY2024 and each subsequent year to hire one additional FTE and provide program dollars to keep pace with the program's growth and meet increasing demands from cities. This support will increase program capacity and better assist participants with technical assistance to plan, implement, and measure their efforts to increase sustainability and equity and protect against damaging effects of climate change.

Why it's important

Growing Minnesota's GreenStep program is crucial to meeting goals for resilient communities as outlined within Minnesota's Climate Action Framework. These additional funds will ensure that the program provides the services necessary for local, tribal, and other governments to incorporate strategies that enhance sustainability efforts and address climate change. Without this funding, the program will not meet growing expectations of program participants.



GreenStep Cities programs are also well poised to assist governments with securing federal funding opportunities available through the Federal Infrastructure and Jobs Act and the Inflation Reduction Act. Without additional funds, the GreenStep program is unable to provide necessary technical assistance and support.

For more information

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Identify Minnesota's most beneficial solutions to address climate change

Designing policies to better understand their impact will help advance our Climate Action Framework.

Challenge

Minnesota has not met our goals to reduce greenhouse gas (GHG) emissions. We must do more to avoid the catastrophic impacts of climate change and meet our goals set by the Next Generation Energy Act (30% reduction in GHG below 2005 by 2030; 80% by 2050) and goals set by the Minnesota Climate Action Framework, global companies, and countless international governments to reduce GHG emissions to be net zero by 2050.

Minnesota conducted an official evaluation in 2016 to determine the possible impacts of GHG reduction and climate policies. Much has changed since then in terms of availability and affordability of technology, as well as the policy and funding landscape.



Proposal

Governor Walz recommends \$500,000 from the General Fund in FY2024 for the MPCA to hire a consultant that will evaluate the GHG impacts, costs, and benefits of strategies that could reduce statewide GHG emissions.

This evaluation will be used to identify the most effective portfolio of policies to meet the goals of Minnesota's Climate Action Framework. Funding would also support stakeholder and tribal engagement to inform this evaluation process, which is critical for getting buy-in on the modeling and prioritization and using it to launch action.

Why it's important

This analysis will help identify the biggest leverage points for climate action. The activities identified through this process will reduce the most GHG emissions, have the lowest costs, have meaningful cobenefits, and will be supported by stakeholders and the public. The analysis will also help explain the impacts of recent federal policy and some of the complex policy interactions and trade-offs associated with climate change. Actions taken may also improve equity, sustainability, resiliency, emergency preparedness, and pollution reduction. Ultimately, the collaboration and prioritization undertaken through this project will lead to actions in Minnesota that reduce our GHG emissions.



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Budget proposal 2023

Understand the climate impacts of new projects

New requirements for environmental review require new expertise for our agency.

Challenge

An environmental assessment worksheet is a document that provides information about a new or expanding facility and informs the public about how the environment will be protected during construction and once the facility is operating. Climate change is the most significant threat to our environment and the health of Minnesotans. Understanding how new projects in our state contribute to climate change is important in protecting the well-being of current and future Minnesotans. For this reason, starting in December 2022, environmental assessment worksheets include climate change information for environmental review.



The MPCA needs additional expertise within our environmental review program to properly support additional analysis and review related to climate impacts. The analyses required in the new worksheet process will include quantifying greenhouse gas emissions from specific projects and considering other potential impacts to the climate.

Proposal

The Governor recommends \$180,000 in FY2024 and \$140,000 in FY2025 and each subsequent year thereafter from the General Fund to support one FTE who will specialize in climate-related environmental review activities. This additional staff person will support the MPCA and local governments responsible for completing environmental assessment worksheets to ensure timelines are met for environmental reviews with the addition of new required information.

These funds will also be used to secure software that will support our understanding of greenhouse gas emissions and other potential climate impacts of proposed projects.

Why it's important

The MPCA reviews approximately 20 environmental assessment worksheets annually and provides comments on worksheets overseen by local governments across Minnesota. This work is supported by a unit of seven agency staff. The unit relies on subject matter experts to address individual components of each review. The additional climate impact analysis will require additional capacity and expertise that current staff does not have. The FTE will serve as the subject matter expert for this topic area and will contribute to all reviews completed.

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Prepare our communities for climate change

Funding local governments to respond to the impacts of climate change is a critical pillar of Minnesota's Climate Action Framework.

Challenge

Minnesota is enduring worsening impacts of climate change including more frequent extreme storms, rising temperatures, and poor air quality. These events cause devasting effects on public infrastructure, shared spaces, businesses, and residents.

- During the past 20 years, there were more than twice as many mega-rain events compared to the previous 27 years.
- In 2012, the Duluth area saw 7.24 inches of rain within 48 hours, causing the St. Louis River to rise 10 feet and resulting in \$100 million in damage to public infrastructure.
- Summer 2021 brought multiple days of unhealthy air quality from wildfires in Canada and the western U.S., where climate change creates high fire risks.
- Minnesota has lost 10 to 14 days of lake ice over the past 50 years, impacting lake and fish health, outdoor winter sports enthusiasts, and business owners.



Currently, there are significant gaps in funding available for local governments and tribal nations to protect community spaces and public infrastructure from these devasting impacts. To best prepare for these weather events and become more resilient, communities must have access to funds to conduct planning activities and then resources to implement highest-priority actions such as upgrade aging infrastructure with climate-smart design and developing community features to combat flooding and heat island effect.

Proposal

Governor Walz recommends \$86.94 million in FY2024 and FY2025 and then \$1.12 million in each subsequent year from the General Fund. This funding will continue a grants and technical assistance program that helps communities adapt to a warmer and wetter Minnesota. This program was established by the Legislature in 2021. In the first round of funding, the MPCA received 49 applications from local governments across Minnesota for 12 available grants.

This support will allow local leaders across Minnesota to assess needs, reduce energy use and costs, construct resilient local infrastructure that can withstand flooding, and implement other community-based solutions to climate change. These projects could include:

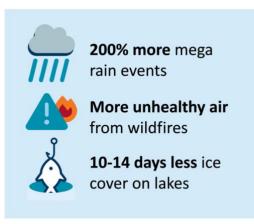
- Engineering and construction projects to upgrade shared spaces like community buildings, parks, libraries, and other publicly owned facilities to withstand more frequent and intense localized flooding and erosion.
- Streambank and shoreline restoration to reduce flooding risk through enhancements that will prevent erosion.

- Construction and landscape updates to reduce excessive heat, including tree planting for shade and design improvements to keep buildings cooler.
- Technical assistance for resiliency planning, including planning and design support, and development of resiliency metrics.

Eligible entities will include local governments, tribal nations, and community-based nonprofits.

Why it's important

Minnesota's Climate Action Framework calls on our state to prepare our communities for climate change. Today, there are over 155,000 residential properties, 29,000 miles of roads, and 13,000 businesses in Minnesota at risk of severe flooding. According to the U.S. EPA, the average 100-year floodplain is projected to increase 45% by the year 2100, while the annual damages from flooding are predicted to increase by \$750 million. Every \$1 spent on climate preparedness saves Minnesota \$6 in future response costs. By reducing the damage from stormwater flooding and other climate-driven extremes, Minnesota communities can save millions of dollars.



For more information

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Invest in prevention, reuse, recycling, and composting to reduce waste

Expanding our recycling infrastructure will grow our economy and reduce our climate impact.

Challenge

Minnesota is bulging with waste. Despite ongoing efforts to prevent waste through recycling and composting programs, nearly half of our state's waste is disposed of in a landfill or at a waste-toenergy facility. Managing trash poses logistical challenges that can be lessened by promoting waste prevention and reuse. Prevention and reuse strategies are also priorities in Minnesota's efforts to combat climate change. Counties are required to implement waste prevention, reuse, and recycling programs, but there are significant gaps in funding for these initiatives. Additional funds are needed to help counties fulfill their waste prevention obligations and meet Minnesota's waste reduction goals.



Proposal

The Governor recommends \$16.94 million in FY2024 and \$16.94 million in FY2025 from the General Fund.

This proposal provides an infusion of money (\$4 million in each of FY2024 and FY2025) for local county efforts to improve prevention, reuse, and recycling activities to help them meet county waste management goals. Beyond FY2025, the proposal continues to provide counties \$2 million a year to focus on waste prevention and reuse activities. The funds would be dispersed through SCORE (Select Committee on Recycling and the Environment) grants.

Waste prevention, reuse, and recycling efforts are not limited to counties, so the proposal includes grant and loan funding for private businesses, nonprofit organizations, and tribal nations advancing this work. Grants and loans would be provided for areas of need including:

- \$3 million for wasted food and food rescue efforts.
- \$2 million for overall waste prevention and reuse projects.
- \$4 million for market development projects.
- \$2 million for sustainable buildings and materials programs and projects.
- \$5 million for organics programs and projects.
- \$4 million for expanding markets and improving planning for wood waste.
- The proposal also includes seven full-time FTEs for the agency to administer the grant programs and provide waste prevention and reduction assistance to counties and others receiving grants.

Why it's important

Demand for MPCA-administered grants to support waste prevention, reuse, recycling, composting, and market development far exceeded the amount of funding that is currently available. The MPCA has awarded prevention of wasted food and food rescue grants to 16 projects, with a total budget of just over \$2 million. During the three grant rounds, we received 75 applications for \$9.5 million. It is clear there is a strong demand for these grants.



Supporting a robust reuse and recycling infrastructure across Minnesota will also grow our economy. Recycling currently

supports 36,000 jobs in our state, paying almost \$3.4 billion in wages. The reuse, rental, and repair sectors also make a significant economic impact in Minnesota, providing over 55,000 Minnesota jobs and generating about \$5.8 billion in economic activity each year.

For more information

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Budget proposal 2023

MINNESOTA POLLUTION CONTROL AGENCY

Continue agency collaboration to protect Minnesota's air

State agencies need support to prevent the disproportionate impact of air pollution on certain communities.

Challenge

The impact of air pollution on human health, particularly in communities of color and low-income communities, continues to be a major concern in Minnesota. Climate change is compounding these impacts, leading to even more harmful effects in vulnerable communities. At the state level, this issue is addressed through a joint state agency effort, led by the Minnesota Pollution Control Agency and Department of Health (MDH).

Our agencies' effectiveness depends on our ability to monitor air pollution and understand its risks to human health. The Minnesota Department of Health



reviews and develops health benchmarks to help Minnesota understand the direct impact of air pollution. Increasingly, MDH is tasked with defending these benchmarks, as facilities question the need to reduce air pollution. These areas of expertise are currently understaffed at the MDH and additional funding is needed to maintain the success of our joint agency initiative.

Proposal

The Governor recommends \$400,000 in FY2024 and each subsequent year from the Environmental Fund to increase funding for this joint agency initiative. This money will be used for additional biomonitoring resources to address environmental health risks posed by contaminants in the air. The increased funding will be passed through to the Minnesota Department of Health and support additional toxicology work to develop and review health benchmarks.

This funding will allow MDH to provide additional and faster air pollutant reviews, and in turn, allow the agency to better estimate risk and protect vulnerable communities. Additional funds would also provide the MDH resources to better partner to create advice, messaging, reports, and community outreach regarding the impacts of climate change and air toxins on human health.

Why it's important

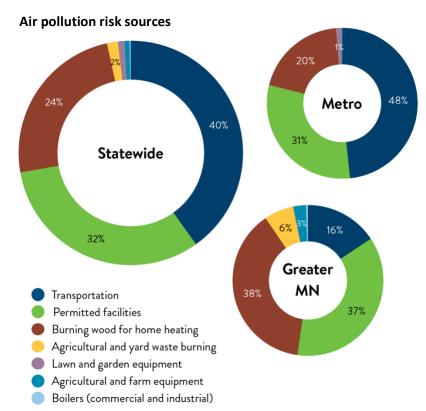
The MPCA is committed to reducing risk from air pollution on areas with current disproportionate impacts. Often MDH support is needed to understand and communicate the risk air pollution poses to human health. Additional resources would allow for more comprehensive and ongoing collaboration between our agencies.

Additional support is also needed to communicate the human health impacts of climate change and air pollution. Social, economic, historical, and political factors shape the ability of some communities to prepare for, cope with, and recover from climate change impacts. It is important that our agencies are resourced to communicate about the link between air pollution, climate change, and the wellbeing of Minnesotans.

For more information

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Support water protection work by Minnesota counties

Increasing pass-through funding for county programs will prevent water quality degradation from feedlots and septic systems.

Challenge

Minnesota counties are important partners with state agencies in regulating feedlots and septic systems so that lakes, rivers, and groundwater are protected from untreated or improperly managed manure or sewage. In both the feedlot and subsurface sewage treatment programs, the MPCA has delegated part of its authority to Minnesota counties. Counties are required to administer subsurface sewage treatment (SSTS, also called septic system) programs that enforce rules, review plans, approve permits, and conduct inspections. In most of the state's livestockdense counties, local county feedlot staff



conduct inspections, manage permitting, and respond to complaints for most facilities with fewer than 1,000 animal units.

Funding for counties to implement both the septic system and feedlot programs have stagnated; funding levels have not changed since the FY2012-FY2013 biennium for feedlots and since the FY2014-FY2015 biennium for septic systems. This funding is no longer sufficient to support the counties' work.

Proposal

Governor Walz is proposing a \$1 million appropriation from the General Fund in FY2024 and each subsequent year to support counties that administer county feedlot programs.

The Governor is also proposing a \$221,00 appropriation from the Environmental Fund for FY2024 and each subsequent year to support county septic system programs.

In other 2023 proposals, the Governor is also requesting:

- \$700,000 from the Environmental Fund for FY2024 and each subsequent year, part of which will fund one FTE for the MPCA's SSTS program.
- \$7.1 million from the Clean Water Fund for FY2024-FY2025 to support county septic system administrators and low-income homeowners in need of septic system upgrades or replacements.

Why it's important

Counties are responsible for protecting water quality and serving the needs of businesses, homeowners, and service professionals in septic system and feedlot industries. Fifty counties participate in the feedlot program and collectively serve 80% of more than 18,000 registered feedlots in Minnesota

All counties in the state administer subsurface sewage treatment system programs. The number of septic systems installed per year in the state rose by 20% between 2017 and 2021. The increased activity has increased the workload for local SSTS programs. Local governments need adequate funding to help prevent harm to water quality from feedlots and septic systems, at thousands of sites around the state.

For more information

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Policy and budget proposal 2023

Address inequities in pollution exposure

Understanding and preventing cumulative impacts of pollution is crucial to protecting the health of Minnesotans.

Challenge

Exposure to polluted air, water, and soil, leads to adverse impacts on human health. While many parts of Minnesota have benefited from pollution reductions, more work is required in areas where Black, Indigenous, people of color, and lowincome residents live. Past business decisions and discriminatory government policies resulted in pollution-heavy industrial facilities located in many lowincome and diverse communities and neighborhoods, creating multiple sources of pollution impacting homes, schools, and workplaces. This increased exposure corresponds to health disparities exhibited in these same communities.



The MPCA is committed to addressing cumulative impacts that result from exposure to multiple sources or types of pollution along with other stressors such as socioeconomic disadvantages, lack of greenspace, and health vulnerabilities. To successfully do this work, we must have the resources to integrate analysis of cumulative impacts into our decision-making process as an agency.

Proposal

The Governor recommends \$715,000 in FY2024 and \$200,000 each subsequent year from the Environmental Fund to implement cumulative impacts analysis into the work of the MPCA, including the development of a Cumulative Impacts Framework.

This proposal supports a two-pronged cumulative impacts initiative. The first prong will implement a new law, and corresponding rulemaking, to consider cumulative impacts in the agency's permitting decisions in environmental justice areas of concern. The second prong will allow MPCA to hire one FTE to coordinate the development of a Cumulative Impacts Framework and lead the implementation and program development.

Why it's important

This proposal will clarify the importance of considering cumulative impacts in MPCA's permit decision-making. As part of this work, the agency will undertake a rulemaking effort to design the cumulative impacts analysis process to minimize the cumulative impacts of pollution.

Studies from across the country and MPCA's own data indicate that people of color and those in lower-income areas face disproportionate risk from environmental pollution as well as other non-pollutant stressors. The U.S. Environmental Protection Agency has recently announced new guidance and to identify and address cumulative impacts in order to consider the lived experience of communities overburdened by pollution. A focus on cumulative impacts will better inform MPCA's efforts to decrease inequity and focus on reducing the most impactful sources of pollution.

For more information

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Maintain independent air pollution monitoring

Additional funding will allow the MPCA to monitor for air pollution without relying on businesses for data.

Challenge

The MPCA continuously monitors Minnesota's air, land, and water for pollution. Maintaining consistent, accurate, and independent monitoring is crucial to protecting our health and environment. Until recently, MPCA air quality inspectors had to rely on recordkeeping done by regulated facilities and data provided by third-party consultants (typically hired by these facilities) to ensure businesses were not exceeding their pollution limits. To continue independent monitoring, the MPCA needs additional funding for our own air monitoring equipment.

New equipment will allow the MPCA to independently verify that air emissions limits are being met. Without the equipment, the MPCA must rely on third parties hired by the facility to demonstrate compliance, which can take more time and does not provide the public adequate assurances that air emissions facilities always comply with emission limits.





Proposal

The Governor recommends \$40,000 from the General Fund in FY2024 and each subsequent year to maintain existing air monitoring

To the naked eye, no emissions are visible. With infrared imaging, methane emissions

equipment. This funding includes ongoing calibration and certification of equipment, the renewal of the agency's digital monitoring software license, and purchase of other necessary air monitoring equipment.

This proposal covers equipment maintenance expenses in the next two fiscal years, including:

- Renewing a specialized software license totaling approximately \$20,000 in FY2024.
- Calibration and recertification of two infrared cameras totaling approximately \$35,000 to FY2025.
- Gases for equipment calibration, estimated at \$1,000 in FY2024 and FY2025.
- Additional equipment such as noise monitors and hydrogen sulfide monitors in FY2024 and FY2025.

Why it's important

This proposal will maintain the current monitoring equipment so that it can be used for regulatory purposes. If funding stops, equipment purchased in FY2022 and FY2023 cannot be used for regulatory purposes by the MPCA or local units of government. Without air monitoring equipment, the state will rely on third-party compliance

verification and the facility will be aware of when monitoring is occurring. This puts the validity of our monitoring and compliance enforcement work at risk, jeopardizing the health and safety of Minnesotans.

For more information

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Budget proposal 2023

MINNESOTA POLLUTION CONTROL AGENCY

Grow our partnership with tribal nations to address climate change

Minnesota's tribal partners need support to meet their climate goals.

Challenge

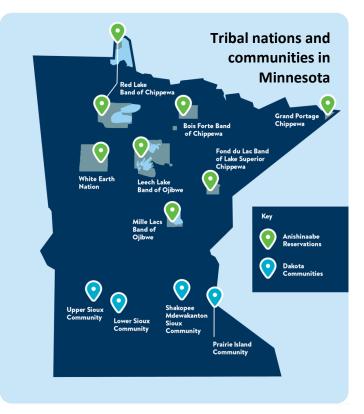
Tribal governments and Indigenous people are key partners in the state's work to prepare for climate change, reduce greenhouse gas emissions, and grow clean jobs. During formal consultations and conversations, tribal partners have shared that they lack the technical resources and staff needed to effectively prepare for and address climate change. Access to additional assistance is particularly important to ensure tribal governments with limited environmental staff can maximize the benefits of federal funding for environmental protection and climate action.

Proposal

Governor Walz recommends an appropriation of \$2 million from the General Fund in FY2024 and each subsequent year to establish a new tribal assistance program at the MPCA. This proposal will establish a contract with a third party to assist tribal governments and organizations with applying for and managing environmental or climate grants for assistance on climate-related work.

The types of technical support provided to our tribal partners may include grant writing assistance, grant management or fiscal management assistance, environmental science or engineering assistance, or engagement and educational assistance to advance climate action. The MPCA will track the number, type, and quality of assistance provided to tribal partners and directly oversee contractor performance and ensure state laws are followed.





Why it's important

Tribal nations and Indigenous communities bear disproportionate impacts of pollution and climate change. This proposal would address longstanding needs expressed by tribal governments for resources to advance their own climate change priorities. Supporting the work of tribal nations on climate benefits everyone in Minnesota.

Beyond positive climate impacts, this work will also support cleaner air and water and specific initiatives that address food sovereignty, adequate and efficient housing, and job opportunities.

For more information

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Improve air quality for the most vulnerable

Using grants to incentivize air emission reductions will protect people who have been disproportionately harmed by pollution.

Challenge

Minnesota's air quality is generally good, but pollution levels are not consistent throughout the state. People in some communities experience air pollution that is high enough to worsen health conditions, or are exposed to contaminants that aren't subject to federal and state standards. Long-term exposure to some regulated pollutants, even at low levels, can be harmful to human health

Facilities that release air pollution may not have incentives to reduce their emissions if they are currently complying with federal and state standards. But reducing those emissions



would help protect human health, particularly in Black, Indigenous, or low-income communities and communities of color, which are disproportionately affected by air pollution.

Proposal

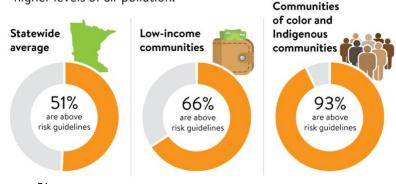
Governor Walz is recommending a \$3.2 million in FY2024 and \$3.2 million in FY2025 from the General Fund for grants to regulated facilities in environmental justice areas of concern. The grant dollars would subsidize pollution control equipment or process improvements that reduce the facilities' air emissions. The additional funds in FY2024 and subsequent years will support operating costs and two new FTEs at the MPCA to develop and implement the grant program.

Why it's important

More than 1,100 of Minnesota's industrial facilities with air emission permits are located in environmental justice areas of concern, where residents are disproportionately affected by pollution. People with lower incomes, communities of color, and members of tribal nations are exposed to higher levels of pollution due to past business decisions and discriminatory government policies that resulted in pollution-heavy industrial facilities

Air quality risk

These communities are more likely to be near higher levels of air pollution.



located in their neighborhoods. Encouraging industries with air emissions to go above and beyond what is required will reduce pollution and help address these inequities to improve health outcomes for all Minnesotans.

For more information

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Find innovative solutions to protect our environment and support Minnesota mining

Funding research and grants for the taconite industry will help reduce the effects of hard-to-manage pollutants.

Challenge

While an essential component of Minnesota's economy, taconite mining has the potential to release high levels of pollutants like mercury, sulfate, and greenhouse gases into Minnesota's air, land, and water.

Mercury in taconite facility air emissions is deposited on land and water. Many Minnesota lakes and rivers have excess mercury and consumption advisories that warn anglers to limit the fish they eat due to mercury contamination — and fish in northeastern Minnesota have much higher mercury concentrations than fish in the rest of state. Taconite facilities can also release high-levels



of sulfate into wetlands, lakes and streams, which has major impacts on the production of wild rice, a food critical to waterfowl and tribal nations. Directives from the federal government have put further emphasis on the taconite industry to meet sulfate limits for current and future facilities.

Installation of sulfate and mercury treatment technology can be expensive and more cost-effective alternatives must be explored. Addressing these challenges requires a public-private partnership to protect public health and the environment, and to support a thriving economy.

Proposal

Governor Walz is requesting a \$20 million appropriation from the General Fund in FY2024 to support pollution reduction grants for taconite mining facilities and research through FY2027. Of this amount, \$17.6 million will provide grants to taconite facilities that are required to reduce pollutants in either air emissions or discharges to surface waters. The grants would require a one-to-one funding match by participants.

The Natural Resources Research Institute at the University of Minnesota-Duluth will use \$2.1 million of the appropriation for its research and testing of innovative technologies to reduce pollutant concentrations in water discharges. The research outcomes will benefit various facilities around the state, including taconite mines.

The Governor is also requesting an annual \$300,000 appropriation from the General Fund for FY2024 and each subsequent year to fund two new FTEs and development of the new MPCA grant program.

Why it's important

Mercury is a neurotoxin that affects the nervous system of people, particularly young children. It can also cause kidney and liver damage. Eating contaminated fish is a primary way people are exposed to mercury. Sulfate is a pollutant that greatly impacts wild rice, a food source for people, waterfowl, and other aquatic life.

Working with researchers and industries to address mercury and sulfate pollution will help uncover new technologies and strategies to protect Minnesotans and our environment. The grants available to taconite facilities will both support tangible actions on pollutant reduction as well as a sustainable and thriving economy.

For more information

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Budget proposal 2023

Help small businesses invest in cleaner equipment

Investing in environmental improvement loans will spur economic development and protect human health and the environment.

Challenge

As state and federal environmental regulations evolve, small businesses in Minnesota are facing emerging challenges to comply with them. For example, companies may have to shoulder the expense of changing processes or purchasing new equipment to phase out greenhouse gas emissions, avoid use of per- and polyfluoroalkyl substances (PFAS), eliminate hydrofluorocarbonbased refrigerants, or meet other coming requirements. In addition, companies are seeking out more sustainable practices to save money, appeal to their customers, and protect the environment.

The MPCA's Small Business Environmental Improvement Loan program provides zerointerest loans to help companies replace highpolluting equipment, products, and processes with less-polluting alternatives. Eligible businesses must have 100 or fewer employees and less than \$500,000 in annual profits.



The MPCA has helped auto bodies shops in Minnesota reduce air pollution by adopting water-borne finish systems that work faster with less waste and energy consumption.

Proposal

Governor Walz is proposing \$1.79 million from the General Fund in FY2024, and \$70,000 in FY2025 and each subsequent year, to expand the Small Business Environmental Improvement Loan fund and support a 0.5 FTE to administer the program. The funds would provide for 26 additional zero-interest loans of up to \$75,000 each. The program is a revolving loan account, so as loans are repaid, the funds are used again for new projects.

Why it's important

Taken as a whole, Minnesota's small businesses are the state's top employer. But unlike large companies, they often don't have dedicated regulatory compliance staff. The MPCA assists small businesses with understanding and meeting their regulatory requirements. Providing financial support for large and necessary capital costs and process changes will help businesses meet those requirements, boost economic activity in Minnesota, and protect the environment and human health.

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Expand GreenCorps program to support more Minnesota communities

Adding 30 communities to Minnesota's GreenCorps program will have an impact across the state.

Challenge

Minnesota communities often lack the time, people power, and resources to carry out environmental projects. Minnesota GreenCorps members provide the energy and expertise to implement locally designed environmental projects that help communities improve environmental conditions and build their resilience to climate change. GreenCorps support is particularly useful to communities experiencing environmental injustices.

Minnesota GreenCorps has shown the power of community-based service can be leveraged to build capacity at partnering organizations to protect and improve the environment.



Proposal

The Governor recommends \$1.95M in FY2024 and each subsequent year thereafter from the Environmental Fund to expand the Minnesota GreenCorps program. The program will expand by 60% and increase the number of community partner organizations served and Minnesota residents engaged in service from 46 to 76. The MPCA would hire three FTEs to oversee the growth of the program. The reach of this budget change is statewide. An emphasis will be placed on communities in areas of environmental justice concern.

Why it's important

This request enables the program to expand its reach from 46 to 76 communities across Minnesota. It will contribute to longstanding goals of increasing member stipends to a livable rate, and provide additional training focused on diversity, equity, and inclusion. Additional staff will focus on creating intentional partnerships serving communities of EJ concern, increasing diversity in member recruitment, and developing a more robust training program to support professional development and post-service job placement in green careers.

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Support paint recycling and reuse

Making minor changes to the paint products stewardship statute will provide clarity to the program's administrators.

Challenge

Manufacturers that practice product stewardship share in the financial and physical responsibility for collecting and recycling products at the end of their useful lives. Minnesota has worked with several industries to develop product stewardship initiatives. Paint manufacturers that sell products in the state are required to reduce paint waste, promote paint reuse and recycling, and provide for the collection, transport, and processing of paint for recycling and reuse. The work is being done by PaintCare, a nonprofit organization established by the American Coatings Association to fulfill the state's requirement.

Some believe the statute that established the paint product stewardship program lacks clarity regarding several plan administration issues and leaves important concerns open to interpretation.



Proposal

Governor Walz is proposing changes to Minn. Stat. §115A.1415 to:

- Clarify the plan amendment procedure by ensuring parallel and consistent statute language.
- Detail the process for fee approvals by the MPCA.
- Establish a maximum reserve level for the program at 75% of annual expenditures.

Minor changes to the statute will remove any uncertainty in these areas. No funding is being requested for this policy change.

Why it's important

PaintCare has successfully diverted more than 7.9 million gallons of unwanted paint from landfills since the program was established in 2014. Recycling and reusing paint instead of disposing of it prevents potential air, water, and land pollution and conserves the resources used in manufacturing the paint. The proposed changes to the statute will ensure that any changes PaintCare makes to its overall plan are consistent and appropriate.

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Policy and budget proposal 2023

MINNESOTA POLLUTION CONTROL AGENCY

Expand recycling program to reduce waste

Including waste reduction efforts in recycling grant program will improve efficiency

Challenge

The State of Minnesota administers a competitive grant program to support waste management in communities across the state. Currently, projects related to recycling and composting are eligible for these grants, but projects with waste reduction and reuse components are not eligible. Reducing waste before it must be recycled or composted is the most efficient way to manage our used materials.

In a series of meetings earlier this year, over 80% of county solid waste officials indicated interest in expanding programs to reduce waste before it reaches our recycling and composting facilities. One example of this approach would be installing freezers at a local food bank so they can accept surplus merchandise from



Lack of cold storage limits how much surplus merchandise local food banks can accept.

local grocers for families in need instead of composting the unused food. Lack of funding and staff capacity has been a barrier to adopting these programs, particularly in Greater Minnesota.

Proposal

This proposal updates statutory language so that waste reduction and reuse efforts can be funded through the Greater Minnesota Recycling and Composting Grant Program. This is a change in eligible activities funded by the existing grant program and not an increase in available funding. This brings the eligibility criteria into better alignment with Minnesota's waste hierarchy, which states that waste reduction and reuse are considered environmentally preferable to other disposal options.

Why it's important

This proposal is supported by life cycle analysis modeling data that calculates the full environmental impacts of the production, use, and disposal of any product. Life cycle analysis has consistently demonstrated that most environmental impacts of a product come from upstream (production, procurement, use) stages of its life cycle. Consequently, extending a product's useful life has a much greater impact than recycling or composting the product.

Reuse and waste reduction projects also often have co-benefits for children and families living in underserved communities because they redirect usable resources to places where there is a demand. Examples can include activities such as clothing swaps, fix-it clinics, tool lending libraries, food banks supplied by restaurants and agricultural surplus, construction material reuse, and more.

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Determine how to manage retired solar panels

A statewide study will determine how to keep de-commissioned solar panels out of landfills and recycle valuable materials.

Challenge

As Minnesota's clean energy economy grows to meet the demand for carbon-free power, we anticipate a significant increase in the number of solar energy systems. Minnesota currently has nearly four million solar panels in operation and is expected to install millions more in the coming decades. The state must be ready with an end-oflife disposal plan to manage solar panels once they are no longer used.

While solar panels are warrantied for 25 to 30 years, damaged and defective panels are already coming out of service and some owners are choosing to upgrade their panels before the end of



their expected life. Minnesota has a goal to divert waste from landfills. Solar panels contain valuable materials and embedded energy that can be recycled into future renewable energy equipment, and they may also contain toxic components that must be managed properly. There are county and local government concerns for end-oflife management in the absence of a statewide program.

Proposal

The Governor recommends \$420,000 in FY2024 from the General Fund for the development of a report that will identify options for the collection, reuse, and recycling of solar energy equipment. This report will outline options to recycle solar panels and installation components, ensuring that they are convenient and accessible throughout the state, recover 100% of discarded components, and maximize the recovery of materials and value. Data summarized in the report, which will be completed by a third-party contractor, will be used to establish recommendations for an end-of-life management program and funding mechanism.

Why it's important

Minnesota's Climate Action Framework calls for aggressively increasing the energy transition away from fossil fuels and solar power is one of the most environmentally friendly methods of generating power. But the full benefits of solar power cannot be realized if retired panels are sent to landfills and the valuable, recoverable materials are lost. By weight, more than 80% of a typical solar panel is glass and aluminum — both common and easy to recycle. Managing other waste streams in Minnesota, such as electronic waste, has demonstrated that it is important to develop a comprehensive recycling program that keeps recoverable materials out of landfills.

For local governments that must decide whether to approve solar installations, it is critical to have confidence that decommissioning solar installations will be funded by the owner or through another program so that the burden will not fall on taxpayers.

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Expand waste prevention, composting and recycling infrastructure and services

Updating grant programs will help local governments invest in waste reduction and reuse, serve residents, and divert waste from landfills.

Challenge

The Capital Assistance Program (CAP) and the Greater Minnesota Recycling and Composting Grants Program help local governments pay for and expand their solid waste and materials management infrastructure. Without this state assistance, some local governments will struggle to maintain and modernize their facilities, programs, and services.

CAP funding demand continues to exceed available state resources. In 2020, 10 projects sought \$49 million in CAP funding, but only five were funded for a total of \$25.8 million. CAP grants are currently limited to \$2 million per county per



project. That limit has not changed since 1985, when the program was established. At the same time, costs to build, expand, and equip solid waste and materials management systems have increased significantly.

Despite maturing composting and recycling programs around the state, landfills continue to expand. The Greater Minnesota Recycling and Composting Grants Program helps local and tribal governments maintain their recycling and composting programs. However, projects with waste reduction and reuse components are not eligible for the grants. In meetings with the MPCA in 2022, 80% of county solid waste officials expressed interest in more waste-reduction activities and noted that lack of funding was a significant barrier.

Proposal

Governor Walz is requesting an appropriation from the General Fund for the cost of a good cause exempt rulemaking for the Capital Assistance Program (\$17,000). The rulemaking would raise the ceiling on CAP grants to \$5 million per project per county. Projects that expand reuse and recycling of building materials would also now be eligible.

The Governor is also requesting an update to the Greater Minnesota Recycling and Composting Grant Program to include waste reduction and reuse as eligible projects. The change would align the eligibility criteria with Minnesota's waste hierarchy, in which waste reduction and reuse are preferred over other material processing and disposal options because of their greater environmental benefits.

The proposal requires CAP grant applicants detail how their projects will reduce greenhouse gas emissions. The CAP projects must also include strategies for soliciting community input, to avoid further harm to communities that are disproportionately affected by pollution.



Why it's important

Supporting community-led efforts to divert waste from landfills reduces solid waste management costs and pollution now and in the future.

By expanding local infrastructure for waste prevention, reuse, recycling, and composting, communities can make meaningful progress toward extending the life of products, recapturing materials, and reducing various environmental impacts, such as greenhouse gas emissions and landfill growth. The Capital Assistance Program and Greater Minnesota Recycling and Composting Grants must evolve to support these goals and to help communities realize increased environmental benefits.

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Policy and budget proposal 2023

MINNESOTA POLLUTION CONTROL AGENCY

Streamline reporting requirements

Eliminating unnecessary reports and adjusting report schedules will free up resources for more impactful work.

Challenge

3M settlement report: The State of Minnesota reached an \$850 million settlement with 3M in 2018 to address PFAS pollution in the Twin Cities east metro area. The MPCA and DNR are required to report twice a year on how these dollars are spent. Now that the Conceptual Drinking Water Supply Plan has been released, an annual reporting structure is a better fit and a more efficient use of agency resources.

Annual wastewater report: In 2015, Minn. Stat. §115.44 was changed to require an annual report on water quality permitting for Minnesota municipalities, water standards development, and rulemaking activities. But much of the information is provided in other MPCA legislative reports. The agency has submitted six reports so far and received no feedback or questions and is unaware of anyone using the information.



Biannual pollution report: Since 1995, Minn. Stat. §116.011 has required the MPCA to report on the total volume of water and air pollution emitted in Minnesota. The current report frequency is every other year. The report data are not meaningful for understanding pollution risks or prioritizing pollution reduction activities, and there has been no known legislative interest in the report in recent years. The data provided are available in alternate formats that are interactive and more readily updated.

Proposal

3M settlement report: Change the biannual reporting requirements to one annual report due October 1 of each year. The new annual report will cover the previous fiscal year's expenditures, the status of projects and settlement fund expenditures, and the anticipated future expenditures for the remainder of the fiscal year.

Annual wastewater report: Eliminate the report requirement and the reporting redundancies.

Biannual pollution report: Eliminate the report requirement to reduce duplication of effort and allow staff to focus on more impactful work.

Why it's important

Making these changes will save money and staff time that is better spent on work that serves permit holders, stakeholders, and agency priorities. Reducing the frequency of the 3M settlement report better aligns reporting timelines with spending timelines and fiscal year closeout, while making efficient use of staff and stakeholder time.

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Clean up contaminated sites across Minnesota

Establishing a revolving fund will provide more nimble support and technical assistance to brownfield redevelopment statewide.

Challenge

More than 10,000 properties in Minnesota are considered contaminated "brownfields" due to soil, water, and vapor pollution that poses risks to human health and the environment — and cleanup can be costly, complicated, and timeconsuming. The MPCA's Voluntary Investigation and Cleanup program provides technical assistance for investigation, cleanup, and redevelopment of contaminated sites. This program has grown substantially during the last 30 years. Increased demand for services and new, concerning science about certain pollutants have strained the agency's ability to meet expected timelines. Since property



transactions and clean-up or redevelopment projects at brownfield sites depend on services from the Voluntary Investigation and Cleanup program, delays can negatively impact these projects.

Proposal

Governor Walz recommends creating an administrative revolving fund for the MPCA's Voluntary Investigation and Cleanup program utilizing program receipts as the revenue source. The proposal would shift dollars in nondedicated revenues from the Remediation fund into the revolving fund on an annual basis based on receipts collected for the fee-based Brownfields Program.

Why it's important

When brownfields are successfully redeveloped, existing local businesses thrive and new businesses open, creating new jobs and housing opportunities. Since 1995, successful brownfield redevelopment projects have created or retained more than 50,000 jobs and created more than 20,000 housing units in Minnesota.

The new revolving fund would function similarly to the existing Petroleum Remediation Fund and bring uniformity and consistency to the MPCA's Brownfields program. It will allow the agency to react and adjust staffing resources to respond quicker to customer demand. In addition, it would help ensure that program users shoulder the financial responsibility rather than creating additional burdens on taxpayers.

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Protect children from lead and cadmium in toys and household goods

Nearly one in 20 children in Minnesota have elevated levels of lead in their blood.

Challenge

Lead and cadmium are neurotoxins that can cause serious long-term health impacts. These impacts can include neurological, reproductive, and developmental effects. Medical studies show that half of American children have detectable levels of lead in their bodies. There is no safe level of lead in the blood. Elevated blood lead is associated with behavioral problems, shortened attention span, slower growth, and decreased coordination. As public awareness of these health effects increases, some manufacturers have shifted to cadmium as a replacement for lead in inexpensive jewelry. If ingested, large amounts of cadmium may cause acute cadmium poisoning. In addition, breathing high levels of cadmium can severely damage the lungs and cause death.



The Chemicals in Products Interagency Team (CPIT: MPCA, Health, and Commerce) has found violations of limits on lead and cadmium in children's jewelry.

Proposal

The Governor recommends \$150,000 in FY2025 and each subsequent year from the Environmental Fund to reduce lead and cadmium in children's products. CPIT and MPCA propose to expand current limits on lead and cadmium to a broader range of products, at low levels, across a wider age range, using more protective testing, compliance, and enforcement.

Specifically, the proposal attempts to reduce the possibility of exposure by broadening the number of regulated product types including dishes, cosmetics, personal care products, school supplies, and other products. The request includes funding for 0.5 FTE to develop oversight projects, purchase products for testing, pre-screen products with MPCA instruments, review lab results, and refer possible non-compliant products to enforcement.

Why it's important

Exposure to harmful neurotoxins can have irreversible, lifelong consequences, and families may be unaware of the risk posed by household products until exposure has already occurred. Despite efforts to curb the use of these metals in consumer goods, data shows that children continue to be at risk of exposure to lead and cadmium at unacceptable levels.

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Policy and budget proposal 2023

Help communities prevent chloride contamination

Establishing fee authority will provide a sustainable funding source for the effective and popular Smart Salting training program.

Challenge

Road salt saves lives on winter roads and keeps sidewalks and pavements safer for pedestrians. But more salt is not better, and excess salt permanently pollutes Minnesota's lakes, streams, and groundwater.

The MPCA has established an effective and popular training program that helps maintenance professionals learn effective salt application techniques, how much and when to apply, and how to choose the right product for the job. This training does not have a long-term funding source.



Proposal

Governor Walz recommends authority be granted to the MPCA to charge participants fees that cover the cost of Smart Salting training and certification. Currently, certification classes are offered at no charge due to recent Clean Water Legacy and Environment and Natural Resources Trust Fund appropriations and local partner match funds, but this is not a sustainable model for a long-term and productive training program.

The ability to charge participants for class attendance and certification will sustain a long-term, high-quality training program that has shown to reduce chloride pollution through proactive training.

Why it's important

Chloride is toxic to fish and other aquatic species. Once in the environment, it is difficult to remove. The three main sources of chloride in surface waters are de-icing products used to manage snow and ice in winter months, salt used for water softening systems, and fertilizer. Because of our state's reliance on de-icing products for winter safety, Minnesota is at the forefront of the national conversation around managing chloride to protect water resources.

Data collected from past participants of the Smart Salting program have shown the training to be effective both in reducing excess chloride pollution and in saving money by using smaller amounts of deicing products. MPCA will continue to collect data from program participants to document and demonstrate the impact of the program.

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