



May 12, 2015

Senator David Tomassoni

75 Rev. Dr. Martin Luther King Jr. Blvd.
Capitol Room G-9
St. Paul, MN 55155

Senator Dan Sparks

75 Rev. Dr. Martin Luther King Jr. Blvd.
Capitol Room 328
St. Paul, MN 55155

Senator John Hoffman

75 Rev. Dr. Martin Luther King Jr. Blvd.
Capitol Room 328
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Senator John Marty

75 Rev. Dr. Martin Luther King Jr. Blvd.
Capitol Room 323
St. Paul, MN 55155

Senator Bill Weber

125 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Representative Denny McNamara

365 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Representative Rod Hamilton

443 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
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Representative Tom Hackbarth

409 State Office Building
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Representative Dan Fabian

429 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Representative David Dill

311 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Conference Committee Members:

We write to express concern regarding several budgetary provisions in the proposed Omnibus Environment and Natural Resources bill (HF 846/SF1764). We are particularly concerned that, in a time of budget surpluses, the Legislature is considering shifts and raids on funds dedicated for environmental purposes. We believe dedicated conservation funds should be used as intended and should not be used for one-time budget fixes and gimmicks. Our specific concerns are:

Proposed Transfer of Closed Landfill Investment Funds (CLIF)

We have three concerns with the proposed raids on the CLIF.

- **Landfill clean-up costs will be left short.** The CLIF was created in 1999 to build a sustainable fund by 2020 that could meet the ongoing costs of 113 closed landfills for which the state has assumed responsibility. The long-term need of this obligation is estimated at \$172.9 million.

The Senate position results in a net reduction of \$48.9 million over the next two biennia; the House position is an even larger reduction of \$56.9 million. Under either proposal, the balance of the fund in 2019 will be far below the amount needed to meet future obligations.

- **The 2014 repayment was not a windfall.** The CLIF is managed by the State Board of Investment (SBI), which is statutorily required to manage the fund for maximum gain. As such, the fund has been 100% invested in common stock. In FY 2008 and 2009, the fund suffered serious losses, -13% and -26% respectively according to SBI. When the Legislature raided most of the remaining balance (\$48 million) in 2010, the fund lost the ability to make up these losses and realize the gains subsequently seen in other funds.

From 2010 to 2014, other non-retirement funds managed by SBI increased substantially. For example, during this time period, the Permanent School Trust Fund increased from \$674 million to over \$1 billion and the Environmental Trust Fund increased from \$461 million to \$842 million. The 2014 CLIF repayment and the remaining payments from 2016-2018 were intended to allow the fund to catch up, and would have put the CLIF on solid footing as it approached the 2020 deadline.

By cancelling the repayment schedule, the Legislature is essentially wiping out the value of having SBI manage these funds. By 2019 the CLIF balance will likely be little more than it was over a decade earlier in 2007.

- **Future clean-up costs will compete with other environmental needs.** The CLIF was wisely created to ensure a source of funding to protect our water from contamination and leaks from old landfills. If this funding falls short, these problems will need to be addressed in the biennial budget process, putting even greater pressure on scarce conservation dollars.

We urge the conference committee to re-examine the proposed raids on CLIF. Any CLIF funds transferred to the General Fund or to other purposes should be repaid with all interest and earnings.

Proposed Transfer from Metro Landfill Contingency Action Trust (MLCAT)

MLCAT is a dedicated account into which metro residents pay a portion of their garbage bills so that funding will be available for long-term needs at seven landfills. The House proposal would eliminate the balance of the account (\$8.1 million), and leave the state empty handed when money is needed to take care of these landfills in the future.

As with CLIF, raiding these dollars means that when future problems arise, other conservation needs may be squeezed out by urgent needs to ensure the public health is protected from problem landfills.

We urge the Conference Committee to adopt the Senate position which does not include a raid on MLCAT.

Proposal to Shift Environmental Fines to the General Fund

The House proposal shifts \$4.2 million per biennia from the Environmental and Remediation funds to the general fund by directing that certain MPCA fines be sent to the General Fund. This shift will undermine agency efforts to enforce existing environmental safeguards and hold bad actors accountable for violations of current laws.

We urge the Conference Committee to adopt the Senate position to not divert existing funding from protection of our Great Outdoors.

Proposal to Zero-Out Biomonitoring Activities

The House proposal zeroes out funding for biomonitoring starting in FY 2018. This program was created in 2007 and meets a critical need to better understand the impact of exposures to contaminants such as mercury, lead, cadmium and PFCs on the public health, including vulnerable populations such as mothers and their babies. For example, it is this program that has shown the high rates of mercury in children in northern counties, and, in Washington County, that cleaning up drinking water sources reduces the concentrations of perfluorinated compounds in human blood.

This program is a critical link in meeting the state's duty to protect the public health. This work is an ongoing need – it should receive base funding in the state budget.

We urge the Conference Committee to adopt the Senate position which maintains funding for the biomonitoring program.

Proposal to Cut Funding for Support to Local Governments for Silica Sand Issues

The House bill reduces funding by half for the EQB to provide technical assistance to local governments on silica sand issues. Local units of government rely on this funding for technical information for developing ordinances, air quality issues, and analyzing permit applications. The Senate position maintains funding at \$500,000 a year. (Page R12-A1)

We urge the Conference Committee to adopt the Senate position to maintain existing funding for Local Government Support for addressing silica sand issues.

Thank you for your hard work on behalf of Minnesota.

Sincerely,



Steve Morse, Executive Director
Minnesota Environmental Partnership

Alliance for Sustainability

Audubon Society of St. Paul

Climate Generation

Conservation Minnesota

CURE (Clean Up the River Environment)

Environment Minnesota

Friends of the Boundary Waters Wilderness

Friends of the Cloquet Valley State Forest

Friends of The Mississippi River

Friends of The Parks & Trails of St. Paul & Ramsey
County

Izaak Walton League - Minnesota Division

Minnesota Center for Environmental Advocacy

Minnesota Conservation Federation

Minnesota Food Association

Minnesota Land Trust

Minnesota Ornithologists' Union

Minnesota Project

Minnesota Renewable Energy Society

MN350

Parks & Trails Council of Minnesota

Renewing the Countryside

Sierra Club - North Star Chapter

Izaak Walton League Of America - Midwest Office

Land Stewardship Project

League Of Women Voters Minnesota

Lower Phalen Creek Project

Mankato Area Environmentalists

St. Croix River Association

Transit For Livable Communities

Urban Roots

Voyageurs National Park Association

WaterLegacy