

## X. Environmental Spending Comparisons

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*“a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year;”*

The following document is from A Fiscal Review of the 2010 Legislative Session prepared by Minnesota State Senate Office of Senate Counsel, Research, and Fiscal Analysis.



**A**

**Fiscal Review**

**of the**

**2010 Legislative Session**

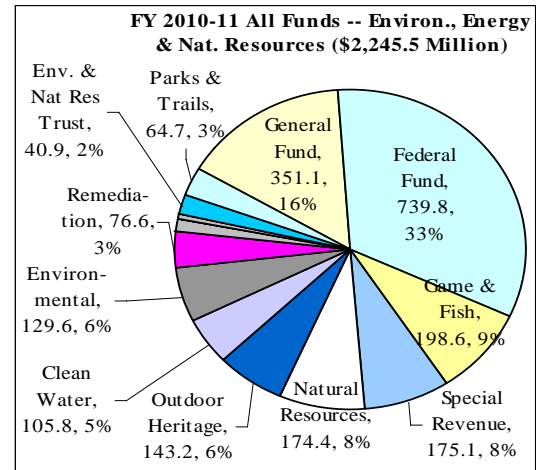
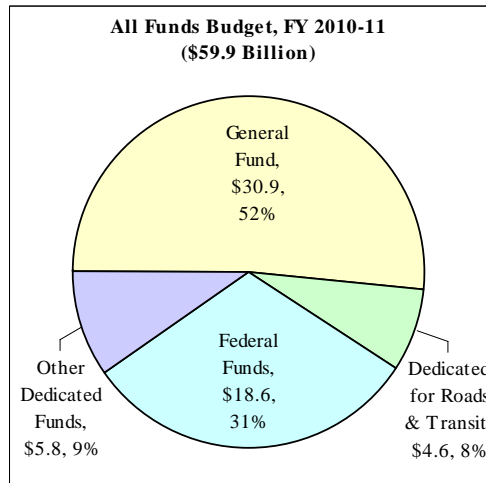
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## ENVIRONMENT, ENERGY, AND NATURAL RESOURCES



***Environment, Energy, and Natural Resources appropriations increase \$61 million; General Fund reduced.***

The budget for Environment, Energy, and Natural Resource agencies and programs totals \$2.246 billion from all funds for FY 2010-2011, an increase of \$61.1 million relative to the February 2010 forecast. As captured in the legislative change column of Table 1, most appropriation increases occurred in the Environment and Natural Resources Trust Fund, which receives revenue from the Minnesota Lottery, and Outdoor Heritage Fund, which receives a portion of dedicated sales tax revenues. The increases reflect actions taken to appropriate the dedicated revenues for each of those funds for FY 2011. General Fund appropriations were reduced by \$17.0 million as part of the overall efforts to eliminate the General Fund deficit for FY 2010-2011.

Budget changes in 2010 were contained in a number of different bills:

- Chapter 215 – a General Fund budget balancing bill;
- Chapter 361 – the Environment and Energy Policy and Supplemental Funding Bill;
- Chapter 362 – the Legislative/Citizens Commission on MN Resources Bill; and
- First Special Session, Chapter 1 – the second General Fund budget balancing bill.

Chapter 390, which was the Omnibus Game and Fish Bill and Land Sales Bill also had some new spending and revenue initiatives, but was vetoed by the Governor.

**Table 1**  
**Biennial Spending by Agency & Fund--All Funds, FY 2010-11**  
*(dollars in thousands)*

	<b>FY 2008-09 Spending</b>	<b>FY 2010-11 Adjusted Feb. Forecast</b>	<b>Legislative Changes</b>	<b>Current FY2010-11 Budget</b>
<b>Totals by Agency</b>				
Pollution Control Agency	343,468	363,039	(5,877)	357,162
Minnesota Zoo	42,456	42,955	(462)	42,493
Department of Natural Resources	705,367	856,624	61,769	918,393
Metropolitan Council - Metro Parks	19,940	47,231	288	47,519
Minnesota Conservation Corps	1,980	1,890		1,890
Board of Water & Soil Resources	64,886	91,543	6,581	98,124
Science Museum of Minnesota	3,024	2,674		2,674
Legislative-Citizen Comm. MN Resources	1,512	1,254		1,254
Public Utilities Commission	14,185	17,055		17,055
Commerce Department	382,514	760,140	(1,200)	758,940
<b>Total by Agency</b>	<b>1,579,332</b>	<b>2,184,405</b>	<b>61,099</b>	<b>2,245,504</b>
<b>Totals by Fund</b>				
General Fund	442,930	368,096	(17,037)	351,059
General Fund Transfer Out	(4,550)			
Environmental Fund	130,360	129,071	535	129,606
Remediation Fund	78,144	76,593		76,593
Natural Resources Fund	165,214	173,629	760	174,389
Game & Fish Fund	188,997	198,208	395	198,603
Permanent School Fund	202	406		406
Petroleum Tank Release Cleanup Fund	21,297	32,554	(55)	32,499
Workers Compensation Special Fund	1,567	1,502		1,502
Special Revenue Fund	165,573	176,205	(1,100)	175,105
State Govt Special Revenue Fund	308	100		100
Gift Fund	10,841	11,185		11,185
Minnesota Future Resources Fund	131	131		131
Environment & Nat Res Trust Fund	33,776	23,424	17,454	40,878
Parks & Trails Fund		64,682		64,682
Outdoor Heritage Fund		84,827	58,339	143,166
Clean Water Fund		104,310	1,445	105,755
Federal Fund	344,542	739,482	363	739,845
<b>Total by Fund</b>	<b>1,579,332</b>	<b>2,184,405</b>	<b>61,099</b>	<b>2,245,504</b>

**General Fund  
spending  
reduced by  
\$17 million.**

The net change for the Environment, Energy and Natural Resources General Fund budget was \$91.7 million, which included:

- \$17.0 million in appropriation reductions and cancellations, as summarized in Table 2;

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*Various fund transfers used to help balance General Fund.*

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- \$73.5 million in transfers from Nongeneral Funds into the General Fund; and
- \$1.2 million in increased General Fund revenues from various fee increases.

The Environment, Energy, and Natural Resources budget area makes up about 1.1 percent of the total General Fund budget. The \$17.0 million in spending reductions reflects a 4.6 percent reduction from the adjusted February forecast base budget for the FY 2010-2011 biennium of \$368.1 million for all of the agencies in this budget area. Table 2 summarizes the General Fund spending reductions enacted in 2010.

General Fund reductions were generally proportional across most program areas and agencies for which reductions were made. Selected programs administered by the Department of Natural Resources did not receive any reductions, including appropriations for forest firefighting, payment in lieu of taxes for public lands, and various treaty-related payments. In addition, three agencies funded by in this budget area also received no General Fund reductions, including the Science Museum, Minnesota Conservation Corps, and the Public Utilities Commission.

<b>Table 2</b>						
<b>General Fund Spending Changes</b>						
<i>(dollars in thousands)</i>						
	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2010-11</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2012-13</b>
<b>Forecasted Spending*</b>	187,866	180,230	<b>368,096</b>	181,420	181,734	363,154
<b>Pollution Control Agency (PCA)</b>						
Water Resources	(364)	(971)	<b>(1,335)</b>	(930)	930)	(1,860)
Land		(30)	<b>(30)</b>	(30)	(30)	(60)
Environmental Assistance	(47)	(125)	<b>(172)</b>	(125)	(125)	(250)
Administrative Support	(60)	(128)	<b>(188)</b>	(128)	(128)	(256)
<b>Subtotal, PCA Changes</b>	<b>(471)</b>	<b>(1,254)</b>	<b>(1,725)</b>	<b>(1,213)</b>	<b>(1,213)</b>	<b>(2,426)</b>
<b>Minnesota Zoo Reductions</b>	<b>(125)</b>	<b>(337)</b>	<b>(462)</b>	<b>(337)</b>	<b>(337)</b>	<b>(674)</b>
<b>Department of Natural Resources (DNR)</b>						
Lands and Minerals	(198)	(418)	<b>(616)</b>	(364)	(364)	(728)
Water Management	(506)	(728)	<b>(1,234)</b>	(728)	(728)	(1,456)
Forest Management & Firefighting	(858)	(1,592)	<b>(2,450)</b>	(1,460)	(1,460)	(2,920)
Parks and Trails	(840)	(1,402)	<b>(2,242)</b>	(1,402)	(1,402)	(2,804)
Fish & Wildlife Management	(265)	(490)	<b>(755)</b>	(265)	(265)	(530)
Ecological Resources	(178)	(354)	<b>(532)</b>	(354)	(354)	(708)
Enforcement	(365)	(575)	<b>(940)</b>	(575)	(575)	(1,150)
Administration and Operations	(173)	(259)	<b>(432)</b>	(259)	(259)	(518)
Carryforward Cancellations	(335)		<b>(335)</b>			
Payments in Lieu of Taxes (Ch. 389)				122	122	244
<b>Subtotal, DNR Changes</b>	<b>(3,718)</b>	<b>(5,818)</b>	<b>(9,536)</b>	<b>(5,285)</b>	<b>(5,285)</b>	<b>(10,570)</b>
<b>Metropolitan Council-Metro Parks</b>	<b>(86)</b>	<b>(326)</b>	<b>(412)</b>	<b>(240)</b>	<b>(240)</b>	<b>(480)</b>
<b>Board of Water &amp; Soil Resources (BWSR)</b>						
Operating Reductions	(102)	(230)	<b>(332)</b>	(230)	(230)	(460)
Grants to Local Governments	(489)	(1,133)	<b>(1,622)</b>	(1,133)	(1,133)	(2,266)
Carryforward Cancellations	(1,209)	(594)	<b>(1,803)</b>			
<b>Subtotal, BWSR Changes</b>	<b>(1,800)</b>	<b>(1,957)</b>	<b>(3,757)</b>	<b>(1,363)</b>	<b>(1,363)</b>	<b>(2,726)</b>
<b>Commerce Department</b>						
Administrative Services	(163)	(223)	<b>(386)</b>	(223)	(223)	(446)
Market Assurance	126	(308)	<b>(182)</b>	(346)	(346)	(692)
Office of Energy Security	(100)		<b>(100)</b>			
Carryforward Cancellations	(1,000)		<b>(1,000)</b>			
Mortgage Appraisal (Ch. 347)		523	<b>523</b>	377	388	765
<b>Subtotal, Commerce Changes</b>	<b>(1,137)</b>	<b>(8)</b>	<b>(1,145)</b>	<b>(192)</b>	<b>(181)</b>	<b>(373)</b>
<b>Total Spending Changes</b>	<b>(7,337)</b>	<b>(9,700)</b>	<b>(17,037)</b>	<b>(8,630)</b>	<b>(8,619)</b>	<b>(17,249)</b>
<b>Total Spending</b>	<b>180,529</b>	<b>170,530</b>	<b>351,059</b>	<b>172,790</b>	<b>173,115</b>	<b>345,905</b>

\* Adjusted February 2010 state budget forecast (see Summary Chapter).

\*\* Budget reductions are from Chapter 215 or Special Session Chapter 1, unless otherwise noted.

As summarized in Table 3, of the transfers from Nongeneral Funds, the largest transfer is \$48 million from the state's Closed Landfill Investment Fund. This fund was established in 2003 in order to set aside money for landfill cleanup costs starting in 2020. The \$48 million must be paid back to the fund, with interest, starting in fiscal year 2014. The other large transfer is \$14 million from the Workers Compensation Assigned Risk Plan, which is a fund established to help employers who



have been unable to secure coverage through the open market.

***\$48 million transferred from Closed Landfill Investment Fund; funds to be repaid by 2018.***

<b>Table 3</b> <b>General Fund Transfers &amp; Revenue Changes</b> <i>(dollars in thousands)</i>						
	<u>FY 2010</u>	<u>FY2011</u>	<u>FY2010-11</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012-13</u>
<u>Transfers from Other Funds</u>						
<b>Pollution Control Agency</b>						
Transfer from Closed Landfill Investment Fund		48,000	<b>48,000</b>			0
Transfer from Special Revenue Fund	328	462	<b>790</b>			0
<b>Department of Natural Resources</b>						
Transfer from Game & Fish Fund	900		<b>900</b>			0
Transfer from Special Revenue Fund	197	1,292	<b>1,489</b>	48	48	96
<b>Board of Water &amp; Soil Resources</b>						
Transfer from Special Revenue Fund		310	<b>310</b>	310	310	620
<b>Commerce Department</b>						
Transfer from Petroleum Tank Release Fund	1,969	1,032	<b>3,001</b>			0
Transfer from Worker's Compensation Assigned Risk Plan		14,000	<b>14,000</b>			0
Transfer from Special Revenue Fund	3,024	1,993	<b>5,017</b>			0
<b>Total Transfers-in</b>	<b>6,418</b>	<b>67,089</b>	<b>73,507</b>	<b>358</b>	<b>358</b>	<b>716</b>
<u>Nontax Revenue Changes</u>						
<b>Commerce Department</b>						
Department Fees		489	<b>489</b>	89	89	178
Dept Health Plan Filings (Ch. 346)		50	<b>50</b>			0
Mortgage Appraisal (Ch. 347)		607	<b>607</b>	286	268	554
Department of Health Plan Filings		50	<b>50</b>			0
<b>Total Nontax Revenues</b>		<b>1,196</b>	<b>1,196</b>	<b>375</b>	<b>357</b>	<b>732</b>
<b>Total Revenue Changes</b>	<b>6,418</b>	<b>68,285</b>	<b>74,703</b>	<b>733</b>	<b>715</b>	<b>1,448</b>

\* Revenues and transfers are from Chapter 215 or Special Session Chapter 1, unless otherwise noted.

While most agencies in this budget area saw a reduction in General Fund appropriations in both the 2009 and 2010 legislative sessions, agency spending is higher for most agencies when compared to the FY2008-2009 biennium. This is due mainly to an increase in funds from the federal economic stimulus package, as well as new appropriations from constitutionally dedicated funds (see tables 4 and 5).

Supplemental appropriations made from legacy funds.

<b>Table 4</b>			
<b>Constitutional Dedicated Funding: by Fund, by Agency</b>			
<i>(dollars in thousands)</i>			
<u>Fund, Agency</u>	<u>2009 Session FY 2010-11</u>	<u>Legislative Changes</u>	<u>Current FY 2010-11 Budget</u>
<b>Outdoor Heritage Fund*</b>			
<u>Department of Natural Resources</u>			
Prairie Acquisition & Restoration	14,213	18,093	32,306
Forests for the Future/Easements	36,000	5,603	41,603
Wetlands Acquisition & Restoration	11,478	10,010	21,488
Fish, Game & Wildlife Habitat	13,903	17,563	31,466
<u>Administration, Other</u>	<u>175</u>	<u>175</u>	<u>350</u>
Total for Department of Natural Resources	75,769	51,444	127,213
Wetlands Acquisition & Restoration	9,058	6,895	15,953
<u>Department of Agriculture</u>			
Forest Protection/Invasive Species	2,000		2,000
<u>Legislative Coordinating Commission</u>			
Administration, Web Site	705	600	1,305
<b>Total Outdoor Heritage Fund</b>	<b>87,532</b>	<b>58,939</b>	<b>146,471</b>
<b>Clean Water Fund*</b>			
<u>Pollution Control Agency</u>			
Nonpoint Source Protection & Preservation	3,250	200	3,450
Point Source Protection	4,669		4,669
Assessment, Monitoring & TMDL Development	34,492	600	35,092
Ground & Drinking Water Protection	7,250	5,000)	2,250
Education & Public Engagement	250		250
<u>Research &amp; Tool Development</u>	<u>1,250</u>	<u>145</u>	<u>1,395</u>
Total for Pollution Control Agency	51,161	(4,055)	47,106
<u>Department of Natural Resources</u>			
Nonpoint Source Protection & Preservation	1,000		1,000
Assessment, Monitoring & TMDL Development	5,800		5,800
Ground & Drinking Water Protection	1,125	4,000	5,125
<u>Research &amp; Tool Development</u>	<u>6,600</u>		<u>6,600</u>
Total for Department of Natural Resources	14,525	,000	18,525
<u>Metropolitan Council</u>			
Water Supply Planning	400	400	800
<u>Board of Water &amp; Soil Resources</u>			
Nonpoint Source Protection & Preservation	36,224	800	37,024
<u>Wellhead Protection Areas</u>	<u>2,000</u>	<u>300</u>	<u>2,300</u>
Total for Board of Water & Soil Resources	38,224	1,100	39,324
<u>Department of Agriculture</u>			
AgBMP Loan Program	4,500		4,500
Assessment, Monitoring & TMDL Development	1,070		1,070
Ground & Drinking Water Protection	1,125		1,125
<u>Research &amp; Tool Development</u>	<u>2,265</u>		<u>2,265</u>
Total for Department of Agriculture	8,960		8,960
<u>Public Facilities Authority</u>			
Wastewater and Point Source Grants & Loans	32,700		32,700
<u>Department of Health</u>			

Ground & Drinking Water Protection	3,750	3,750
<u>University of Minnesota</u>		
Research & Tool Development	1,055	1,055
<u>Legislative Coordinating Commission</u>		
Public Information Web Site	25	25
<b>Total Clean Water Fund</b>	<b>150,800</b>	<b>152,245</b>
<b>Parks &amp; Trails Fund*</b>		
<u>Department of Natural Resources</u>		
State Parks, Recreation Areas, and Trails	27,781	27,781
Regional Parks and Trails Grants	7,770	7,770
Solar Project Grants	1,100	1,100
<u>Parks Framework &amp; Inventory</u>	<u>250</u>	<u>250</u>
Total for Department of Natural Resources	36,901	36,901
<u>Metropolitan Council - Regional Parks</u>		
Metro Parks and Trails Grants	27,781	27,781
<u>University of Minnesota</u>		
Parks Framework & Inventory	400	400
<u>Legislative Coordinating Commission</u>		
Public Information Web Site	15	15
<b>Total Parks &amp; Trails Fund</b>	<b>65,097</b>	<b>65,097</b>
<b>Arts &amp; Cultural Heritage Fund*</b>		
<u>Arts Board</u>		
Arts & Arts Access Initiatives	33,550	33,550
Arts Education Collaborations	6,490	6,490
Arts in Cultural Heritage	2,160	2,160
<u>Fiscal Oversight &amp; Accountability</u>	<u>1,100</u>	<u>1,100</u>
Total for Arts Board	43,300	43,300
<u>Historical Society</u>		
Statewide History Programs & Projects	7,750	7,750
Statewide Historic & Cultural Grants	6,750	6,750
Assistance to Local Historical Societies	5,000	5,000
<u>Exhibit on Regional, Local &amp; Cultural Diversity</u>	<u>2,500</u>	<u>2,500</u>
Total for Historical Society	22,000	22,000
<u>Department of Administration: Fiscal Agent</u>		
Public Television	6,300	6,300
Minnesota Public Radio	2,650	2,650
Assoc. of MN Public Education Radio Stations	2,650	2,650
Minnesota Zoos	900	900
Minnesota Children's Museum	500	500
Duluth Children's Museum	500	500
<u>Science Museum of Minnesota</u>	<u>900</u>	<u>900</u>
Total for Dept. of Administration	14,400	14,400
<u>Minnesota Center for the Humanities</u>		
Program Development	600	600
Council on Asian Pacific Minnesotans	250	250
Council on Black Minnesotans	250	250
Indian Affairs Council	250	250
Chicano/Latino Affairs Council	250	250
<u>Civics Education</u>	<u>500</u>	<u>500</u>

Total for MN Center for the Humanities	2,100		2,100
<u>Perpich Center for Arts Education</u>			
Arts, Arts Education, and Arts Access	1,000		1,000
<u>Department of Education</u>			
Minnesota Regional Library Systems	8,500		8,500
<u>Indian Affairs Council</u>			
Dakota and Ojibwe Language Preservation	1,400		1,400
<u>Dakota and Ojibwe Immersion Programs</u>	<u>500</u>		<u>500</u>
Total for Indian Affairs Council	1,900		1,900
<u>Legislative Coordinating Commission</u>			
Public Information Web Site	20		20
<b>Total Arts &amp; Cultural Heritage Fund</b>	<b>93,220</b>		<b>93,220</b>
<b>Summary by Fund</b>			
<b>Outdoor Heritage Fund*</b>	87,532	58,939	146,471
<b>Clean Water Fund*</b>	150,800	1,445	152,245
<b>Parks &amp; Trails Fund*</b>	65,097		65,097
<b><u>Arts &amp; Cultural Heritage Fund*</u></b>	<u>93,220</u>		<u>93,220</u>
<b>Constitutional Dedicated Funds, Grand Total:</b>	<b>396,649</b>	<b>60,384</b>	<b>457,033</b>
<b>Note:*</b> Funded with 3/8th percent increase in the sales tax			

<b>Table 5</b>	
Chapter 362: Legislative/Citizens Commission on Minnesota Resources Appropriations from the Environment & Natural Resources Trust Fund	
<b>Category</b>	<b>Total Amount (see note)</b>
Natural Resource Data and Information (11 projects)	\$4,920,000
Land, Habitat, and Recreation; including State Park Acquisitions and Rehabilitation (23 projects)	\$10,438,000
Water Resources (9 projects)	\$3,455,000
Aquatic and Terrestrial Invasive Species (4 projects)	\$1,470,000
Renewable Energy (5 projects funded, 1 line item veto)	\$3,221,000
Environmental Education (11 projects)	\$2,640,000
<b>Overall Total:</b>	<b>\$26,144,000</b>
Note: Total amount includes \$418,000 in FY2010 and \$25,479,000 in FY2011, and \$247,000 reallocated from previous years' appropriations.	

*For questions regarding this Chapter or for more information on the fiscal aspects of Environment, Energy, and Natural Resources, please contact [daniel.mueller@senate.mn](mailto:daniel.mueller@senate.mn)*